



Diocese of Toronto
Anglican Church of Canada

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Agenda

Saturday, June 16, 2012
St. Paul, Bloor Street
227 Bloor St. E., Toronto, Ontario, M4W 1C8

- 8:00 a.m. **Registration Opens**
Registration Closes at 10:00 a.m.
- 9:00 a.m. **Eucharist**
- Opening Remarks**
- Our Faith-Our Hope: Re-Imagine Church***
- Presentation by the Anglican Foundation of Canada**
- Audited Financial Statements for 2011**
- Receive the Audited Financial Statements for the year ended December 31, 2011
- Financial Report for 2011**
- Receive a Financial Report from the Treasurer for 2011
- Presentation by Ethnic Ministries**
- Proposed Changes to Canon 4**
- Receive a Report from Diocesan Council
- Financial Forecast for 2012**
- Receive a Financial Forecast from the Treasurer for 2012
- Financial Forecast for 2013**
- Receive a Report from the Treasurer for 2013
- Assessment Rate for 2013**
- Approve the Assessment Rate for 2013
- Auditors**
- Appoint Auditors for 2012
- 1:00 p.m. **Adjournment**

Registration Information and Instructions

- Registration will take place at St. Paul, Bloor Street from 8:00 a.m. to 10:00 a.m.
- If late registration is required, please contact Kathy Garrison by email at kgarrison@toronto.anglican.ca, or by telephone at 416-363-6021 ext. 239, or toll free at 1-800-668-8932 ext. 239.
- Please bring your registration form with you to assist with registration.
- If a Substitute Lay Member is replacing you, please give them your registration sheet to facilitate registration, as well as this Convening Circular.
- Please ensure that you receive a ballot when you register.
- Coffee, tea and water will be available upon arrival.
- A mid-morning snack will be available; however, lunch will not be provided.
- There is no registration fee for this session of Synod.
- In addition to the information included in this Convening Circular, please visit our website (www.toronto.anglican.ca/synod) for the following:
 - ◇ Minutes of the 154th Regular Session of Synod
 - ◇ Audited Financial Statements
 - ◇ Full Report of the Ethnic Ministry Consultation Committee
“Being Multicultural, Becoming Intercultural”
 - ◇ List of Synod Members
 - ◇ Synod Speak (Glossary of Terms)

Voting Members of Synod

Clergy Members:

Clergy on the Clergy List of the Diocese are those clergy of the Anglican Church of Canada who are under the jurisdiction of the Bishop of the Diocese of Toronto. All such Clergy are entitled to sit and speak in the Synod. Those who meet the further qualifications, set out in Section 2 of *The Constitution*, are entitled to sit and vote in the Synod.

Lay Members:

Parish vestries will have elected their Lay Members of Synod at their annual vestries held in January or February 2012. The deadline for the submission of the names of Lay Members was March 15, 2012. Lay Members include those elected by vestries; Ex-Officio members of Synod; Bishop’s Appointees to the Synod; and Youth Members of Synod.

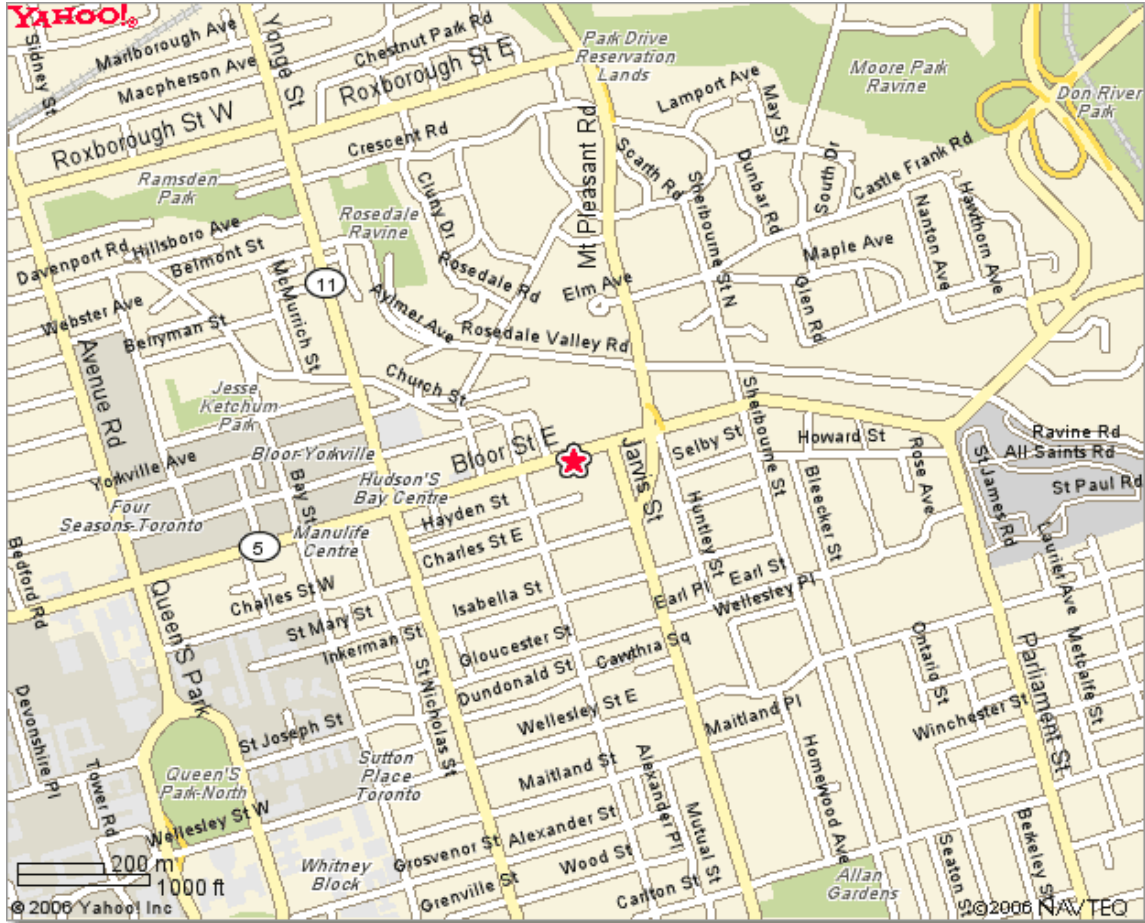
The names of all members of Synod will appear on the Diocese’s website on the Upcoming Synod page (www.toronto.anglican.ca/synod) as of May 22, 2012. If your name is incorrect or not on the appropriate list, please notify Pamela Boisvert by email at pboisvert@toronto.anglican.ca, or by telephone at 416-363-6021 ext. 231, or toll free at 1-800-668-8932 ext. 231 as soon as possible.

