

Finance Committee Report
November 4th, 2023

Today, our task is to adopt a framework for our 2024 budget and ensure that we have Regional Council approval for the implementation of this framework. We use the term framework because we are in a time of transition and restraint which requires:

1. Flexibility as we manage transition so that we do not take precipitous decisions but rather make prudent decisions that uphold the long-term objectives of the Regional Council.
2. A commitment to operate within our means.

Where Are We At

In November of 2022, we passed the 2023 budget where we adopted a \$78,000 deficit with a commitment that Finance Committee would develop a process to help the court move to balanced budget at the May 2023 meeting.

In early 2023, Finance Committee stepped aside in favour of the Setting Our Sights process as the means to guide Regional Council decisions. The Finance committee maintains that vision and strategy direct the budget and not the other way around.

In preparing a 2024 budget, two challenges inform the proposed financial framework:

1. Commitment to operate within our means: We anticipate the final 2023 deficit will be somewhere in the range of 38,000 to 48,000, the good news being this is half the deficit we anticipated. The not so good news is that the proposed 2024 deficit is compounded by a 25% (\$60,000) decrease in our Mission and Service Fund grant. ***We are presented with the challenge to reducing expenditures by about \$100,000.***
2. Flexibility: Setting Our Sights has provided direction; however, the details of implementation and exact costs is not delineated. This is not uncommon in processes like Setting Our Sights. Processes such as these take time to formulate and implement, thus necessitating flexibility and further data gathering.

What We Propose

The finance committee is proposing the following framework, which includes some specifics, to address both the deficit challenge and the need for flexibility, a proposal endorsed by the Executive.

1. Take Two Years to Get to Balanced Budget: Given that we have reserves of around 200,000, the Finance Committee believes that we can adopt a deficit of 50,000 for 2024 with a view to move towards a balanced budget by 2025 or no later than 2026. For cash flow purposes, maintain a reserve of about \$100,000 is necessary.

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2. Income: We propose increasing income from our investments to slightly offset reduction in grants. We suggest going from 4% to 4.5% as the income realized from investment funds and review this percentage when preparing the 2025 budget. We also propose that during 2024, a review of each investment fund and how these funds are being utilized in the life of the Regional Council occur, ideally within the first quarter of the year. Many of the funds are self-restricted which provides some scope for flexibility.
3. Expenses reduced by \$45,000 through actions of the Executive and Executive Minister: Rather than “nickel and dime” and “guess” exactly where savings are realized, we propose that the Regional Council direct the Executive and Executive Minister to implement \$45,000 in savings from the 2024 proposed budget. These savings will be realized through further examination of the following and may or may not entail some or all of them. ***(These options will be explained in more detail during the treasurer’s verbal presentation as the treasurer quickly describes the attached spreadsheet.)***
 - a. Clusters, Regional Meetings and Youth costs. We have maintained a budget to implement the “gatherings” outlined in Setting Our Sights while at the same time hope that these gatherings will occur in cost efficient ways. The budget implications become clearer through implementation. There are other programming initiatives, some connected with youth programming, that will necessitate some further conversation.
 - b. Administrative and Office costs. There may be ways to realize savings in administrative costs and office costs, but this will be minimal since the costs are not excessive and would also necessitate policy review.
 - c. Staffing costs. Staffing costs account for 55% of the budget. Staffing levels may figure into the discernment.
 - d. Partnership costs: We may not be able to continue all our ministry partnerships and so a review of these partnerships is also required. This also impacts Mission Support. While definitive decisions around 2024 Mission Support grants are included in this framework, our Mission Support will require further consideration in preparing the 2025 budget.

The motion before the Regional Council today requests that Regional Council adopt the proposed Budget framework.

Please note that in adopting this budget framework, the Executive commits to update the framework at the January meeting of the Executive once the 2023 income and expenses are finalized and once investment returns for 2023 are known. The Executive further commits to report to the May/June meeting of the Regional Council outlining actions taken and/or seeking approval on recommendations proposed to meet the targets included in the budget framework.

