

Report of the Financial Management and Development Committee (FMDC)

This report covers the period from the 2007 General Synod to May 2010

1. The Committee's Role and Mandate

The purpose of the Committee is to provide oversight and direction to the work of General Synod in the area of financial management and development. Working closely with the Council of General Synod (COGS) and members of General Synod's Management team, especially the Treasurer and Executive Director of Philanthropy, the Committee paid particular attention to the following:

- Annual and projected revenue and expenditure budgets, including the availability of resources for the Council of the North and other similarly important areas of focus
- Performance of General Synod's investment portfolio
- The work of General Synod's Audit Committee
- A new focus on philanthropy and its role in supporting the ministry and mission of our Church while at the same time investing in existing philanthropic programs such as Anglican Appeal and Planned Giving
- A grants program that offered support to individuals and families who incurred significant expenses often related to health and education costs
- Review of the Committee's own mandate and mission
- Trends and issues that will influence General Synod's long term sustainability
- Various policy items recommended to the Council of General Synod

The Committee, which met four times in person and twice by telephone, carried out its work against a backdrop of significant external and internal change. The economic downturn, demographic shifts felt right across the country, significant challenges within the world wide Anglican communion, and staff and leadership changes inside General Synod, to name some, had a profound influence on how we worked as well as on the results of our work. Throughout all the changes, wise and dedicated committee members remained faithful to a set of guiding principles developed early in the triennium and our work was consistently carried out in a spirit of hope, commitment and generosity of spirit. We especially valued the collaborative nature of our work – with each other and with the many Committees and individuals with whom we interacted.

2. The Details of our Work

Throughout our three years of work, the Committee received information and reports on a range of General Synod matters that were pertinent to its work: the partnership between Anglican Book Centre and Augsburg Fortress Canada; Residential School discussions; the move to 80 Hayden Street which had taken place in the previous triennium; the changes needed to improve technology and other operational issues among them. As well, the Committee

appreciated regular updates on Council of the North and other areas of focus within General Synod, the gathering at Lambeth, the work of the Anglican Consultative Council and plans for General Synod in 2010.

2.1 Committee Assignments

All Committee members served on various subcommittees. Mike Wellwood chaired the Investment sub-committee and served as Vice Chair of FMDC; Dan Waterston chaired the Audit Committee and the Grants sub-committee and Rob Dickson chaired the Development sub-committee which, during the triennium, became the Philanthropy Committee. FMDC was fortunate to have among its members Archbishop David Ashdown who was the Chair of the Council of the North.

2.2 Financial Management

The Committee regularly reviewed revenue and expense statements. Early on it became clear that revenue in the years spanning this triennium and the next would likely be significantly lower than anticipated, contributing to projected deficits of unacceptable proportion. Largely due to a drop in diocesan apportionment and investment income, the Committee, working closely with management and COGS, developed an approach that would eventually see General Synod achieve financial sustainability. Regretfully, these measures have meant significant program reductions, including staff. As the triennium drew to a close the Committee continued to provide advice on managing a very challenging financial future.

2.3 Philanthropy

A 2007 report recommending a renewed focus on philanthropy was implemented in this triennium. Reported on in detail elsewhere, the development of a Department of Philanthropy was one of the Committee's most notable accomplishments of the past three years. While existing philanthropic efforts such as Anglican Appeal and Gift Planning regularly make strong contributions to ministry and mission all across Canada and around the world, a new emphasis on major gifts, bequests and overall giving will take time to bear significant fruit. The Committee firmly believes that the gifts offered by generous Anglicans across the country will prove to be of great benefit to parishes and dioceses across the country as well as General Synod within the next few years.

2.4 Investment Sub-Committee

Early in the triennium the Investment sub-committee reviewed the investment policy to ensure that it continued to serve General Synod effectively and proposed some minor changes for approval by COGS. The sub-committee met regularly with Investment Managers Connor Clark and Lunn (CC&L), and continuously expressed its satisfaction with their performance. Of course, a year into the triennium – 2008 – the global economic downturn took its toll on investment returns. In 2009, the sub-committee began to report improved performance and the triennium ended with modest confidence in future returns.

2.5 Grants Sub-Committee

Over the triennium the Grants sub-committee recommended over \$75,000 in grants to assist clergy families and individuals with specific health and social support expenses. The grants are made possible through a number of specific General Synod trusts.

2.6 Summary of policy recommendations and changes

The Committee tackled several important policy matters. They include the following which were recommended to COGS and subsequently approved with some revisions to budget recommendations:

- Annual budgets for 2009 and 2010, with projections for 2011
- Revised Statement of Investment Policy & Goals for the Consolidated Trust Fund
- Approval of a policy to allocate 40% of unrestricted bequests to operations and 60% to a permanent investment fund, with the balance shifting over a period of time so that eventually 90% of each unrestricted bequest is invested permanently for investment in a permanent fund.
- Endorsement, in principle, of the Department of Philanthropy's plan, *Achieving Financial Equilibrium: A Development Plan Forward for the Anglican Church of Canada*
- The establishment of a Philanthropy Committee, separate from the current FMDC structure, for the purpose of providing leadership and support to philanthropy in the Anglican Church of Canada (with proposed Terms of Reference)
- Allocation of various internally restricted funds for use by the philanthropy department and for the establishment of a reserve fund for non-recurring unplanned and unbudgeted costs, at the direction of the Officers of General Synod
- Proposed revision of Canon V1 which governs the role and mandate of FMDC

2.7 Committee Staffing

During this triennium the committee welcomed Michèle George and Holland Hendrix to their roles of Treasurer and Executive Director of Philanthropy respectively. Peter Blachford left the position of Treasurer and, after providing outstanding support during the transition to our new Treasurer, Michael Herrera also left his position of Comptroller. Michelle Frost joined the administrative team and we said goodbye to Stephanie Peddle who had managed the work of Anglican Appeal. With great sadness, the Committee joined Anglicans across the country in mourning the loss of Canon Geoff Jackson in January, 2010, a true leader in the work of philanthropy.

Respectfully submitted,

Monica Patten, Chair, FMDC
Michèle George, Treasurer, General Synod