Location, Map, Directions, and Parking

Location:

The Corporate (Financial) Synod will be held at St. Paul, Bloor Street, located at 227 Bloor Street East, between Church Street and Ted Rogers Way (formerly Jarvis Street) in Toronto, Ontario.

Wheelchair access is available through the atrium located at the front of the church on Bloor Street.



Transit:

By Subway – St. Paul's is equidistant from two subway stations. You can exit from the Bloor-Yonge Station and walk one and a half blocks east on Bloor Street, or you can exit from the Sherbourne Station and walk one and a half blocks west. The church is located on the south side of the street.

Parking:

FREE parking (see [P] on the map below) is available on a first come first served basis for Synod at the Manulife Financial building located on the north side of Bloor Street at the top of Ted Rogers Way (formerly Jarvis Street). To gain access to Manulife’s parking area, please press the intercom button and inform the security attendant you are attending Synod at St. Paul’s. The church is located a half block west of Manulife Financial on the south side of the street.



Other Parking Options:

There are also a number of smaller paid parking lots surrounding St. Paul’s. For a detailed list of all parking facilities, please visit the Diocese’s website at www.toronto.anglican.ca/synod and click on the “Additional Resources” page. This information has been provided courtesy of St. Paul, Bloor Street.

Motions

Canon 1, Section 2 concerning Motions, reads as follows:

Notices of Motion

1. Notices of motion for Synod shall be delivered to the Secretary of Synod at any time. Such notices shall be placed upon the agenda of the next meeting of the Diocesan Council.
2. The Diocesan Council shall cause notices to be printed verbatim in the Convening Circular ... with or without expressing any opinion or making any recommendation.
3. Any notices of motion received by the Secretary of Synod after the last regular meeting of Diocesan Council ... shall be referred to the Agenda Committee. The Agenda Committee shall consider such notices and report its recommendation to Synod. Such notices shall be placed on the agenda only with the consent of the majority of the Synod.
4. Each notice of motion for the enactment, amendment, or repeal of any part or provision of the Constitution or any canon, by-law or rule of order, shall be in writing, and shall set out in full the part or provisions affected and the proposed enactment or amendment.
5. A motion to enact, amend, or repeal a part or provision of the Constitution or of any canon, by-law, or rule of order, shall become effective upon:
 - a. Having been recommended for adoption by the Diocesan Council; and
 - b. Receiving the approval of not less than seventy-five percent of the members of Synod present and voting at the session at which it is considered; and
 - c. Receiving the assent of the Bishop.
6. A motion to enact, amend, or repeal a part or provision of the Constitution or any canon, by-law, or rule of order, which shall not have been recommended for adoption by the Diocesan Council, shall nevertheless become effective upon:
 - a. Receiving the approval of not less than sixty percent of the members of Synod present and voting at two successive Regular Sessions of the Synod; and
 - b. Receiving the assent of the Bishop following the second of such approvals.
7. A motion to enact, amend, or repeal a part or provision of the Constitution or any canon, by-law, or rule of order, which shall have been recommended by the Diocesan Council, but which shall not have received the requisite approval referred to in clause 5(b) hereof, shall nevertheless become effective upon:
 - a. Receiving the approval of not less than fifty percent of the members of Synod present and voting at two successive regular sessions of Synod; and
 - b. Receiving the assent of the Bishop following second of such approvals.
8. Any motion to suspend a part or provision of the Constitution or any canon, by-law, or rule of order, if passed, shall only be effective until the next session of Synod, and shall become effective upon:
 - a. Having been recommended for adoption by the Diocesan Council; and
 - b. Receiving the approval of not less than seventy-five percent of the members of Synod present and voting at the session at which it is considered; and
 - c. Receiving the assent of the Bishop.
9. Notices of motion dealing with expenditures which will result in an increase in the Diocesan budget must be submitted to the Diocesan Council for its opinion prior to being dealt with by the Synod.

