

## **HIGH-LEVEL FINANCIAL PICUTRE – NARRATIVE BUDGET FOR 2012/2013**

### **Report to the Incorporated Synod of the Diocese of Toronto**

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and

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September 19, 2011

The budget forecast for the next two year cycle is framed in the context of our commitment to three organizational strategies. These strategies are aimed at continuing to build healthy communities equipped to offer welcome, worship, teaching and care at a parochial level, however those communities find themselves constituted, either around a building, a ministry or a mission.

We have committed to (a) resourcing local leaders, (b) planting new Christian communities; and (c) proactive and intentional stewardship of our real property. Our strategic intent is to shift the focus from resourcing from the Diocese to empowering in the parish.

On the income side we have attempted to keep assessment as low as possible. If the resource locus is in the parish then parishes should be relieved of the burden of high assessment. In this regard the increase in assessment rate for 2012 is less than 1% with a smaller increase of less than 3/4 % for 2013 (2013 is based on information available at this time). We strive to keep our endowments intact and therefore draw down only on income rather than depleting capital. It is our hope that with the success of the Our Faith, Our Hope campaign we will be able to relieve the operating budget of some items such as the funding of curacies through the Diocesan portion. A predicted income slightly below 2009 levels is due to an expectation of reduced income on investments and capital.

For 2012/2013 our expenditures are tracking at or below 2009 levels. Every attempt is made to be good stewards of the funds we receive which come largely from parishes. Expenditures are streamlined to underpin the organizational strategies we are committed to. As with parish budgets, the largest expense item is stipend, salaries and benefits. As a charitable organization, the Diocese is committed to equitable employment practices while at the same time monitoring conditions in the secular marketplace. For the past three years all Diocesan staff only received cost of living increases. Charitable organizations traditionally offer less competitive salaries than secular employers and need to find ways of striving for equivalencies. To that end in 2012/2013 we have budgeted for a 1% merit increase where warranted, in addition to the regular CPI rise.

There are some line items that should be highlighted with explanatory notes. The amount of support for the National church has remained somewhat flat lined. It should be noted that with Council's decision to tithe our MAF receipts at 10% , this formula has added additionally over \$600,000 to projects within the Communion – Diocese of the Arctic, Diocese of New Zealand and the new Ghanaian diocese of Wiawso as examples.

Reflective of our commitment to reduce amounts required from parishes the Diocese has taken on a larger amount of Synod costs. This increase is reflected in the budget. Further, new Provincial legislation has relieved us of the requirement to hold a Financial Synod in those alternate years when a Diocesan Synod is not held. Budget information and course corrections will be communicated through smaller Area meetings, reducing the amount which must be spent for facilities and presentations.

Episcopal area budgets have increased to support our commitment to resourcing parishes and local leadership and local initiatives. Congregational Development continues to support programmes and additional staff that were added midway through our last budget cycle and therefore this line item shows a significant increase. These programmes and staff are part of our strategic intent to plant new Christian communities and initiate fresh expressions of church. The Diocese is assisting through coaching clergy and parishes to be missional in outlook and better equipped to serve the communities in which they are located.

The Diocese is committed to safe and healthy communities and workplaces. One of the ways we achieve this is through our sexual misconduct training. These workshops are mandated through our policy and our insurer and therefore we have made them a budget line item for the Human Resources department which is tasked with organizing and implementing this training.

Future oriented stewardship of our real property and insuring the future of the Diocese rests with current donors as well as subsequent members. Therefore Stewardship Development has made it a goal to seek a Planned Giving Consultant in 2013 who can assist us in educating and assisting those who wish to offer a legacy to the Diocese. The budget therefore contains a figure projected to cover that position, which may be shared with the National Church. Raising our profile and achieving “brand recognition” go hand in hand with stewardship initiatives. For the past two years we have advertised in local print media and through our website and received very positive responses. Prominent placement and size are crucial for success and are not without cost. The Communications budget has been increased to reflect these amounts.

The budget narrative taken as a whole is indicative of our commitment to resource where appropriate, streamline where necessary and exercise respectful stewardship of income and existing resources.

