

Synod of Diocese of Niagara

Summary of Regional Pre-Synod Meetings

Oct 2012

We held 5 pre-Synod meetings in preparation for the Nov 17 2012 day. Attendance (excluding presenters) at the sessions is shown below.

Guelph	34
Burlington	35
Niagara Falls	34
Hamilton	30
Grimsby	27

The Draft version of the 2013 Budget presented at the Regional Meetings is attached at the end of this document for your reference. The final version, which may include changes based on feedback received, or other updated information will be included in the Synod circular documents.

We have received feedback from meeting attendees as well some questions have been submitted. The comments received, as well as the questions and answers are listed below.

Feedback

What excites you?

- Reducing the DMM % rate
- Keeping Administrative costs in control
- Funding the Vision & Programs
- Better understanding of DMM – Assessable Income vs. Total Income
- Planning to have a surplus and / or balanced budget
- Reduction of debt and loans that has already occurred
- The efforts being made to reduce spending, while still accomplishing many programs
- Support (via the budget) for adhering to the Living Wage

What is challenging for you?

- Trying to do as much as we can with limited resources
- DMM formula – As income is declining, the DMM does not fall as fast as the decrease in income. (Note: The corollary is also true, as income rises (which it is for some parishes) the DMM does not rise as fast as Income)
- DMM – remaining static year vs. year, how do we plan to fund future initiatives on less resources?
- Cathedral congregations share of costs of Cathedral Place
- How much we give to General Synod – i.e. no increase
- Need to give more to Vision groups
- Long term sustainability of Diocese, when parishes are not growing
- Average age of parishioners is increasing across Diocese

Questions submitted

1. What is the \$13,200 increase in monies given to General Synod in 2013?

This is the amount we have budgeted to send our representatives (5 clergy and 5 lay delegates) to Ottawa for the July 2013 meeting.

2. Are we paying the correct amount to General Synod? – How is it determined?

The current formula, which is under review, is that Diocesan giving's should be 26% of the Proportional Giving Base. The base is a calculated amount, consisting in simple terms of Parish DMM, unrestricted donations and Investment Income. Based on this calculation our full amount for 2013 would be \$767,000. The information from the ACOC is that diocesan giving has been dropping by 3% per year since the early 1990's. Based on this analysis, our 2013 % would be in the range of 20%, not 26%. Our \$600,000 amount planned for 2013 is ~20%.

3. What are the current trends in the level of bequests being received in the Diocese?

While we receive a few bequests each year at the Diocese, based on the number received, it is not possible to suggest a trend, positive or negative in these receipts.

4. Is it possible to have Regional Finance Experts available for parishes?

While we have no formal system in place, we do have a few retirees who are willing to assist parishes as needed with the set up of their financial systems, or with their yearend audits. If you are a retired Accountant, with some free time, we would be happy to add you to our data base of professionals willing to volunteer to assist parishes. Contact Jody Beck at the Diocesan office for more information, referrals or to add your name to our database.

5. What is the impact of proposed decreased funding to Canterbury Hills?

The cut proposed for Canterbury Hills was a reduction of \$5,000 of the \$25,000 Capital funding. In the past few years the full amount of this funding has not been requested. However, the Diocese believes in the need to keep the Canterbury Hills property in good shape. It is investigating the possibility of securing grants to assist with Capital Projects at the site. To this end, the Diocese is considering the effect of moving the \$5,000 taken from the direct Capital Budget and reallocating these funds to get assistance in Grant identification and submissions for Canterbury Hills.

6. Can DMM be shared by a group of Parishes?

While the Diocese encourages sharing resources between parishes, the sharing of DMM will not adjust the amount a parish is assessed for DMM if it were grouped with another parish. The amount due for each parish would be the same whether the parishes submitted their financial information as a single unit or as individual parishes.

7. What is the status of the Youth Ministry position?

The funding received for the position was for a ½ time person for 3 years. Two rounds of interviews were held in 2012 trying to secure a candidate. Neither was successful in finding a candidate who was willing to do the position on a part time basis. As a result, we are re-thinking our strategy of hiring a part time

person, and trying to determine if we can find resources to hire a full time person. In the interim, Bill Mous will be adding 1 day a week to his part time position and dedicating this to Youth Ministry.

