Proposal 3 Budget 2027

Title: **Reviewing 2025 Final Numbers, 2026 Year-to-Date and Adopting 2027 Operating Budget**
Origin: Treasurer and EM

What is the issue?
Transparency and accountability are key elements of financial management in any charity. It is important that the regional council is guided by these principles and models these practices for the communities of faith within its bounds. The regional council needs to understand both the strengths and challenges of its financial situation to be able to function effectively in the present and to ensure it is well positioned for the future.

Establishing a budget for 2027 is one step in this process and will guide the Executive in its management of regional council resources.

Why is this issue important?
The regional council is becoming familiar with its financial situation and its financial reporting and needs to remain so.

Income
The regional council receives two grants to fund its operation:

***Assessment Grant*:** For Governance and Shared Services
Mission and Service Grant: For Mission and Ministry

The regional council also receives funds from:

1. Investment income
2. 50% grant from Archives Reserve to cover its costs
3. Regional council share (25%) of proceeds of disbanding congregations.

Expenses
Expenses are reported according to the ministry they support to help illustrate how the regional council is using its assets to meet its priorities. The budget categories and the staff positions assigned to each are listed below. AA refers to Administrative Assistant. Note that except for Minister, Congregational Support HF is responsible for 1/3 of the salary of each staff person. These are the breakdowns of each person's job in relation to each ministry category.

Ministry	**Purpose**	**HF's Share of the following Positions**
Regional Operations	Operation of the regional council	Executive Minister Executive Assistant .65 AA, Finance, Office Site Operations
Communities of Faith	Partnering with congregations	Minister, Congregational Support .05 AA, Finance and Office Site Operations
Pastoral Relations	Supporting the formation and nurture of healthy pastoral relationships	Minister, Pastoral Relations .25 Minister, Pastoral Support .15 Communication and AA
Communication	Newsletters, Websites	.85 AA, Communication and AA

Connecting	Providing opportunities to come together including regional council meetings	.75 Minister, Pastoral Support
First Third Faith Formation	Nurturing discipleship	Minister, First Third Faith Formation
Social Justice	Seeking to be faithful in the world	Minister, Social Justice .5 Minister, Social Justice and Right Relations .3 AA, Finance
Right Relations	Deepening understand and relationship with Indigenous Ministries	.5 Minister, Social Justice and Right Relations
Office Operations	Office supplies and equipment	
Building Expenses	Cost to maintain building	
Emerging Ministries	Unbudgeted expenses responding to an emerging situation	

The regional council has established an investment policy and created an investment portfolio that it anticipates will help address the gap between increasing expenses and diminishing grants.

It also should be noted that while there is a projected deficit, the reasonable expectation is that it will not be nearly as severe or at all based on the actual investment income.

What might the regional council do?

The regional council might:

1. Receive the internal 2025 operating statement for information;
2. Receive the internal 2026 operating statement for the Second Quarter for information;
3. Adopt the proposed 2027 budget authorizing the Executive to adapt as necessary.