## ***The Incorporated Synod of the Diocese of Toronto***

### **Income and Expenditure**

	<b>Actual 2009</b>	<b>Actual 2010</b>	<b>Budget 2011</b>	<b>Budget 2012</b>	<b>Budget 2013</b>
<b>INCOME</b>					
Income from Parishes - Allotment	5,693,538	5,445,173	5,480,000	5,786,993	5,955,640
Income from ACW	25,000	-	-		-
Interest on Capital	1,875,166	1,713,050	1,721,736	1,726,285	1,755,958
Income from New Endowment	349,416	189,605	213,438	238,535	240,921
FaithWorks Funding	574,000	300,000	315,000	315,000	315,000
Fees and Donations	40,001	1,640	-	-	-
<b>Total INCOME</b>	<b>8,557,122</b>	<b>7,649,468</b>	<b>7,730,174</b>	<b>8,066,813</b>	<b>8,267,519</b>
<b>EXPENDITURES</b>					
<b>Leadership and Governance</b>					
Episcopal Expense	1,399,590	1,412,997	1,436,137	1,559,843	1,600,092
Devel. & Support. Clerical Leadersh.	935,685	934,727	933,513	930,258	930,258
CAO Office	573,168	349,695	365,873	355,903	362,559
Synod	1,158	13,979	70,000	5,000	80,000
Administration	844,250	655,100	656,340	763,537	788,868
Archives	146,551	143,349	158,901	175,880	170,449
<b>Total - Core Costs</b>	<b>3,900,401</b>	<b>3,509,847</b>	<b>3,620,763</b>	<b>3,790,421</b>	<b>3,932,226</b>
<b>Support for the Wider Church</b>	<b>1,675,600</b>	<b>1,557,001</b>	<b>1,556,071</b>	<b>1,551,071</b>	<b>1,551,071</b>
<b>Diocesan Ministries</b>	<b>574,458</b>	<b>300,000</b>	<b>315,000</b>	<b>315,000</b>	<b>315,000</b>
<b>Episcopal Area Budgets</b>	<b>368,369</b>	<b>442,805</b>	<b>450,000</b>	<b>430,000</b>	<b>430,000</b>
<b>Cong. Development</b>	<b>410,638</b>	<b>489,611</b>	<b>453,995</b>	<b>532,331</b>	<b>571,672</b>
<b>Human Resources</b>	<b>84,839</b>	<b>93,286</b>	<b>95,139</b>	<b>123,309</b>	<b>119,047</b>
<b>Stewardship Development</b>	<b>169,000</b>	<b>161,775</b>	<b>178,084</b>	<b>209,875</b>	<b>236,839</b>
<b>Chaplaincy</b>	<b>290,199</b>	<b>285,304</b>	<b>301,160</b>	<b>305,662</b>	<b>316,088</b>
<b>Communications</b>	<b>303,433</b>	<b>252,310</b>	<b>270,541</b>	<b>362,933</b>	<b>369,097</b>
<b>Advocacy</b>	<b>104,739</b>	<b>151,013</b>	<b>152,271</b>	<b>146,434</b>	<b>121,561</b>
<b>Facilities Costs</b>	<b>213,095</b>	<b>208,296</b>	<b>215,651</b>	<b>235,105</b>	<b>236,990</b>
<b>Planning &amp; Development</b>	<b>143,869</b>	<b>85,088</b>	<b>89,208</b>	<b>64,672</b>	<b>67,927</b>
<b>Contingency</b>	<b>111,463</b>	<b>(6,439)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total EXPENDITURES</b>	<b>8,350,103</b>	<b>7,529,898</b>	<b>7,697,883</b>	<b>8,066,813</b>	<b>8,267,518</b>
<b>Surplus (Deficit)</b>	<b>207,018</b>	<b>119,570</b>	<b>32,291</b>	<b>-</b>	<b>-</b>
<b>Capital Budget</b>	<b>137,198</b>	<b>125,002</b>	<b>110,000</b>	<b>85,000</b>	<b>85,000</b>