8. Do we receive funding for our Stewardship Director?

Yes, the Anglican Church of Canada gives us \$2,500 per month for the Stewardship Director. These funds are allocated to the compensation costs of the Director, as the Director has reduced their parish time in order to take on this role.

9. Why do we need a surplus?

We need a surplus for three reasons. First, we have an accumulated deficit of \$2,070,000 from prior years that must be reversed. In order to ensure the long term financial health of the Diocese as well as assure our stakeholders and lenders that we are being fiscally responsible we need to reverse this negative trend. Secondly, we pay our debt costs from our surplus operating results. Each year we are required to make more than \$115,000 in debt repayments to our lenders. Lastly, by having a planned surplus we are better able to react to emergencies, and cover these financially, without having to take funding away from another project or group.

10. What are the plans for the empty buildings we hold across the Diocese?

We currently have a number of buildings under the control of the Diocese, which do not have active congregations. The Bishop has called a group together to discern the fate of each property. The group is reviewing each property, looking at; building structure, long term functionality vs. maintenance costs, location, neighborhood needs, possible uses, property sale values etc. Once this analysis is complete they will make recommendations to the Bishop on what should be done with each building under their review.

11. Where does the General Synod money go? To what causes / costs?

The **GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA** 2011 Budget was \$9.7 Million. It was allocated as follows:

Relationships	8.8%
Indigenous Ministries	4.6%
Council of North	27.0%
Faith, Worship, Ministry	4.1%
General Secretary	13.3%
The Primate	5.3%
Communication & Info.	10.7%
Financial	16.9%
Philanthropy	9.4%

12. What is our current debt load?

Our Balance Sheet Debt consists of an Operating Line of Credit, 2 Bank Loans related to specific building projects and Parish extension loans. The latter is loans which the Diocese arranges, and offers the collateral, but which are entirely paid for by the parish for which the loan was arranged. No Diocesan funds are used to make payments for these loans.

The line of credit has decreased by \$181,000 from December 2011 to September 2012. The principal portion of the Diocesan bank loans has decreased \$115,000 in the same time period.

13. What do we hold in Investments?

Investments are held in the name of the Synod of the Diocese, as well as in the name of the Anglican Church Ministries Fund (ACMF). Details of all funds held are found in our Financial Statements.

14. Where is the cost for Palermo in the 2013 Budget?

Assistance to St Luke's Palermo is in the budget under Direct Parish Ministry Support. The amount for 2013 is \$60,500.

The costs incurred to move the church and complete the new parish hall would come from the sale of the land and a specific bank loan, currently estimated at \$325,000. Since the timing of all components of the project are still subject to change, none of the sale, capital expenditures or related financing costs are included in the 2013 budget. The borrowing costs for 2013 for Palermo are estimated to be \$4,500.

15. Why do we have expenses for Lambeth when it is held every 10 years (next in 2018)?

The practice is to expense 1/10th of the Lambeth Budget each year, so that the effect of the event is not overwhelming in the year it is held. The amount expensed is based on our share of expenses as determined by the GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA.