Respectfully submitted,
Cindy Casey, Brian Cornelius (Treasurer), Eric Hebert-Daly (Executive Minister), Bruce Jackson, Christine Kilburn, Joe Smarkala, Ev Zytveld

Eastern Ontario Outaouais Regional Council of The United Church of Canada

2023 Financial Report and 2024 Budget Proposal

Income	Governance			Mission & Ministry			2024 Budget Proposal		
	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	Governance	Miss&Min	Total
Grants - Assessments	325,000	325,000	325,000	0	0	0	325,000	0	325,000
Grant - Assessment (Executive Minister/Assistant)	33,500	33,500	33,500	0	0	0	33,500	0	33,500
Grant - Mission & Service Fund	0	0	0	240,000	240,000	240,000	0	180,000	180,000
Grant - Special Funding/Mission Legacy Fund	0	35,275	0	0	0	0	0	0	0
Donated Expenses	1,462	0	0	0	0	0	0	0	0
Interest & McKendry Fund	8,500	2,297	750	0	0	0	3,000	0	3,000
Mission & Service Fund Donations	0	0	0	50	364	0	0	0	0
Transfer Baillie/Scrivens Youth Salary/Program	0	0	0	23,250	25,000	23,250	0	26,750	26,750
Transfer Baillie/Scrivens Grants	0	0	0	3,000	3,899	23,250	0	26,750	26,750
Transfer EOORC Fund	19,000	21,000	19,000	19,000	21,000	19,000	21,600	21,600	43,200
Transfer Mission and Ministry Legacy	0	35,275	0	6,750	0	6,750	0	12,100	12,100
Transfer from Restricted Funds (LLWL)	0	0	0	0	0	0	8,000	0	8,000
Transfer Vision and Transformation Grants	0	0	0	38,982	85,604	88,250	0	102,460	102,460
Camp Awesome Project	0	0	0	43,394	26,563	41,700	0	41,000	41,000
Youth Programming Revenue	0	0	0	0	0	0	0	0	0
Total Income	387,462	452,346	378,250	374,426	402,430	442,200	391,100	410,660	801,760

Expenses (net of Recoveries)

	Governance			Mission & Ministry			2024 Budget Proposal		
	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	Governance	Miss&Min	Total
Clusters, Leadership Teams, Networks (Schedule 1)	2,549	1,561	7,900	482	400	9,600	21,000	10,000	31,000
Candidate for Ministry and RCCO Training Grants	2,700	2,700	2,700	0	0	0	2,700	0	2,700
Congregational Reviews/M.P. Support/Projects	14,500	11,156	15,000	0	0	0	15,000	0	15,000
Finance and Archives (Schedule 2)	25,580	23,542	29,200	0	0	0	24,650	0	24,650
Mission & Service Fund Donations	0	0	0	50	364	0	0	0	0
Mission Support Grants (Schedule 3)	0	0	0	132,020	135,520	135,520	0	98,000	98,000
Office Costs (Schedule 4)	13,177	13,004	15,000	1,250	2,270	2,500	9,300	2,500	11,800
Partnership Ministries (Schedule 5)	2,500	2,500	2,500	6,350	5,350	6,350	0	3,850	3,850
Personnel (Schedule 6)	273,332	243,191	268,000	160,953	141,438	155,850	282,024	166,448	448,472
Regional Meetings (Schedule 7)	67,334	9,922	64,500	0	0	0	75,000	0	75,000
Technology and Communications (Schedule 8)	8,364	7,854	8,750	0	0	0	9,000	0	9,000
Vision and Transformation Grants	0	0	0	38,982	85,604	88,250	0	102,460	102,460
Youth Camp Awesome 3-Year Contract	0	0	0	43,394	26,563	41,700	0	41,000	41,000
Youth Grants	0	0	0	3,000	3,899	23,250	0	26,750	26,750
Youth Programming (Schedule 9)	0	0	0	4,000	2,938	12,000	0	6,500	6,500
Administrative/Executive Budget Adjustments	0	0	0	0	0	0	(22,500)	(22,500)	(45,000)
Total Expenses	410,036	315,429	413,550	390,481	404,346	475,020	416,174	435,008	851,182
Net income (deficit) from general operations	(22,574)	136,918	(35,300)	(16,055)	(1,916)	(32,820)	(25,074)	(24,348)	(49,422)

Eastern Ontario Outaouais Regional Council of The United Church of Canada
2022 Financial Report

