

REPORTS OF SYNOD COUNCIL COMMITTEES

The Financial Advisory Committee

The Financial Advisory Committee's (FAC) mandate is to provide advice and recommendations to the Bishop and Synod Council on the management and administration of funds and assets held by, or under the control of the Synod of Niagara, and on financial matters that are to be presented at Synod Council.

FAC is comprised of both laity and clergy representing the various regions of the Diocese, along with the Diocesan Treasurer, Executive Officer, and Chair of the Transformational Budget Working Group (TBWG).

Meetings are generally held on a monthly basis except for July and August. Since late March of 2020, FAC has met via Zoom videoconference. This method of meeting has been well accepted as it has saved committee members travel time and money.

During the FAC meetings, FAC reviews the financial statements provided by the Treasurer, and ensures that reasonable explanations are provided for variances to the budgeted amounts. Church loans, loans payable, and parish receivables for payroll and DMM are reviewed at each meeting. TBWG regularly shares budget updates with FAC.

FAC members spend a considerable amount of time reviewing and reporting in accordance with Canon 4.6 on building and maintenance projects that exceed \$15,000. FAC seeks to provide an unbiased, objective financial resource on the respective project committees to assist the churches in ensuring their project remains within the financial plan presented to and approved by the Bishop, and to guide discussion and planning for the parish's sustainability into the future. Over the past year FAC members have been involved in a number of roofing projects, as well as numerous other projects including accessibility projects and interior refurbishments.

I wish to thank each FAC member for the time and talent they invest in this important ministry of the diocese:

Gerry Anthony, Howard Davis, Ken Edwards, The Reverend Pam Guyatt, The Reverend Jean Ruttan – Yates, Mark Young, Henry Zantingh.

Staff Representatives: The Venerable Bill Mous, Executive Officer, Ms. Jody Beck, Diocesan Treasurer, Gillian Doucet Campbell, Director of Stewardship and Development, and Ms. Nancy Kapusin, Recorder.

Respectively submitted on behalf of the Financial Advisory Committee,

Andrew Clinkard, Chair

REPORTS OF SYNOD COUNCIL COMMITTEES

Transformational Budget Working Group (TBWG)

The primary work of the Transformations Budget Working Group is to create and transform the 2021 diocesan budget to align with the vision and objectives of the diocesan Mission Action Plan (MAP) and the recommendations arising from the Johnson Report: Cathedral Place 2020.

Members of the TBWG are: Bishop Susan Bell, Archdeacon Bill Mous, Canon Jody Beck, Archdeacon Peter Scott, Archdeacon David Anderson, Jan Southall, Gerry Anthony

In the past year, a few highlights of our ministry have been:

- To examine the 3 MAP Priorities some of which will require budgets. This examination also examined where “the money will come from.”
- The three MAP priorities are:
 - a. Intentionally create opportunities to strengthen faith
 - b. Re-imagine Diocesan Culture to enable Missional Ministry
 - c. Prioritize Social Justice issues with an environmental focus
- The Johnson Report Executive Summary was given to committee members to review. It was decided that Cathedral Place management would be transferred to the Diocese. The CP Property Committee was restructured and asked to come up with recommendations for the property for the 2021 Budget as well as an annual and long-term capital plan.

As can be appreciated the work of the TBWG is centered around examining the effects of COVID-19 on our financial situation. We continue to explore accessing various government support programs as well as our own internal financial resources. These efforts will hopefully permit us to present a budget to meet our \$3.6 million investment in ministry.

Respectfully submitted,

Gerry Anthony
Chair, Transformational Budget Working Group

REPORTS OF SYNOD COUNCIL COMMITTEES

Insurance/Risk Management Subcommittee

The Insurance Broker continues to be The Gallagher Insurance Group and the insurance carrier remains Ecclesiastical Insurance Office PLC.

Claims History

The Loss Ratio (total claims divided by total premium) for the period was 16% which is an excellent year for losses. The loss ratio for the last five years was 29%. The Diocese qualified for the Profit Sharing (return of premium). \$34,328 was returned to the Parishes who qualified for the rebate with a pro-rated share. Total premiums for the year net of the Profit Sharing was \$877,049.

Policy Changes

Total Premiums increased 5.9% for the 2020/2021 period, which in the current hard market for property insurance is a very good result and is reflective of the excellent claims record and long relationship with both the broker and the insurer.

Deductibles and Coverage Limits remain unchanged.

The subcommittee continues to work to ensure coverage meets our diocese and parish needs and is cost effective.

Robert Taylor

Chairman

REPORTS OF SYNOD COUNCIL COMMITTEES

Audit Committee

The purpose of this committee is to review the annual audited consolidated financial statements of The Synod of the Diocese of Niagara and discuss concerns or irregularities (if any) with the auditors and management, and to recommend to management appropriate changes thereto.

These financial statements are the responsibility of management. However, should the audit committee make a recommendation to management which is not implemented, the Chair shall report same to the Bishop first, and subsequently may report same to Synod Council.