Draft Budget as presented at Regional Meetings

	Actual 2011	Authorized Budget 2012	Estimated Actual 2012	2012 - 2013 % Budget Change	Proposed Budget 2013	Projection of Budget 2014
Receipts						
Diocesan Mission & Ministries (Net of Grants issued)	\$3,006,724	\$ 2,950,000	\$ 3,016,938	0.0%	\$2,950,000	\$ 2,900,000
Hands Across Niagara	0	0	8,325	New	15,000	15,000
Interest on Trust Funds / Investment gains	(5,299)	15,000	15,000	-33.3%	10,000	10,000
Gifts and Bequests	155,000	30,000	270,000	0.0%	30,000	30,000
Sundry	167,014	125,000	167,000	0.0%	125,000	125,000
Total Receipts	\$3,323,439	\$ 3,120,000	\$ 3,477,263		\$3,130,000	\$ 3,080,000
Expenditures						
Employment						
Diocesan Staff incl Retiree support	798,658	787,210	849,512	7.5%	846,091	862,490
Parish Support	446,568	353,238	381,239	4.4%	368,936	454,205
Social Justice and Vision Advocacy Programs	14,503	84,550	85,050	6.0%	89,611	91,403
	148,819	180,953	162,454	8.9%	197,082	200,250
	1,408,548	1,405,951	1,478,255		1,501,720	1,608,348
Diocesan Admin						
Committees, Archives, Cemetery etc	14,582	15,750	20,750	41.3%	22,250	17,250
Divinity Students & Clergy Support	82,230	117,000	117,000	-14.5%	100,000	104,000
Debt Carrying Costs (net)	91,936	57,000	52,000	-19.3%	46,000	49,000
Office Expenses	61,120	63,375	63,375	10.0%	69,727	69,727
Professional Fees	78,409	51,000	51,000	-9.8%	46,000	53,000
Communication (Niag Ang., Web Site, Printing)	54,807	78,000	78,000	2.6%	80,000	80,500
Payroll Support for retirees and staff	66,967	66,500	66,500	0.0%	66,500	66,500
Other	299,022	0	0		0	0
	749,073	448,625	448,625		430,477	439,977
Cathedral Place						
Rent	(50,029)	(60,000)	(58,000)	8.3%	(65,000)	(66,000)
Cathedral Congregation Contribution	(50,000)	(50,000)	(50,000)	10.0%	(55,000)	(55,000)
Staffing / Contract Maintenance Services	157,126	228,125	200,000	-0.9%	225,986	230,506
Repairs and Maintenance	115,626	65,000	100,000	14.1%	74,150	78,000
Utilities	57,649	55,000	57,000	10.1%	60,530	60,530
Insurance	48,089	49,000	51,000	4.8%	51,349	51,349
	278,461	287,125	300,000		292,015	299,385
Diocesan Buildings - Upkeep						
St Peter's	9,494	12,000	16,650	0.0%	12,000	12,000
Grace	26,200	-	14,000		-	-
Other	13,547	-	25,000		10,000	-
	49,241	12,000	55,650		2,000	12,000
Beyond Niagara						
General Synod	600,000	600,000	600,000	2.2%	613,200	600,000
Provincial Synod & OPCOTE	30,800	41,000	41,000	-9.8%	37,000	37,000
Lambeth	8,643	8,643	8,643	0.0%	8,643	8,643
	639,443	649,643	649,643		658,843	645,643
Beyond Parishes & Hands Across Niagara						
Canterbury Hills Camp	47,707	40,000	40,000	-12.5%	35,000	35,000
Hands Across Niagara	0	0	8,325	New	15,000	15,000
Social Justice Ministry	3,026	1,500	4,000	433.3%	8,000	8,000
Global Partnerships	0	2,500	2,500	100.0%	5,000	5,000
Outreach Within The Diocese	0	5	1,554	0.0%	5	5
University Chaplaincies	24,939	0	0		0	0
	75,672	44,005	56,379		63,005	63,005
Programs (Materials and non staff costs)						
Youth & Children	28,740	30,820	30,820	2.7%	31,640	32,140
Vision	2,508	8,000	8,000	173.8%	21,900	51,900
Congregational Support	1,123	2,000	3,500	0.0%	2,000	2,000
	32,371	40,820	42,320		55,540	86,040
Total Expenses	\$3,232,809	\$ 2,864,169	\$ 3,030,872		\$2,999,601	\$ 3,130,398
Net Surplus (Deficit) excluding depreciation & long term debt payments	\$ 90,630	\$ 255,831	\$ 446,391		\$ 130,399	\$(50,398)
DMM Revisions Prior Years	0	50,000	0		20,000	20,000
Parish Extension Loan Reduction	115,000	115,000	115,000		115,000	115,000
Collection of LT Receivables: Sal, Ins, DMM	(89,000)	0	0		(50,000)	(50,000)
Capital Purchases - Equipment	28,396	3,500	0		3,500	3,500
Capital Purchases - Website Stage 2	0	10,000	0		0	0
Diocese Long Term Debt reduction	0	50,000	0		40,000	50,000
Cash Surplus available / <Deficit> to finance	\$36,234	\$27,331	\$331,391		\$1,899	\$(188,898)