

REPORT OF THE FINANCE/BUDGET SUBCOMMITTEE

The Finance/Budget Subcommittee (FBSC) is responsible to the Financial Advisory Committee (FAC), and assists the Treasurer with the preparation of the Diocesan budget, and in conjunction with the FAC, monitors Diocesan financial operations, including parish loans, loan guarantees and debt repayment plans. FBSC in 2015 consisted of four laity and two clergy, the majority of whom also serve on FAC. This year FBSC has met four times, including two with the Bishop. The Treasurer and the Budget Chair have also met on a number of occasions to refine the numbers.

To get the proposed budget to this stage has proven challenging; **over the past five years revenue has remained unchanged, while the demands on the expense side have increased**, in part due to inflation, but also reflecting increased asks/needs that have outpaced the rate of inflation.

The budget process began early in 2015, building on the projected budget for 2016 seen at last year's Synod, taking into account the budget requests received from numerous stakeholders, including the Vision group leaders, Diocesan staff, and factoring in current year actuals. Difficult decisions then had to be made with respect to some discretionary line item spending (accounting for only 10% of the budget) to assist in bringing the budget closer to break even. Several investment funds (including Survive and Thrive) were in a position to have surplus monies that could be utilized for their intended purposes of growing Diocesan ministries, providing some much needed revenue. Continuing as we have in recent past years, some of our ministries are fully funded by generous individual donors. The resulting proposed budget received both the Bishop's approval, and more recently Synod Council's at their September meeting.

The enclosed line item eight page budget includes the proposed budget for 2016, and a forecasted budget to provide some "forward guidance" to Diocesan staff and to the Diocese at large. Only the proposed 2016 budget will be voted on at Synod.

We would suggest the financial state of the Diocese, although healthy from the standpoint of the balance sheet, is facing increased financial stress as it strives to keep its budget balanced.

I wish to thank Bishop Michael for his advice and input in the budget process, and for the competence of the Finance Department under the leadership Diocesan Treasurer Jody Beck, and for the dedication and abilities of each FBSC member, and the ongoing support of FAC.

Mr. Andrew Clinkard, Chair

Members: The Reverend Pam Guyatt, The Reverend Richard Moore, Ian Pratt, Dave Rogers, David Savage