

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 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, Secretary of Synod, and Chair of the Transformational Budget Working Committee.

During the monthly FAC meetings (held via Zoom since March 2020), 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, and regular budget updates are provided.

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.

My time on FAC is drawing to a close after having served as Chair of FAC, and prior to that time as Chair of the Budget Subcommittee. As recently announced, Jody Beck, diocesan Treasurer is retiring the end of November. Throughout our many years working together I have always had the utmost respect for her abilities and dedication to our diocese, and I firmly believe our diocese's finances would not enjoy its current financial strength if not for Jody's financial stewardship. I am very grateful for the opportunities I have enjoyed to serve our diocese: developing friendships with staff, fellow committee members, visiting many churches in the old pre-Synod budget meetings, and working collaboratively as part of a team with Jody on diocesan budgets, and more recently as FAC Chair.

I wish to thank each FAC member for the time and talent they invest in this diocesan ministry: Gerry Anthony, Sister Heather Broadwell, The Reverend Eleanor Clitheroe, Howard Davis, The Reverend Pam Guyatt, Marshall Horner, Jeff Ostic, and Mark Young, and The Venerable Bill Mous, Executive Officer & Secretary of Synod, Canon Jody Beck, Diocesan Treasurer & Director of Finance, Gillian Doucet Campbell, Director of Stewardship, and Ms. Nancy Kapusin.

Lastly, the membership of FAC extends heartfelt thanks to Jody for her outstanding efforts as diocesan Treasurer, and wish her the very best in her well deserved retirement. Good curling!

Respectively submitted on behalf of the Financial Advisory Committee,

Andrew Clinkard, Chair

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MISSIONAL BUDGET PLANNING COMMITTEE (TBWG)

The Missional Budget Planning Committee (MBPC) is comprised of Bishop Susan Bell, Archdeacon Bill Mous, Gerry Anthony, Janice Whiteley, the Rev'd Eleanor Clitheroe, our treasurer, Canon Jody Beck and the chair, Archdeacon Peter Scott. The committee began meeting in the spring of this year and continued to meet through the summer as we move towards our 2021 Synod.

We have been all working with the added layer of the pandemic for the past 18 months which has made us think and work differently. I know that you join me in thanking Canon Jody Beck for her countless hours of work on this year's budget and the many budgets we have had during her tenure as Treasurer of the Diocese. There has been a lot of prayer for the leading of the Spirit, while not stopping and waiting to be the Church until we think the pandemic is over. Having said all of this, we are in a position to present to Synod a missional budget for our times. As you may know, Bishop Susan has chosen a scripture passage to guide our upcoming Synod discussions, Philippians 4:4-9. It begins with the words, Rejoice in the Lord always; again I will say, Rejoice. Our budget for 2022 speaks to the realities of the pandemic while looking ahead to a future that will be pastoral, missional, and creative as we continue to Rejoice in the Lord.

In this hope-filled vein, two over-riding principles guided our discussions concerning the 2022 budget: first, the continued support of parishes and second, moving ahead with the diocesan Mission Action Plan, known as "The MAP." The MBPC identified the following priorities which embody of diocesan vision statement, Called to Life, Compelled to Love: 1. Enhance our Employee & Family Assistance Plan, which provides counselling support for clergy and lay workers, to provide additional supports which may be necessary as we continue to respond to the impact of the pandemic. With this support we will be able to pastor the pastors. 2. Resource the Mission Action Plan This would include the following three initiatives: i) Incorporate the Niagara School for Missional Leadership into the 2022 budget; ii) Provide support for the parish MAP process, and, iii) Provide incentives for parishes as they emerge out of the pandemic to kick start mission-oriented initiatives. 3) Fund an initiative to support 'Differentiated Curacies', where parishes who have the resources to train new clergy, but do not have the financial means, are supported.

The budget we developed included support for all of these priorities, while at the same time continues to invest in our ongoing ministries which resource our parishes and ensure that we continue to uphold our commitment to the wider Church as members of the Body of Christ. There are ministries which, at the moment, do not require any program funding beyond diocesan staff and logistical support: The Bishop's Alpha Team and Climate Justice Niagara. Both will continue to play a very important role of our mission in the diocese. The continued work of the Anti-Racism Working Group will require \$20,000 towards creating a 'made in Niagara' training resource which we will make available to other dioceses.

As much as we all would want a balanced budget, these are unprecedented times. Despite the assistance from CEWS and the extraordinary generosity of our parishioners, many of our parishes no doubt have faced the reality of a deficit budget for this year and more than likely will do so again when their vestries meet in early 2022. At the moment we are projecting a \$165,000 shortfall in our Diocesan budget which will be confirmed by the October 12 meeting of Synod Council.

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We will be able to leverage returns on diocesan investments and with the proceeds of the sale of the Hagersville church property. Our plan is to use \$250,000 towards reducing the budget deficit in the coming year and the other \$250,000 will be set aside to fund future diocesan missional priorities, especially those focussed on equipping and resourcing our emerging church leaders, which will pay dividends in the future.

The budget was shared at two pre-synod meetings in early October and later presented to Synod Council for its commendation at the October meeting. The Diocese of Niagara, through this budget, continues to move forward in the proclamation of the good news of Jesus Christ.