Schedule 1 - Clusters, Leadership Teams, Networks

	Governance			Mission & Ministry			2024 Budget Proposal		
	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	Governance	Miss&Min	Total
Affirm Ministries	0	0	0	482	400	500	0	500	500
Camping Leadership Team	0	0	0	0	0	100	0	500	500
Chaplaincy Leadership Team	0	0	0	0	0	1,000	0	0	0
Setting Our Sights Activity Streams	0	0	2,500	0	0	2,500	7,750	7,000	14,750
Finance Leadership Team	38	0	300	0	0	0	100	0	100
Justice, Global, and Ecumenical Relations	0	0	0	0	0	5,000	0	1,000	1,000
Lay Licensed Worship Leaders	600	642	3,000	0	0	0	8,000	0	8,000
Ministry Personnel Events	1,161	96	1,000	0	0	0	4,000	0	4,000
Pastoral Relations Leadership Team	750	703	900	0	0	0	1,000	0	1,000
Right Relations	0	0	0	0	0	500	0	1,000	1,000
UCW	0	120	200	0	0	0	150	0	150
Total	2,549	1,561	7,900	482	400	9,600	21,000	10,000	31,000

Schedule 2 - Finance and Archives

	Governance			Mission & Ministry			2024 Budget Proposal		
	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	Governance	Miss&Min	Total
Archives Honourarium	8,500	8,142	9,000	0	0	0	0	0	0
Archives Office and Travel Expenses	1,200	338	500	0	0	0	2,500	0	2,500
Archives Ontario Archives	6,902	6,206	10,000	0	0	0	10,000	0	10,000
Bank and Review Costs	1,423	1,150	1,250	0	0	0	300	0	300
Incorporated Ministries	0	500	650	0	0	0	0	0	0
Insurance	456	469	550	0	0	0	550	0	550
Treasurer Honourarium	6,550	6,330	6,550	0	0	0	10,800	0	10,800
Treasurer Office Expense	550	407	700	0	0	0	500	0	500
Total	25,580	23,542	29,200	0	0	0	24,650	0	24,650

Schedule 3 - Mission Support Grants

	Governance			Mission & Ministry			2024 Budget Proposal		
	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	Governance	Miss&Min	Total
Algonquin Chaplaincy	0	0	0	5,550	5,550	5,550	0	4,000	4,000
Alwyn Community of Faith	0	0	0	0	3,500	3,500	0	0	0
Camp Lau-ren	0	0	0	20,000	20,000	20,000	0	17,500	17,500
Carlington Chaplaincy	0	0	0	7,000	7,000	7,000	0	6,000	6,000
Centre 507	0	0	0	30,670	30,670	30,670	0	27,750	27,750
Golden Lake Camp	0	0	0	15,000	15,000	15,000	0	0	0
House of Lazarus	0	0	0	36,300	36,300	36,300	0	27,750	27,750
Ottawa West End Chaplaincy	0	0	0	2,500	2,500	2,500	0	1,500	1,500
Rideau Hill Camp	0	0	0	15,000	15,000	15,000	0	13,500	13,500
Total	0	0	0	132,020	135,520	135,520	0	98,000	98,000

Eastern Ontario Outaouais Regional Council of The United Church of Canada
2021 Financial Report

Schedule 4 - Office Costs

	Governance			Mission & Ministry			2024 Budget Proposal		
	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	Governance	Miss&Min	Total
Carleton Place									
Rent	5,400	5,200	5,400	0	0	0	0	0	0
Supplies	0	0	500	0	0	0	0	0	0
Home Offices	1,850	2,145	2,500	1,250	2,271	2,500	2,500	2,500	5,000
Sundry (Transitional Costs)	343	290	500	0	0	0	500	0	500
Summerlea (16.6% of costs)									0
Elevator	240	201	250	0	0	0	250	0	250
Hydro	340	303	350	0	0	0	350	0	350
Internet	180	0	0	0	0	0	200	0	200
Rent	4,824	4,698	4,750	0	0	0	5,000	0	5,000
Supplies	0	166	750	0	0	0	500	0	500
Total	13,177	13,004	15,000	1,250	2,271	2,500	9,300	2,500	11,800

Schedule 5 - Partnerships

	Governance			Mission & Ministry			2024 Budget Proposal		
	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	Governance	Miss&Min	Total
Affirm United	0	0	0	1,000	0	1,000	0	1,000	1,000
Christian Council of Capital Region	0	0	0	250	250	250	0	250	250
Grand River Book Stores	2,500	2,500	2,500	2,500	2,500	2,500	0	0	0
Multi Faith Housing Initiative	0	0	0	100	100	100	0	100	100
Spiritual Care in Secondary Schools	0	0	0	1,000	1,000	1,000	0	1,000	1,000
Social Justice Network in Ontario	0	0	0	1,500	1,500	1,500	0	1,500	1,500
Total	2,500	2,500	2,500	6,350	5,350	6,350	0	3,850	3,850