Omnibus Motion

It will be MOVED and SECONDED that:

Minutes of the 154th Regular Session of Synod

The reading of the Minutes of the 154th Regular Session of Synod of the Diocese of Toronto held on November 25-26, 2011 in Toronto be dispensed with, and the Minutes of the said Regular Session as prepared by the Honorary Secretaries be adopted and confirmed as the Minutes of the said Synod.

Courtesies of the House

The following be given Courtesies of the House: All clergy with 'Informal Permission'; All postulants of the Diocese; Any lay chairperson, deanery council member, or area council member not a member of Synod; Ecumenical partners; Lay faculty of theological colleges; Members of the Threshold ministries; Members of the Order of the Holy Cross; Sisters of St. John the Divine; Sisters of the Church; Worker Sisters of the Holy Spirit; Canon 24 Parish Administrators.

Note:

Please visit our website (www.toronto.anglican.ca/synod) for a copy of the Minutes of the 154th Regular Session of Synod.

Motions from Diocesan Council

Recommendation: The Diocesan Council forwards these motions to Synod with the recommendation that they be adopted.

Audited Financial Statements for the year ended December 31, 2011

It will be MOVED and SECONDED that Synod receive the Audited Financial Statements for the Incorporated Synod of the Diocese of Toronto, the Consolidated Trust Fund, and the Cemetery Fund for the year ended December 31, 2011.

Financial Report for 2011

It will be MOVED and SECONDED that Synod receive the “Financial Report for 2011” from the Treasurer and Director of Finance.

Proposed Changes to Canon 4

It will be MOVED and SECONDED that the Report on “Proposed Changes to Canon 4” be received.

Financial Forecast for 2012

It will be MOVED and SECONDED that Synod receive the “Financial Forecast for 2012” from the Treasurer and Director of Finance.

Financial Forecast for 2013

It will be MOVED and SECONDED that Synod receive the “Financial Forecast for 2013”, including the amended Budget for 2013, from the Treasurer and Director of Finance.

Assessment Rate for 2013

It will be MOVED and SECONDED that the Parish Assessment Rate, as defined in Canon 4, section 2, be 25.00% for 2013, as recommended by Diocesan Council.

Appointment of Auditors for 2012

It will be MOVED and SECONDED that the firm of Grant Thornton LLP, Chartered Accountants be appointed to conduct the audit of the Financial Statements of the Incorporated Synod of the Diocese of Toronto, the Consolidated Trust Fund, and the Cemetery Fund for the year ending December 31, 2012 at a fee to be approved by the Audit Committee.

Motions from Members of Synod

This section includes Notices of Motions received from Members of Synod by the Secretary of Synod's Office as of May 17, 2012.

The following Notice of Motion was received on April 23, 2012:

Ethnic Ministry Consultation Committee

It will be MOVED by the Rev. Canon Matthias Der and SECONDED by the Rev. Maurice Francois that Synod receive the report from the Ethnic Ministry Consultation Committee and asks that the Diocesan Council consider the recommendations for implementation which includes the establishment of an Intercultural Committee and future funding.

Recommendation: The Diocesan Council forwards this motion to Synod with the recommendation that it be adopted.

Proposed Changes to Canon 4

In November 2011, Synod referred the following Motion to Diocesan Council for further investigation of the financial implications of the proposed amendments to Canon 4.

The following Notice of Motion was originally received on September 8, 2011:

Praise God in his holy temple,
Praise him with lyre and harp,
Praise him with timbrel and dance,
Praise him with strings and pipe,
Let everything that has breath praise the Lord (Ps 150)

Music has been an essential part of the worship of God, even before the first Temple, and has had a particularly rich history in the Anglican tradition. The organ, handbell, and praise band, are different musical expressions that enable true worship, provide valuable evangelistic opportunities, and build healthy communities. Parish investments in music ministries should not be assessed as though music was something other than essential to the lively worship of God. This motion proposes amendments to Canon 4 to permit deductions for music ministry from a parish's Assessable Income.

It is therefore MOVED by Mr. Kevin Toyne and SECONDED by Mr. Alexander Richmond that Section 2(c) of Canon 4 be amended in the following manner:

- (c) The following deductions may be made from the total income of a parish in the calculation of Assessable Income:
 - (i) where the donor has restricted the use of money for a purpose other than the usual budgeted operations of the church;
 - (ii) grants of money to the parish from the Diocese;
 - (iii) compensation for clergy;

- (iv) compensation for lay staff of a parish engaged in ministry in the parish, but not including ~~organists or music directors~~, administrative staff or custodial staff, regardless of job title;
- (iv) money received by a parish as a result of special campaigns to raise capital funds for church construction, including major repairs and renovations;
- (v) monies received by the parish as a bequest or memorial;
- (vi) capital expenditures for church construction, major repairs and renovations;
and,
- (viii) money spent by the parish for its own outreach projects; **and**
- (ix) compensation for organists, music directors, choir directors, choristers and other musicians engaged in music ministry in the parish.**

Recommendation: The Diocesan Council forwards this motion with the recommendation that the motion not be approved.