In the past year, the Audit Committee has undertaken the following responsibilities:

- We met via Zoom on October 14, 2020 with the Treasurer, Joanna Beck, Executive Officer and Secretary of Synod, The Venerable Bill Mous, and the auditors (KPMG) to review the 2019 consolidated financial statements and the auditors' report;
- The committee reviewed the Audit Findings Report and had no questions or concerns;
- We had a broad discussion regarding the challenges the COVID-19 pandemic presents and presented with respect to the audit of the 2019 financial statements, working remotely and cyber-security, as well as how it has impacted and may continue to impact the finances of the Diocese as a whole.
- We approved the 2019 audited consolidated financial statements for presentation to Synod Council and the Bishop and Members of The Synod of the Diocese of Niagara;
- We recommended the appointment of KPMG as auditors for the 2020 year.

We would like to commend the Treasurer and her staff for the significant amount of time and effort involved in preparing the statements and thank them for the assistance they provided to us during the audit. We especially want to recognize the enormous amount of additional effort required to carry this out during the first months of the COVID-19 lockdown.

Respectfully submitted,

Kelly Roloson, BAdmin, CPA, CGA
Chair

REPORTS OF SYNOD COUNCIL COMMITTEES

Report of the Investments Committee

On behalf of Synod Council of the Diocese of Niagara, the Investment Sub-Committee monitors the investment funds of The Synod of the Diocese of Niagara and the Anglican Church Ministries Foundation (ACMF), Niagara Investment Fund. The Investment policy can be found on the diocesan website.

A system of participation units is employed (a system similar to individually purchasing units in a mutual fund). Monies that the Diocese or parishes invest are used to purchase participation units. The Investment Funds totalled \$44,601,862 as of July 30, 2020. These funds are made up of funds deposited by the ACMF, the Synod, Parishes and other associated organizations. The Investment Funds are invested by Russell Investments, the Investment Manager since 2002.

The monies are invested in the following segments:

- Russell Investment Canadian Fixed Income Fund – 35%
- Russell Investment Canadian Equity Pool – 20%
- Russell Investment ESG Global Equity Pool – 45%

This year the Investments were impacted by the COVID pandemic and the volatility that it has created on the financial market:

- In March 2020 the investments quickly dropped by over -11% but prudent management and market normalization brought the rolling one-year return to +5.9% by the end of July 2020
- In March the committee acted to pass a motion, in response to a recommendation by Russell Investments to suspend automatic segment rebalance for 90 days such that investments were not sold at low positions due to the extreme market volatility. This allowed time for markets to sufficiently recover and automatic segment rebalance was reinstated in late June 2020.
- The value stock investing approach has proven to be resilient to the much of the market volatility caused by the pandemic.
- The investments performance long term (as of July) is:
 - Five year rolling return - 5.95%
 - Four year rolling return - 6.6%
 - Three year rolling return - 6.7%
 - Two year rolling return - 5.2%
 - One year rolling return - 5.9%
 - Quarterly rolling return - 6.18%

The Investment Sub-Committee continues to monitor the investments closely on a monthly basis during this period of uncertainty in consultation with Russell Investments.

Respectfully submitted,

Robert J Radich
Chairman of the Investment Sub-Committee

REPORTS OF SYNOD COUNCIL COMMITTEES

Human Resources for Ministry Committee

The Human Resources for Ministry Committee advises the Bishop and Synod Council with respect to policy and best practices pertaining to a wide range of human resources matters referred to them. In the past year (2019/20) the Committee, diocesan directors and staff in this area have accomplished the following:

- Welcomed Cathy-Lynn Hanson and Vanessa Rottaris as new members.
- Recommended to Synod Council:
 - No cost of living adjustment to minimum stipends and housing allowances for clergy and licensed lay-workers or to salaries for non-licensed lay staff for 2021,
 - The use of a two year benchmark (August 2019 through August 2021) when considering a cost of living adjustment in the fall of 2021; and,
 - Adoption of a minimum stipend grid which (while incorporating a 0% cost of living adjustment in 2021) continues to provide for annual year of experience increases for clergy and licensed lay-workers;
 - A commensurate year of experience increase of 0.6% to:
 - stipends for those clergy and licensed lay-workers receiving compensation in excess of minimum stipends; and,
 - salaries for all (non-licensed) lay employees.
- Referred to a working group a review of our Rectory and Housing Allowance policies with a view to identifying and harmonizing incongruities between them, asking that a report be brought to the Committee by year end.
- Produced a number of new and updated resources for parish Corporations for considering possible temporary lay-offs and other human resources issues related to COVID-19 pandemic lockdown, return to work, etc..
- Presented at Clergy & Wardens and Treasurers workshops, updating templates for offers of employment and employment guidelines, responding to a number of issues: severability, maintenance of insurability, temporary lay-offs, and legal precedents concerning the wording of termination clauses.
- Offering a Clergy & Wardens workshop (late in October 2020) dedicated to human resources issues.

As ever, especially since we have operated this year with a reduction in the time allotted to the Director of Human Resources role, the Committee is indebted to the ongoing support of the Reverend Canon Terry DeForest, Director of Human Resources, and to Ms. Mary Anne Grant, Administrative Assistant, who, in partnership with many other staff, attend to various human resources needs of our diocesan family.

Respectfully submitted,
Sharon L.C. White, Chairperson