Respectfully submitted,

The Venerable Peter Scott
Chair, Missional Budget Planning Committee

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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 premiums) for the period was 10.2% which is an excellent year for losses. The loss ratio for the last 5 years was 22%. The Diocese qualified for the Profit Sharing (return of premium) \$72,000 was returned to the parishes who qualified for the rebate with a pro-rated share. Unfortunately, the Profit Sharing has been discontinued. The additional premium required to retain this feature was determined not to be cost effective. Total premiums for the year net of the Profit Sharing and Broker Fees was \$894,221.

Policy Changes

Total premiums increased 17% for the 2021/2022 period which in the current hard market for property insurance is a good result and 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, Chair

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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 June 11, 2021 with the Treasurer, Canon Joanna Beck and Executive Officer & Secretary of Synod, Archdeacon Bill Mous, to review the 2020 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 impact the COVID-19 pandemic presented and continues to present with respect to the finances of the Diocese as a whole. It was noted that additional audit time was required due to COVID related subsidies, and in particular the Canada Emergency Wage Subsidy (CEWS). It was also noted that the application process for the CEWS is very time consuming and complex due to the way payroll is handled between the Diocese and the Parishes.
- We approved the 2020 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 2021 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.

Subsequent to our meeting, our Treasurer, Canon Joanna Beck, announced that she would be retiring at the end of November. I would like to take this opportunity, on behalf of the committee, to thank her for her years of dedicated service. It has been a pleasure to work with her, and we wish her all the best in retirement!

Respectfully submitted,

Kelly Roloson, BAdmin, CPA, CGA
Chair

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REPORT OF THE INVESTMENT COMMITTEE

On behalf of Synod Council of the Diocese of Niagara, the Investment 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 Diocese website.

In the past year, the following has encompassed the work of the subcommittee:

- At the direction of the subcommittee a comprehensive study was undertaken by the Russel Group in Q2 2021 to review the fixed asset portion of the fund investments to achieve improved returns. The reason for this was this historic low interest rates and the effect that has had on government bonds. Changes recommended by the Russel Group to move fixed assets to mortgage and corporate bond funds were adopted by the subcommittee and approved by Synod Council midyear 2021.
- Overall, the fund has done quite well during the pandemic as the strong growth in value investments was responsible for allowing the fund to grow by well over 15% per annum. This mitigated any shortfalls caused by bond fund payouts in the last 12 months.
- Currently the fund is invested to return approximately 4% annual return however 4.5% is being withdrawn by some of the invested groups annually out of their investment.
- In June the committee obtained and reviewed the Conflicts of Interest Statement from the Russell Group to ensure the funds were invested ethically in line with the Anglican Church of Canada.
- Currently the fund has \$50 million invested as of writing of this report (August 2021).

The Russell Group remains a trusted partner of the Diocese of Niagara and the funds are invested in a manner to minimize risk allowing for a reasonable return. Ensuring that balance of risk and return in ethical investments is the primary role of the subcommittee. It is important to note although the market favoured the funds' investments tremendously during last 12 months, there will be periods where that may not be the case. It is imperative that all invested groups in this fund monitor the value of their investment and review their withdrawals or savings growth at least annually as part of their yearly budgeting process and five-year planning process. This review is the best way to ensure the alignment of your investment with your objectives.

Personally, I would like to thank the diocese and the committee for allowing me to serve as chair for two years.

Respectfully submitted,

Robert Radich, Chair

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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. Work in this area is undertaken by the Committee, diocesan directors and staff as needed.

In the year 2020/2021 the following should be noted:

- We expressed our thanks to the outgoing members, Gordon Ross, David Montgomery and Cathy-Lynn Hanson for their contributions to our work.
- Following receipt of a report from our working group to conduct a review of Rectory and Housing Allowance policies, we submitted a recommendation to Synod Council that no changes to current practice were required at this time.
- The EI Supplemental Unemployment Benefit [EI SUB] plan agreement with Service Canada was renewed by Synod Council on an ongoing basis. The manner in which we administer the EI SUB Plan was revised in the summer of 2021, simplifying the administrative work involved and rationalizing the amounts advanced during a bridging period (while waiting for an EI claim to be accepted and EI benefits to be received).
- We will be making recommendations to Synod Council at its October meeting with respect to:
 - Cost of living adjustments to minimum stipends and housing allowances for clergy and licensed lay-workers or to salaries for non-licensed lay staff for 2022 [based on a two-year benchmark (August 2019 through August 2021)]; and,
 - Adoption of a 2022 minimum stipend grid; and,
 - Any 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.
- A flow-chart is being produced for parish Corporations concerning compliance with diocesan and parish vaccination policies.
- We continued to make presentations at the spring Clergy & Wardens and Treasurers workshop and are offering, again, an additional fall workshop dedicated to human resources issues.
- Pandemic restrictions have delayed the work we planned to undertake in providing orientation resources for newly appointed clergy and parochial committees. We look forward to mobilizing to take on this task shortly.
- We welcomed Tim Tiernay as a new member to our September 2021 meeting.

As ever, 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, Chair