Audited Financial Statements for 2011

Report to the Synod of the Anglican Diocese of Toronto from the Treasurer

Prepared by Michael O. Joshua, CA
Treasurer and Director of Finance
May 17, 2012

The Diocese of Toronto is committed to reducing our ecological footprint and to try, as much as possible, to practice the 5 R's (reverence, reduce, repair, reuse, and recycle) of caring for our environment. Therefore, we are continuing with our practice of producing a condensed or scaled back version of the Convening Circular. By doing this we hope we are achieving the goal of being good stewards of our resources in reducing our costs and saving on our environment.

The Audited Financial Statements for the year ended December 31, 2011 are posted on the Diocese's website. There are three separate documents that include:

1. The Incorporated Synod of the Diocese of Toronto
2. The Consolidated Trust Fund of the Incorporated Synod of the Diocese of Toronto
3. The Cemetery Fund of the Incorporated Synod of the Diocese of Toronto

To find these postings:

Visit the Diocese's website www.toronto.anglican.ca/synod

If you are a Synod Member who does not have access to the Diocese's website, please speak to your parish leaders or contact Pamela Boisvert, Assistant Secretary of Synod at 416-363-6021 ext. 231 or 1-800-668-8932 ext. 231.

Hard copies of the Audited Financial Statements will not be available at Synod.

Motion for Synod:

It will be MOVED and SECONDED that Synod receive the Audited Financial Statements for the Incorporated Synod of the Diocese of Toronto, the Consolidated Trust Fund, and the Cemetery Fund for the year ended December 31, 2011.

Recommendation: The Diocesan Council forwards this motion to Synod with the recommendation that it be adopted.

Financial Report for 2011

Report to the Incorporated Synod of the Diocese of Toronto from the Treasurer

**Prepared by Michael O. Joshua, CA
Treasurer and Director of Finance
May 17, 2012**

Incorporated Synod of the Diocese of Toronto

1. Statement of Revenue and Expenses—The total excess of revenue over expenses is \$701,680 which is significantly lower than 2010 for the following reasons:

Revenue decreased for the following reasons:

- Capital depreciation—There was a market value decrease on Consolidated Trust Fund investments in 2011 compared to the significant capital appreciation experienced in 2010.
- Sale of former parish properties were less in 2011.
- Decreases were slightly offset by the increase in donation revenue from the Our Faith-Our Hope: Re-imagine Church (OFOH) campaign.

Expenses:

- Most expenses remained relatively stable compared to 2010.
- The increase in corporate governance and support services is due to the 2011 biennial Synod. Also, in 2010, three ongoing permanent positions were filled by temporary staff; those positions were filled by permanent staff by the end of 2010.
- Campaign costs—OFOH costs were significantly higher in 2011; 2010 was the pilot phase of the campaign.
- Increase in fund disbursements—FaithWorks distributions and tithing from the Ministry Allocation Fund were higher in 2011.
- There was an increase in grants to support parish ministries from the Ministry Allocation Fund.

2. Statement of Changes in Fund Balances—The total Unrestricted Fund has increased from \$27 million to \$29 million; the Ministry Allocation Fund is included.
3. Statement in Financial Position—The assets have increased mainly due to the increase in cash as a result of running the OFOH campaign and an increase in property from having eight properties held for sale at the end of 2011. Liabilities have increased from 2010 due to the OFOH rebate payable to the parishes.
4. Statement of Cash Flows—Cash has increased as a result of the OFOH campaign and a significant payback of a loan receivable.

The Consolidated Trust Fund of the Diocese of Toronto

1. Statement of Earnings—The net loss on the fund for 2011 was \$819,233, an approximate (0.80)%. The investment return was (0.50)%. The Investment Committee utilizes the services of Brockhouse Cooper whose B&C Balanced Benchmark produced a 0.60% return. Two of the three managers performed below this benchmark.
2. Statement of Changes in Net Assets—The value per unit at the end of the year has decreased to \$176.13. The unit value has not yet returned to the 2007 value of \$210.32.
3. Statement of Net Assets—About half of the Fund is invested on behalf of parishes and the Anglican Diocese of Toronto Foundation. The investments are reviewed on a quarterly basis by the Investment Committee of the Diocese. The investments are currently at a 57/43 split between equities and bonds, which is in line with the Statement of Investment Policy and Procedures of the Diocese.

