# REPORTS OF SYNOD COUNCIL COMMITTEES

## THE FINANCIAL ADVISORY COMMITTEE

The mandate of the Financial Advisory Committee (FAC) is to provide advice and recommendations to Synod Council on the financial management, stewardship and administration of funds and assets under the control of the Synod of the Diocese of Niagara.

During the 2024-2025 fiscal year, FAC has undertaken the following activities:

- Reviewed and made recommendations of parish projects over $25,000, ranging in parish commitments;
- Reviewed the diocesan financial plan to actuals on a monthly basis, providing recommendations as necessary;
- Reviewed the diocesan audited statements, as presented by staff and Auditor;
- Reviewed the insurance costs of the diocese; and
- Reviewed the investment results of the diocese.

The committee monitored parish and diocesan activity for early warning signs of significant shifts in diocesan financial income and expense. In addition, the committee has begun to monitor a risk matrix to ensure that the risk level the diocese experiences is clearly identified.

With the Synod Council, FAC continues to monitor expenses carefully, in light of expected revenues. DMM from parishes continues to slowly improve as the COVID years fall out of the 3 year averaged calculation. The diocese continues to further the Mission Action Plan of Niagara and allocate funds to priority areas of the MAP.

In the coming year, FAC will continue to prayerfully focus on risk management of the diocese, and on capital expenditures proposed by the diocese and parishes in Niagara. In conjunction with parishes, the Diocese of Niagara financial results improving.

We pray that the Spirit continues to lead the work of the committee of behalf of the parishes and the diocese as we grow further into our life of mission in Niagara.

Respectfully submitted,

The Reverend Dr. Eleanor Clitheroe
Chair, Financial Advisory Committee

# REPORTS OF SYNOD COUNCIL COMMITTEES

## THE AUDIT COMMITTEE

The Audit Committee was formed in early May 2025 for the purpose of reviewing the Audited Financial Statements of the Synod of the Diocese of Niagara and Canterbury Hills for the year ended December 31, 2024.

In 2025, the Audit Committee has undertaken the following activities:

- The Committee met with the representatives of KPMG LLP, the Secretary of Synod, and the Treasurer and Director of Finance of the Diocese of Niagara on Thursday June 5, 2025, at 9:30pm via remote access.
- The 2024 Financial Statements and Audit Findings were presented by Paul Ciapanna the Lead Audit Engagement Partner.
- Draft 2024 Financial Statement were supplied to the Audit Committee members in advance of the June 5th meeting. Questions related to the Draft Financial Statements were reviewed with the Auditors during the June 5th meeting.
- Overall, there was nothing significant identified and there were no areas of concern from the Auditors point of view.
- There were a few audit reclassifications that there were considered immaterial, none of which had any effect on the Auditor's report.
- The committee discussed some language and terminology points during the review which resulted in minor changes to the Financial Statements.
- A motion to recommend the Audited financial statement for Synod Council's approval was moved, seconded and approved by the Audit Committee.
- Unfortunately, we ran out of time in the June 5th and as a result, we did not select the Auditor for the 2025 Year End.
- At a subsequent meeting of the Audit committee, there was a motion proposed by Greg Cook and seconded by Tony Denning that KPMG LLP be recommended as the Auditor for the 2025 Year End. The motion was carried.
- Although not accompanied by a specific motion, there was consensus amongst the committee that Requests for Proposals be sent out to other Audit firms for the 2026 financial year. The intention is to do this later in 2025. A request will also be made to Synod Council that the Anglican Foundation, Canterberry Hills and the Diocese be on the same page with respect to the Request for Proposal.
- There was additional discussion with respect to the cost of eliminating the Audit qualification related to cash management.

I would like to thank all the members of the Audit Committee for their contributions.

Respectfully submitted,

Mr. Greg Cook, CPA, CMA
Chair, Audit Committee

# REPORTS OF SYNOD COUNCIL COMMITTEES

## THE INVESTMENT ADVISORY COMMITTEE

The Investment Advisory Committee (IAC) is an advisory committee of the Synod Council, working in collaboration with the Financial Advisory Committee (FAC) which has overall responsibility for advice related to the stewardship of the Diocese's finances and assets. The primary role of the committee is to monitor the investment performance of the funds held by the Synod of the Diocese of Niagara, the Anglican Church Ministries Foundation (ACMF) and Niagara Investment Fund, and the performance of the investment manager or managers. Russell Investments, appointed in 2002, continues to provide investment management and reporting to the Committee.

The diocesan administrator of investments issues monthly statements to all parishes which have invested with the diocese. These reports keep them up to date on the overall value of the parish's particular fund(s), including the growth or loss and any transactions processed during the month.

The committee undertook a review of the portfolio asset allocation and risk profile together with our advisor at Russell Investments. The result was some adjustment to the portfolio which is designed to provide better returns with less risk over the long term. Consequently, the Investment Policy Statement has been updated; the investment policy statement can be found on the diocesan website.

To June 30, 2025, the current value of the fund was $57.8M, an increase of $2.5M from 12 months ago. Considering contributions and withdrawals for the past 12 months, net withdrawals have totaled $3.6M or 6.18% of the total fund value. Investment performance has seen a rolling 1-year Rate of Return (ROR) of 12.20% and a rolling 5-year ROR of 9.96%.

The committee will continue its work in adherence to the policy and investment objectives as established by Synod.

