

## REPORT OF THE FINANCE/BUDGET SUBCOMMITTEE

(This Subcommittee is responsible to the Financial Advisory Committee)

The Finance/Budget Subcommittee (FBSC) assists the Treasurer with the preparation of the Diocesan budget and in conjunction with the Financial Advisory Committee (FAC) monitors Diocesan financial operations, including parish loans, loan guarantees and debt repayment plans.

The Budget Subcommittee in 2013 was comprised of two current, and one former member of FAC. As such, the majority of FBSC attended the regularly scheduled FAC meetings, and when deemed necessary, all of FBSC was present. During the FAC meetings, FAC and FBSC reviewed the financial statements provided by the Treasurer and ensured that reasonable explanations were provided for both positive and negative variances to the budgeted amounts. Church extension loans, loans payable, and parish receivable for payroll and DMM were also reviewed at each meeting. FBSC shared progress on the budget with FAC, and when appropriate, sought the advice of FAC.

Throughout 2013 it has been the intent of FBSC to work closely with the Diocesan Treasurer Jody Beck to create a budget that honours the Diocesan Vision, uses our resources wisely, and remains flexible in nature.

In the spring of 2013 FBSC sought input from the various stake holders, including the Vision group leaders and all Diocesan staff as to what resources they thought were required for 2014. FBSC received a similar number of asks for 2014 as it had received for 2013. An initial draft budget with all asks was prepared and presented to the Bishop in May, during which feedback was obtained, and amendments made to the first draft. As the budget evolved it was shared with FAC on several occasions at its monthly meetings. Discussions at the joint meetings with FAC were fruitful, and made abundantly clear that FBSC members shared FAC's desire for fiscally prudent balanced budgets with surpluses enabling our Diocese to continue the trend of the last several years towards improved financial health.

Over the summer the draft budget was changed only marginally, and the revised draft budget was presented to FAC and Synod Council at their respective September meetings.

In preparation for the budget presentation at Fall Synod, four geographically regional budget meetings from mid-September to late October were held with the objective of communicating the proposed budget to as many people as possible prior to Synod. The presentations followed a similar pattern to the last two years, and were primarily PowerPoint based with a one page handout. The presentation was not line item focused, but rather expenses were grouped into

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seven readily understandable categories to provide for greater clarity. Final minor changes to the proposed budget occurred in late October.

Several clear messages were received over the course of the year as the budget evolved, and we believe the proposed budget for the Diocese of Niagara for 2014 reflects the input received: the Budget must be break even on a cash flow basis, the Diocese must continue to reduce Diocesan debt & past deficit, the DMM rate needs to be reduced still further, there should be increased financial support for National endeavours, there must be increased funding at the Diocesan level for Vision initiatives, and administrative cost increases must be kept to a minimum. Based on the feedback received at the Regional meetings, we believe the proposed budget accomplishes what it needed to do – be fiscally prudent while striving to meet the varying needs of our Diocese.

The highlight as Chair of FBSC continues to be the opportunity to catch a glimpse of the bigger Diocesan picture; visiting four churches in our Diocese this fall, and meeting with you the people. Each church visit re-emphasises for me “we being many, are one body.” I want to thank Bishop Michael for his vision, candour and willingness to assist us, for the forthrightness and competence of the Diocesan Treasurer Jody Beck, and for the dedication and abilities of each FBSC member, and the support of FAC.

Respectively submitted on behalf of the Finance Budget subcommittee,

Mr. Andrew Clinkard, Chair

Members: The Reverend Pam Guyatt, Mr. Ian Pratt