The Cemetery Fund of the Diocese of Toronto

1. Statement of Earnings—The net gain on the fund for the year was \$161,202, an approximate 1.27% return. The investment return was 1.79% and the benchmark produced a 2.32% return.
2. Statement of Changes in Net Assets—The value per unit at the end of the year has decreased to \$141.30.
3. Statement of Net Assets—100% of the Fund is invested on behalf of parishes with cemeteries. The investments are reviewed on a quarterly basis by the Investment Committee of the Diocese. The investments are currently at a 46/54 split between equities and bonds, which is in line with the Statement of Investment Policy and Procedures of the Diocese.

Motion for Synod:

It will be MOVED and SECONDED that Synod receive the “Financial Report for 2011” from the Treasurer and Director of Finance.

Recommendation: The Diocesan Council forwards this motion to Synod with the recommendation that it be adopted.

Ethnic Ministries

Prepared by:
The Rev. Canon Elizabeth Hardy,
CAO & Secretary of Synod; and
May 17, 2012

Background:

The College of Bishops (the College), being cognizant of the rich diversity of our Church and also aware of the stories of people who do not feel welcome in our congregations, established the Ethnic Ministry Consultation Committee (the Committee) in 2009 and commissioned a report. The College provided several areas of concern for the group to investigate. The Committee submitted their findings to the College in September of 2011 in the hope that the report not simply be received, but rather become an impetus to learn from past failures and successes and help us discover new ways to evolve as an intercultural church.

As returning Synod members are aware, the Committee was scheduled to make a presentation at the 154th Regular Session of Synod in November 2011. However, due to time constraints, the presentation was removed from the orders of the day.

In recognition of the importance of the Committee's work, the members were invited to make a full presentation to the Diocesan Council. In January 2012, three members of the Committee delivered that presentation and outlined their recommendations. The Diocesan Council engaged in small group discussions, and, in closing, provided a sense of openness and encouragement that the Diocese move forward with the recommendations in the report.

The Committee has been invited to make a presentation at the upcoming Corporate (Financial) Synod in June 2012.

Report:

The Committee produced a full report entitled "Being Multicultural, Becoming Intercultural" which is available on the Diocese's website at www.toronto.anglican.ca/synod. The Executive Summary follows on pages 15 and 16.

Motion for Synod:

On April 23, 2012, the following Notice of Motion was received by the Secretary of Synod's Office:

It will be MOVED by the Rev. Canon Matthias Der and SECONDED by the Rev. Maurice Francois that Synod receive the report from the Ethnic Ministry Consultation Committee and asks that the Diocesan Council consider the recommendations for implementation which includes the establishment of an Intercultural Committee and future funding.

Recommendation: The Diocesan Council forwards this motion to Synod with the recommendation that it be adopted.

Being Multicultural, Becoming Intercultural – Executive Summary September 29, 2011

Preamble: All ministry can be said to be “ethnic” according to its original meaning of “nation” or “people” in general. The risk in using the term “ethnic ministry” in the Diocese of Toronto is to think about it as something other than mainstream, as something below standard or not fully Canadian.

This report challenges the Diocese of Toronto to take the next step from “embracing diversity” toward becoming truly intercultural, by crossing the boundaries of race, ethnicity, culture and language and actively seeking to be transformed in the process.

Introduction: The report of the Ethnic Ministry Consultation Committee was written as a response to concerns identified and raised by the College of Bishops of the Diocese of Toronto. The Committee saw its role as (1) responding to the Bishops’ concerns, (2) challenging the Diocese to move from being a multicultural church to one that is intercultural, that is, open to mutual change and transformation, and (3) monitoring progress until a permanent structure for implementation is in place.

Recommendations are in three sections:

A. Promoting Ethnic Ministry within an Intercultural Framework

The Diocese’s commitment to a vision of multiculturalism appears to be receding in recent years. We invite the Diocese to reinvigorate its commitment to embrace diversity within an intercultural framework in these areas:

- Diocesan policy and procedures – adopt a Policy on Anti-racism and Cultural Sensitivity Training, and place Toronto within the global Communion and adapt our procedures to accommodate people of different language and culture;
- Liturgy and worship – using Pentecost and diocesan events as opportunities to model diversity;
- Ecumenical Relations – recognizing that ecumenism can be an effective way of promoting and learning from others about approaches to multiculturalism;
- Newspaper and Website – seeing these as vehicles of language and ethnicity that can be broadened to reflect our reality;
- Theological Education – using the colleges in Toronto as resources for educating clergy in cross cultural competencies and exposure to diversity.

B. Supporting Ethnic Congregational Development

We recognize that Canada is a country of First Peoples and immigrants, that the Anglican Church is a worldwide communion, and that the Greater Toronto Area is a place of changing demographics requiring short, medium, and long-term attention and support.

We would like the Diocese to adopt an official and sustainable strategy for ensuring the long-term commitment of funds, leadership, and support for ethnic ministries. Practically, we recommend the formation of an Intercultural Ministry Committee with the staffing and operating expenses required for it to function as part of an official

sustainable diocesan strategy. We further recommend the establishment of an Intercultural Partnership Fund to support ethnic congregations, promote interculturalism, and support ethnic leadership and ministry.