Respectfully submitted,

The Reverend Rob Duncan
Chair, Investment Advisory Committee

# REPORTS OF SYNOD COUNCIL COMMITTEES

## THE INSURANCE & RISK MANAGEMENT SUBCOMMITTEE

The diocesan insurance broker continues to be 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 prior period was 15% which is an excellent result. The loss ratio for the last five years was 12%. Total premiums for the year net of broker fees were $1,338,023.

**Policy Changes**

Total premiums will increase 2% for the 2025/2026 period which is a good result and is reflective of the excellent claims record and the long relationship with both the broker and the insurer. This is despite high single digit increase in construction and repair costs.

Deductible and coverage limits are essentially the same, except for the crime deductible, which moved to $1,000 from $500

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

Respectfully submitted,

Mr. Robert Taylor
Chair, Insurance & Risk Management Subcommittee

# REPORTS OF SYNOD COUNCIL COMMITTEES

## THE HUMAN RESOURCES FOR MINISTRY COMMITTEE

The Human Resources for Ministry (HRfM) Committee of the Diocese of Niagara is an advisory body that works consultatively and collaboratively with the bishop, diocesan staff, and Synod Council. When requested, the HRfM Committee provides advice and resources, undertakes research into various human resources issues, and proposes recommendations that aim to further the diocesan vision and mission (MAP) and subsequent iterations.

This past year, the HRfM Committee had two new members join, one clergyperson and one HR professional. These new members, combined with the existing members, provides for a very engaged and experienced committee.

With Synod Council having agreed to adopt a new, more data-driven approach to cost-of-living adjustments (COLA) for 2025, the recommendation with respect to 2026 COLA (3.2%) was much easier to complete and less onerous. As a result, the priority was to undertake a directive to conduct a systemic review of the Diocesan Housing Allowance (HA), to ensure it reflects market conditions and its intended purpose as a significant part of the total compensation package for clergy and licensed lay workers.

As with any organization, the diocese is faced with the challenge of balancing the ability to pay and attracting & retaining talent (clergy & lay). A “working group” of the committee was formed in April to gather intelligence to be able to recommend a more effective way to establish credible real estate values necessary to meet the project mandate with respect to updating the HA policy. This process was successful in terms of obtaining data and without additional cost to the diocese. On approval of the committee’s recommendation, the implementation of a new HA will require the direction of the Bishop and the Senior Administrative Leadership Team (SALT).

Over the coming year (2026), the HRfM Committee will address any priorities as identified by the bishop, SALT and Synod Council relative to HR practices and polices. The committee will also endeavor to understand priorities with respect to any review of existing human resources practices and policies, with a goal to ensure all recommendations are in alignment with diocesan strategic direction and the Mission Action Plan.

I would like to take this time to thank the members of our committee for their ongoing efforts and sharing of their expertise towards this important ministry in the diocese.

Respectfully submitted,

Mr. Tim Tiernay
Chair, Human Resources for Ministry Committee

# REPORTS OF SYNOD COUNCIL COMMITTEES

## THE MISSIONAL BUDGET PLANNING COMMITTEE

The bishop has chosen the theme of that beautiful hymn written by Frances Havergal and inspired by such verses as Romans 12, *"Take my life and let it be consecrated, Lord, to thee"* as the context and heart of the diocesan mission. Paul reflects this in Romans when he says that he appeals to his brothers and sisters, to be a living sacrifice, holy and acceptable to God, which is your spiritual worship, be transformed by the renewing of your minds, so that we may discern what is the will of God.

The discernment for the 2026 budget has entailed the process for preparing the budget guided by the members of the Missional Budget Planning Committee, two pre-Synod meetings, and the missional leadership and vision of our bishop.

The 2026 budget presents a picture of increasing financial health of the diocese, a focus on missions, and an overall cohesive direction for the diocese. We are planning to invest just under $4 million in God's mission in Niagara in 2026 and we are forecasting an operating surplus - for the first time in many years - before capital items.

The five main Missional Priorities of the diocese funded are:

1. Approx. $1,108,808 for Mission Action Plan initiatives (including faith formation, parish culture, life in the neighbourhood)
2. St. Brigid's Community: $30,000 (full year: $60,000) from external sources
3. Enhancing the sustainability of our missions – goals have been established such that designated diocesan missions are making greater contributions towards missioner salary costs.
4. Ongoing funding to support our parishes, missions, and chaplaincies at approx. $260,000 (including grants, the curacy fund, and subsidies)
5. Cathedral Place with capital expenditures of $100,000.

The diocese has five sources of funding, all of which are expected to increase over 2025, resulting in revenue being projected to be $3.26 million. With transfers, total revenue is projected to be just over $4 million ($4,009,264), up by 10% year over year. At the same time, the budget forecasts $3.95 million in total expenditures, up by just 3.6%. This is an excellent trajectory for long term sustainability.

The 2026 budget forecasts a surplus of $58,401 versus a deficit of $186,099 in 2025; an improvement of just over 130%. Capital is up this year as a result of including a contingency for technology and Cathedral Place expenditures, as noted above, from $65,000 to $132,500.

While there are several sources of funding for the cash required by the budget, this year for the first time in many years, we expect that there will be sufficient cash on hand to fund the budget.

Overall, the diocese is recovering from the financial stress of COVID-19, and able to focus on needed capital, contingencies, and most importantly Missional Priorities. There is good reason to celebrate!

Respectfully submitted,

The Reverend Canon Dr. Eleanor Clitheroe
Chair, Missional Budget Planning Committee