

Report of the Financial Management and Development Committee (FMDC)

This report covers the triennium period from the 2004 General Synod to March 2007.

1. Function & Organization

The purpose of the Financial Management and Development Committee is to provide financial oversight to the work of the General Synod in the areas of financial management and development. The function and responsibilities of the Committee are set out in Canon VI and appendix B of the General Synod Handbook, and can be summarized as follows:

- Manage and control funds and investments.
- Direct and oversee administrative and financial concerns.
- Review the operation of the Church House facilities at 80 Hayden Street.
- Study the financial needs, problems and opportunities, as well as the local circumstances and resources of the Church.
- Develop resources to assist dioceses in financial management, financial development, gift planning, administration, legal, personnel and property issues.
- Coordinate and propose budgets for all components of the national church, in consultation with the appropriate committees and councils.
- Present financial needs to dioceses.
- Oversee the strategic direction of the Anglican Appeal.
- Facilitate networks of diocesan finance officers and financial development volunteers and staff.
- Maintain and coordinate accounting systems and other information technology.
- Appoint bankers, insurance agents and other professional support.
- Act as the finance committee of the Anglican Book Centre.
- Coordinate work with other groups, councils and committees.
- Encourage theological reflection on stewardship.

During the triennium, the work of the committee has been carried out both by the committee and a number of sub-committees and task force groups reporting to it. These supportive sub-committees and task force groups included:

- The Investment Sub-Committee that provides oversight of the General Synod's Consolidated Trust Fund in cooperation with the investment managers.
- The Grants Sub-Committee that undertakes the responsibility for receiving and considering applications for grants provided from a number of specific General Synod trusts.
- The Financial Development Sub-Committee that undertakes primary responsibility for developing and overseeing financing stewardship initiatives including planned giving and the Letting Down the Nets strategic planning projects.

In addition, the FMD Committee has cross-representation on the Audit Committee of General Synod.

2. The Work of the Committee

During the triennium, the FMD Committee met six times. All meetings were held at Church House in Toronto over weekends, to reduce travel and facility costs. Meetings of the sub-committees were also arranged at the same time, to coincide with the main FMDC meetings.

At each meeting, the FMD Committee had a full agenda, reviewing current financial information and receiving reports from the various sub-committees, specific task force groups, the Anglican Book Centre, the Council of the North and the Church House departments that report to the Treasurer. Discussions ranged fairly equally between the fiduciary and control aspects of financial management to planning and conceptualization involved in successful financial development and stewardship.

From a financial management perspective, this triennium has been both exciting and challenging. Over the period, decreasing revenues from ABC operations, investment income and undesignated legacies, necessitated budgeted decreases in expenditures. Accordingly, new underlying principles were developed for budget preparation in an effort to ensure the appropriate maintenance and development of program initiatives within the balanced budget funds available. In spite of these budget changes, significant operating deficits were incurred in 2004 and 2005. It had become fully apparent that the General Synod secretariat could no longer continue to undertake all the desired initiatives within the funds available. Accordingly, when the Council of General Synod established the Prioritized Operational Plan Working Group, a number of FMDC members were asked to take an active role. While the external auditors are currently reviewing the 2006 year-end numbers, early draft numbers provided, indicate that there will be a deficit once again in 2006, mostly attributable to the significant losses in ABC. Other financial management highlights of the triennium for the Committee included:

- The monitoring the physical move of the General Synod offices from 600 Jarvis Street to 80 Hayden Street in the summer of 2004, the final assumption of ownership of the new Hayden Street property in the summer of 2006 and the initialization of a collateral mortgage on the property.
- The full review and proper implementation of the CICA standards and guidelines with respect to those standards for reflecting unrestricted general funds.
- The authorization of a full repayment to the Pension Corporation of a major estate trust that was taken into General Synod funds in error prior to the start of the triennium.
- The approval by the Council of General Synod of the Revised Statement of Investment Policy & Goals (April, 2005), the change of Investment Managers for the Consolidated Trust Fund to Connor, Clark & Lunn (December, 2005) and the implementation of a Socially Responsible Investment criteria for the General Synod's portfolio.
- The ongoing monitoring of the total reorganization of FMD Department with a focus on improved service, better processes, increased systems standardization and better analysis & reporting.
- The review of FMDC meeting costs and those of other committees and task force groups.
- The approval and implementation of changes to significantly re-structure the ABC retail and distribution facilities as a sustainable enterprise, in collaboration with Augsburg Fortress Canada.
- Plans to share information between committees better, through the increased use of the technology available.

Having survived through a very difficult period, when issues related to residential schools liability threatened the very existence of the General Synod, the Church needed to develop a long term strategy to finance its continuing ministries at all levels. At the 2004 General Synod, the *Letting Down the Nets* financial development proposal contained within the Strategic Framework was seen as the first step in this long term strategy. Accordingly, the Financial Development Sub-Committee has spent the past triennium focusing on supporting the various initiatives that make up the LDTN program. Because the *Letting Down the Nets* program was approved as a self-funded initiative, the members of the Sub-Committee have focused significant effort on the development of seed funding for the program. Once the initial seed funding was received and applied to undertaking pilot projects in a number of dioceses, members of the Sub-Committee were then able to shift their efforts to supporting the LDTN staff in their work on planned giving, diocesan proportional gifts and the overall concept of longer range financial stewardship and development within the wider Church.

While the planning work in the dioceses has received excellent reviews to date, the Sub-Committee felt that this was indeed only the first step. Accordingly, members supported the concept of joining with our other Anglican Church partners such as PWRDF, the Anglican Foundation, the Anglican Journal and the Anglican Appeal to undertake an unbiased, third party review of how we undertake our various financial stewardship initiatives now, and to consider how best we could do this in the future, given the known critical mass benefits of better coordination and collaboration. Since Lorna Somers, an acknowledged financial development expert completed her review the Sub-Committee members have been monitoring the reported progress of the continuing meetings of the “Partners”.

As a result of this progressive work of the FMD Committee, this concept of a long-term strategy for sustainable financial development is now firmly established. Some of the recent initiatives include:

- The affirmation by the Council of General Synod of financial development as an important priority in building resources for the mission of serving God’s world and strengthening the church.
- A request from the Council to the House of Bishops to develop and proclaim a pastoral statement on Biblically based stewardship as a call to action for the whole church, and to take a leadership role in promoting stewardship and development as a priority for the church.
- The Council’s approval of the establishment of an Anglican Church of Canada Development Office to coordinate and enhance all financial development activities of General Synod and its partner agencies.
- The Council’s approval of continuing to investigate potential sources of funding to support the ongoing development initiatives currently underway in the dioceses.

As required by Canon VI, the audited Financial Statements of the General Synod of the Anglican Church of Canada, the Anglican Church of Canada Consolidated Trust Fund and the Anglican Church of Canada Resolution Corporation for the fiscal years 2004 and 2005 have been received and approved by the Council of General Synod. The audited statements for 2006 will be submitted to General Synod for approval.

Monica Patten, Chair, FMDC
Peter Blachford, Treasurer, General Synod