We propose that ethnic ministries be understood and treated as examples of “Fresh Expressions” or the “mixed economy” church. We offer different models for locating and resourcing ethnic congregations within current parish structures, as well as criteria and scenarios for effective and sustainable ethnic congregations. We outline criteria and processes for non-Anglican worshipping communities who seek to become part of the Diocese of Toronto.

C. Welcoming and Raising Up Clergy to Serve in Ethnic Ministries

The last section of the report discusses the question of whether clergy coming from other countries, cultures, or language groups are suited to exercise ministry in the Diocese of Toronto. We specify that procedures for validating the ministry of newcomer clergy need to be hospitable, culturally sensitive, aware of power differences and the potential for racism.

We consider issues of receiving newcomer clergy and raising up candidates from within ethnic congregations under these headings:

- **Training and Education.** We spell out the areas of responsibility for the diocese, the clergy arriving to serve ethnic congregations, and the congregations themselves. The principles are ones of fairness, realism, and balance, always aiming for movement toward equality and independence.
- **Compensation.** We acknowledge the challenge of compensating clergy coming from other countries, cultures, or language groups to serve ethnic congregations. We urge the Diocese to make provision in its budget and strategic plan to offer financial assistance to congregations seeking to become self-sufficient over time.
- **Postulancy.** We emphasize that candidates from other countries, cultures, and languages should be similarly qualified to other clergy when being considered for ordination. They should have a working knowledge of English. Throughout the candidacy process, they should be supported by someone familiar with their country or culture of origin, and be assured of the cultural sensitivity of their interviewers.
- **Raising up Vocations.** We appeal to the Diocese to take its responsibility seriously for recruiting new leadership and for making a strong case to the young women and men in ethnic communities to consider a vocation to ordained ministry.

Respectfully submitted by the Ethnic Ministry Consultation Committee:

The Rt. Rev. Philip Poole, The Ven. Peter Fenty, The Rev. Canon Matthias Der (chair), Ms. Gisha Oommen, The Rev. Maurice Francois, The Rev. Canon James Garland, The Rev. Sonia Hinds, The Rev. Raju Jacob, Dr. Wilson Loo, Mr. Kennedy Marshall, The Rev. Canon Dr. Isaac Kawuki-Mukasa, Mr. James Pothirajulu, Mr. Daniel Thomas, The Rev. Andrew Wesley, The Rev. David Turner, The Rev. Shaji Johnson.

Proposed Changes to Canon 4

Report to the Synod of the Anglican Diocese of Toronto from the Diocesan Council

**Prepared by:
The Rev. Canon Elizabeth Hardy,
CAO & Secretary of Synod
May 17, 2012**

Synod 2011 - Referral to Diocesan Council:

In November 2011, Synod considered a motion brought forward by two members of Synod requesting an amendment to Canon 4 that would allow for the deduction of compensation for organists, music directors, choir directors, choristers, and other musicians engaged in music ministry from the total income of a parish in the calculation of assessable income.

Prior to Synod in 2011, Diocesan Council considered the motion and recommended it not be approved. Among other considerations, Council members felt that large, multi-staffed parishes would benefit, but a disproportionate amount of the costs would fall on the shoulders of smaller parishes. At Synod in 2011, a second motion was then duly moved, seconded and carried that the motion to amend Canon 4 be referred to Diocesan Council and that a working group be established to investigate the financial implications related to the proposed changes and be reported back to Synod.

At its May 17, 2012 meeting, Diocesan Council considered the report of the group and the proposed changes to Canon 4 together with detailed financial information on how these changes would impact the Assessable Base and the Assessment Rate and reaffirmed its original decision not to recommend approval of the proposed changes to Canon 4 by Synod.

Background:

Early in 2004, Diocesan Council responded to concerns raised over several years that the current parish assessment formula discouraged the growth of parish ministry rather than supporting it. The system in place at the time allowed congregations to deduct approximately half of the rental income realized by congregations, but not the cost of hiring staff for ministry. It was felt that the formula favoured buildings over people.

In 2004 Diocesan Council called together the Assessment Review Working Group to recommend changes which would make the assessment formula simpler, more equitable and more supportive of ministry development and growth. After several months of study and consultation, the group presented its recommendations to Diocesan Council. These were approved by Diocesan Council and recommended to Synod for approval in November 2005. The changes were revenue neutral for the Diocese.

Generally, the proposed formula to determine a parish's assessable income was as follows: total income, minus capital costs, outreach costs, ministry personnel costs and funds restricted for purposes other than daily operations, e.g. donations to FaithWorks and the Primate's World Relief and Development Fund. Should an individual congregation's assessment fall below a pre-determined figure, then a minimum assessment value was to be applied.

Synod 2005:

The rules for a change in a Canon require approval of not less than 75 % of Synod members present for immediate implementation, or a simple majority of not less than 50 % voting at two successive Synods. At the Regular Session of Synod in November 2005, nearly 73 % of Synod Members voted in favour of the changes, just short of the required 75 % needed for the changes to be enacted immediately.

Addressing Issues Raised in 2005:

In preparation for the 2007 Synod, Treasury Board was charged with addressing the following four issues raised at the 2005 Synod.