Schedule 6 - Personnel

	Governance			Mission & Ministry			2024 Budget Proposal		
	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	Governance	Miss&Min	Total
Benefits (United Church & Government)	40,923	37,614	40,000	31,483	27,479	29,500	42,161	32,113	74,274
Continuing Education	0	555	4,000	137	390	2,100	4,000	2,100	6,100
Executive Minister/Assistant (16.6%)	48,884	43,215	49,500	0	0	0	49,861	0	49,861
Meetings/Hospitality	1,810	1,394	3,000	1,350	302	1,500	2,500	1,500	4,000
Retreat	2,598	0	1,000	0	0	0	2,000	0	2,000
Salaries	165,198	154,296	163,000	119,153	109,220	116,250	170,002	121,536	291,537
Telephones	1,500	1,406	1,500	1,000	806	2,000	1,500	1,200	2,700
Travel	10,350	4,712	6,000	7,830	3,241	4,500	10,000	8,000	18,000
Total	271,262	243,191	268,000	160,953	141,438	155,850	282,024	166,448	448,472

Eastern Ontario Outaouais Regional Council of The United Church of Canada
2020 Financial Report

Schedule 7 – Regional Meetings

	Governance			Mission & Ministry			2024 Budget Proposal		
	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	Governance	Miss&Min	Total
Celebration of Ministry Services	4,477	728	2,500	0	0	0	2,500	0	2,500
Executive Meetings & President Expenses	0	677	1,500	0	0	0	500	0	500
Regional Meeting - February	2,642	540	7,000	0	0	0	0	0	0
Regional Meeting - May	49,346	0	45,000	0	0	0	57,500	0	57,500
Regional Meeting - October	10,600	6,451	7,000	0	0	0	12,500	0	12,500
Planning Committee	269	0	1,500	0	0	0	1,500	0	1,500
Pulpit Supply	0	1,000	0	0	0	0	500	0	500
Total	67,334	9,396	64,500	0	0	0	75,000	0	75,000

Schedule 8 - Technology and Communications

	Governance			Mission & Ministry			2024 Budget Proposal		
	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	Governance	Miss&Min	Total
IT Support GCO	6,511	6,504	6,750	0	0	0	6,750	0	6,750
Tele-Conferencing/Annual Contracts	1,038	518	750	0	0	0	1,250	0	1,250
Website	815	832	1,250	0	0	0	1,000	0	1,000
Total	8,364	7,854	8,750	0	0	0	9,000	0	9,000

Schedule 9 - Youth Programming

	Governance			Mission & Ministry			2024 Budget Proposal		
	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	Governance	Miss&Min	Total
Camp Awesome	0	0	0	0	0	0	0	0	0
Events	0	0	0	3,000	2,062	10,000	0	5,000	5,000
Supplies	0	0	0	1,000	876	2,000	0	1,500	1,500
Total	0	0	0	4,000	2,938	12,000	0	6,500	6,500

Schedule 10 - Statement of Operations and Change in Assets for Eastern Ontario Outaouais Regional Council Fund

	EOORC	M & M Legacy	Cof Invest	Restrict Min.	Youth Funds	Vision & Trans	Mckendry	Total
Opening Equity (market Value)	960,238	174,679	1,538,431	0	1,173,047	2,206,992	100,000	6,153,387
Deposits	0	62,222	0	0	0	0	0	62,222
Deposits (Sales from Properties)	0	28,121	0	479,230	0	28,121	0	535,473
Transfer to Governance	(19,000)	0	0	0	0	0	0	(19,000)
Transfer for Grants	0	0	0	0	(4,890)	(38,982)	0	(43,873)
Transfer to Mission and Ministry	(19,000)	(6,750)	0	0	(23,250)	0	0	(49,000)
Withdrawals	0	0	(60,000)	0	0	0	0	(60,000)
Unrealized Gains/Losses (note 9)	40,558	7,221	59,700	(6,784)	44,517	85,433	(110)	230,535
Closing Equity (market value)	962,796	265,493	1,538,131	472,445	1,189,423	2,281,564	99,890	6,809,743