- Information be conveyed in a more timely fashion—Information was mailed to all parishes in March 2007 giving parish leaders an indication of the effect of the proposed changes on their parish's assessment beginning in 2008.
- Minimum assessment was a concern for smaller parishes—Diocesan Council set the minimum assessment level at \$0 (zero), thereby assuring Synod Members that this provision would not result in an increase in assessment for parishes or congregations.
- Ministry costs, as described in the proposed Canon 4:1(2)(c)(iv), was too exclusive.—The existing formula did not allow deductions for staff costs. The proposed changes allowed personnel costs to be deducted for clergy and lay pastoral staff, but not personnel costs for music ministry, e.g. organists and music directors, and other staff who, although not hired to do so, performed some pastoral functions. This was viewed by some to be an unreasonable distinction. After extensive review Treasury Board and Council were satisfied that this distinction was appropriate.
- The need for transition—Some parishes and congregations were concerned about a sudden jump in their assessment. In response, transition measures were proposed to support those parishes.

Synod 2007:

Since the motion received less than 75 % support at Synod in 2005, the motion returned to Synod in May 2007. A simple majority was required to approve the changes. The motion was approved.

Implications of Amending Canon 4:

A deduction for music ministry as proposed would result in a reduction of the Assessable Base for 2012 of \$3,335,376. In order to keep the Budget as approved, the Assessment Rate for 2012 would need to be 28.34% which is 3.95 percentage points higher than the current rate of 24.39%.

There would be a significant reduction in assessment for those parishes with large paid music programs (paid organists, music directors, choir members etc.). Conversely, a significant increase in assessment would be experienced by those parishes that either rely on volunteers for their music program, or expend relatively small amounts on music ministry staff.

Motion for Synod:

It will be MOVED and SECONDED that the Report on “Proposed Changes to Canon 4” be received.

Recommendation: The Diocesan Council forwards the Report on “Proposed Changes to Canon 4” to Synod with the recommendation that the Report be received. Further, Council affirmed its original decision not to recommend approval of the proposed changes to Canon 4 by Synod.

Financial Forecast for 2012

Report to the Synod of the Anglican Diocese of Toronto from the Treasurer

**Prepared by Michael O. Joshua, CA
Treasurer and Director of Finance
May 17, 2012**

Financial Forecast for 2012:

The Financial Plan for 2012 projects a balanced budget.

The Diocesan budget is monitored on a regular basis by the Chief Administrative Officer and the Director of Finance. Quarterly financial reports are reviewed by the Executive Board and Diocesan Council. Diocesan Council has the authority from Synod to make adjustments to the budget to deal with unplanned circumstances. This management method has been effective in keeping overall expenditures in line with available revenues.

The income from capital budget is the dividends received from the Diocesan investments in the Consolidated Trust Fund. In the spring/summer of 2011, when the budget was drafted by the Budget Working Group, a Dividend Rate of 5.0% was assumed for 2012. The Dividend Rate was later declared to be 4.5%, which resulted in a shortfall of \$54,000 in the 2012 budget. This shortfall has been offset in the first quarter of 2012 by an increase in revenue received on land rented under a long term lease.

As of March 31, 2012, parish arrears for clergy stipend and allotment have decreased by \$129,010, a decrease of 7.0% compared to March 31, 2011. The Diocese is currently on track with its expenditures and is expected to meet the targeted budget for 2012.

Motion for Synod:

It will be MOVED and SECONDED that Synod receive the “Financial Forecast for 2012” from the Treasurer and Director of Finance.

Recommendation: The Diocesan Council forwards this motion to Synod with the recommendation that it be adopted.

Financial Forecast for 2013

Report to the Synod of the Anglican Diocese of Toronto from the Treasurer

Prepared by Michael O. Joshua, CA
Treasurer and Director of Finance
May 17, 2012

Financial Forecast for 2013:

In November 2011, Synod approved the 2012/2013 Priorities and Plans. In order to meet the revenue needs of \$8,267,518 in the 2013 budget, it was estimated that the Assessment Rate would need to be 25.10%, an increase of 0.71 percentage points over 2012.

About 94% of the Churchwarden's Parochial Returns for 2011 have been submitted. Based on preliminary information the Assessable Base will be \$23,482,475 for 2013, a decrease of \$467,340 from 2012. With this lower Assessable Base, the Assessment Rate for 2013 would need to be **25.60%** to achieve the budget that was approved, an increase of 1.21 percentage points.

It is assumed that this large increase would not be sustainable for most parishes. It is therefore recommended that the 2013 budget be amended to allow for an Assessment Rate of **25.00%**, an increase of only 0.61 percentage points over 2012. This will result in an increase in income from parishes - Allotment of \$28,647 (0.5%) in 2013 compared to the budgeted amount in 2012. To achieve this rate the following items will need to be removed from the 2013 Diocesan Budget:

• Congregation Development Consultant	\$35,000	
• Planned Giving Consultant	25,000	
• Advertising Campaign	80,000	
	<hr/>	
	\$140,000	Total

<u>Summary:</u>	2012	2013	Increase (Decrease)
Assessable Base	\$23,949,815	\$23,482,475	\$(467,340)
Assessment Rate			
without amendments	24.39%	25.60%	1.21%
Proposed Assessment Rate			
with amendments	24.39%	25.00%	0.61%

Motion for Synod:

It will be **MOVED** and **SECONDED** that Synod receive the "Financial Forecast for 2013", including the amended Budget for 2013, from the Treasurer and Director of Finance.

Recommendation: The Diocesan Council forwards this motion to Synod with the recommendation that it be adopted.

The Incorporated Synod of the Diocese of Toronto
Income and Expenditure

	Approved Budget 2012	Approved Budget 2013	Amended Budget 2013
INCOME			
Income from Parishes - Allotment	5,786,993	5,955,640	5,815,640
Interest on Capital	1,726,285	1,755,958	1,755,958
Income from New Endowment	238,535	240,921	240,921
FaithWorks Funding	315,000	315,000	315,000
Total INCOME	8,066,813	8,267,519	8,127,519
EXPENDITURES			
Leadership and Governance			
Episcopal Expense	1,559,843	1,600,092	1,600,092
Supporting Clerical Leadership	930,258	930,258	930,258
CAO Office	355,903	362,559	362,559
Synod	5,000	80,000	80,000
Administration	763,537	788,868	788,868
Archives	175,880	170,449	170,449
Total - Core Costs	3,790,421	3,932,226	3,932,226
Support for the Wider Church	1,551,071	1,551,071	1,551,071
Diocesan Ministries	315,000	315,000	315,000
Episcopal Area Budgets	430,000	430,000	430,000
Congregational Development	531,856	571,672	536,672
Human Resources	123,784	119,047	119,047
Stewardship Development	209,875	236,839	211,839
Chaplaincy	305,662	316,088	316,088
Communications	362,933	369,097	289,097
Advocacy	146,434	121,561	121,561
Facilities Costs	235,105	236,990	236,990
Planning & Development	64,672	67,927	67,927
Total EXPENDITURES	8,066,813	8,267,518	8,127,518
Surplus (Deficit)	0	0	0
Capital Budget	85,000	85,000	85,000

Assessment Rate for 2013

Report to the Synod of the Anglican Diocese of Toronto from the Treasurer

Prepared by Michael Joshua, CA
Treasurer and Director of Finance
May 17, 2012

In accordance with the 2012/2013 Financial Plan as amended by the 2013 Financial Forecast, the Assessment Rate for parishes needs to be set at 25.00% in order to meet the revenue needs of the Diocese for 2013.

This rate will produce:

Budgeted assessment	\$5,815,640
Allowance for appeals & input variances ⁽¹⁾	55,000
Total Amount	<u>\$5,870,640</u>

⁽¹⁾ It is expected that parishes, once they receive their calculations late in September, will contact the Diocese to correct errors.

Background:

The Diocesan allotment is the portion of the Diocesan budget to be raised from parishes. The Assessment Rate for 2012 is 24.39%.

An increase of 0.61 percentage points over the 2012 rate is being recommended. Despite the fact that the 2013 Financial Forecast removed \$140,000 from the 2013 budget, this increase in the rate is still needed for the following reasons:

1. Assessable income for 2013 has decreased mainly due to reductions in offerings and investment income. The deductions to determine assessable income have remained relatively stable.
2. Due to parish closures there are fewer parishes in the Diocese contributing to the Allotment.

Example:

Assuming that its three year average assessable income remains the same for 2013, the effect of this 0.61 increase on allotment for a parish whose three year assessable income was \$100,000 for 2012, is shown below:

2012	\$100,000	24.39%	\$24,390
2013	\$100,000	25.00%	<u>25,000</u>
			<u>\$610</u> increase

Motion for Synod:

It will be MOVED and SECONDED that the Parish Assessment Rate, as defined in Canon 4, section 2, be 25.00% for 2013, as recommended by Diocesan Council.

Recommendation: The Diocesan Council forwards this motion to Synod with the recommendation that it be adopted.

Auditors

Report to the Synod of the Anglican Diocese of Toronto from the Audit Committee

Prepared by Mr. Don Gillespie, CA
Chair of the Audit Committee
May 2, 2012

Background:

The Audit Committee met on May 2, 2012 to review the Financial Statements for the year ending December 31, 2011 and recommend a firm to conduct the audit of the Financial Statements for the year ending December 31, 2012.

The Audit Committee recommends that the firm of Grant Thornton LLP, Chartered Accountants, be appointed to conduct the audit of the Financial Statements for the year ending December 31, 2012.

Motion for Synod:

It will be MOVED and SECONDED that the firm of Grant Thornton LLP, Chartered Accountants, be appointed to conduct the audit of the Financial Statements of the Incorporated Synod of the Diocese of Toronto, the Consolidated Trust Fund, and the Cemetery Fund for the year ending December 31, 2012 at a fee to be approved by the Audit Committee.

Recommendation: The Diocesan Council forwards this motion to Synod with the recommendation that it be adopted.

Notes
