Appendix 1: The 2026-2028 Budget Financial Schedule

The United Church of Canada

Operating Budget

For the triennial period from 2026-2028, with comparative information from 2023-2025
(amounts in thousands of Canadian dollars)

	2023	2024	2025	2026	2027	2028
Revenues						
Mission and Service Contributions	$ 20,225	$ 19,500	$ 20,220	$ 19,500	$ 19,500	$ 19,500
Denominational Assessments	10,950	10,750	10,775	13,182	13,784	13,890
Interest Incomes	500	500	260	0	0	0
Bookstore Sales	280	350	400	350	350	350
Internal Investment Admin Fees	900	900	800	800	800	800
Other Revenues and Recoveries	1,216	953	865	685	685	685
Investment Income from Operating Reserves				2,622	2,622	2,622
Total Revenues	**34,071**	**32,953**	**33,320**	**37,139**	**37,741**	**37,847**
Expenses						
Salaries and Benefits [1]	14,772	15,850	15,831	15,525	16,302	17,117
Mission and Service Grants	9,435	7,429	7,309	6,309	6,309	6,309
Denominational Assessment Grants	6,590	6,590	6,440	6,440	6,440	6,440
Infrastructure Expenditures	2,954	2,999	3,290	3,756	3,831	3,908
Governance Costs [2]	698	426	450	960	977	3,195
Program Expenditures	3,622	1,959	2,000	2,000	2,000	2,000
Funding Strategic Growth Initiatives [3]				975	1,463	1,950
Total Expenses	**38,071**	**35,253**	**35,320**	**35,966**	**37,322**	**40,918**
Shared Costs						
Shared Salaries and Benefits costs [4]	4,200	4,392	4,503	4,977	5,226	5,487
Recoveries from related entities	(4,200)	(4,392)	(4,503)	(4,977)	(5,226)	(5,487)
Net Shared Costs after Recoveries	**0**	**0**	**0**	**0**	**0**	**0**
Net Surplus (Deficits) before Transfers	**(4,000)**	**(2,300)**	**(2,000)**	**1,173**	**420**	**(3,071)**
Transfer from Annuity Funds				**500**	**500**	**500**
Net Surplus (Deficits) after Transfers	**(4,000)**	**(2,300)**	**(2,000)**	**1,673**	**920**	**(2,571)**
Total Surplus (Deficit) over the Triennium			**(8,301)**			**21**

1. Include salaries and benefits funded by the General Council Operating Budget.
2. Governance costs include direct expenses, such as travel and meeting costs, related to governance committees, including General Council meetings, Executive meetings, and Board of Vocation meetings.
3. As approved by GC45 WF33: GCE04, funding is allocated for Strategic Growth Initiatives.
4. Shared salaries and benefits include FTEs supporting related entities operating from the General Council Office and are invoiced accordingly.

Appendix 2: 2026-2028 Triennial Operating Budget Principles and Assumptions Approved by the Executive of the General Council (September 2025)

Budget Target:

1) The operating budget must ensure that average **annual funding shortfalls** before investment income **do not exceed $2 million** over the triennium, or $6 million in total. A portion of investment income (disposable investment income) from the operating reserve may be used to support operating budget, provided an **adequate reserve balance** is maintained and following conditions are met:
   a. The **adequate reserve level** is defined as 50% of the average annual budgeted expenditures from the previous triennium. This differs from the minimum reserve threshold of 30% of the operating budget, as previously approved by the Executive. The average total budgeted expenditure from 2023 to 2025 was $38.22 million, and 50% of that amount is **$19.11 million**.
   b. A minimum of 2% of investment income must be retained in the operating reserve to offset the annual inflation and ensure the adequate reserve level is inflated adjusted.
   c. **Disposable investment income** shall be calculated as the rolling average of the three-year period preceding the budgeting cycle. For the 2026-2028 budgeting cycle, the applicable rate is based on the July 2025 Treasury Fund Investment Report, which stands at 11.35%. After allocating 2% to the reserve to offset inflation, the remaining **9.35%** may be applied to support the operating budget.

Budget Principles

2) All financial and investment decisions must be evaluated through the lens of affordability and sustainability.
3) All financial resource allocation decisions must be evaluated through the lens of alignment with and linkage to strategic plan objectives.
4) Budget and program decisions must be linked to proactive communication planning and delivery.
5) Transparent and proactive communication about future spending directions and potential changes is encouraged. When possible, advance notice, ideally two or more years, is provided for any phased adjustments, supporting thoughtful planning and continuity.
6) A triennial approach to budgeting is adopted to support long-term financial planning, strategic resource allocation, and sustained stability across program and operational priorities. The budget is reviewed annually to ensure continued alignment with evolving strategic directions and prevailing economic conditions.
7) The operating budget covers all expected expenses, while unexpected costs are managed with the operating reserve. This reserve is routinely monitored to make sure it stays above a predetermined minimum level.
8) [Intentionally Deleted]

9) As approved by GC45 WF33: GCE04 Funding Strategic Growth Initiatives, 10% of Mission & Service contributions over the course of the 2025-2028 triennium as follows - 5% in 2026, 7.5% in 2027 and 10% by 2028 - be earmarked for new, renewing and emerging ministries.
10) The GCO continues under a hiring freeze in which financial sustainability and the priorities of the strategic plan are employed by the General Secretary as key factors in consideration of any replacement in the context of attrition.

Revenue Assumptions:

11) Adopt a neutral view that Mission and Service contributions will remain at a level similar to the past triennium with a moderate decline, which was $19.5 million.
12) The budgeted Bequest income for 2026-2028 is set at $1.8 million, which will be directed in its entirety towards the operating budget, continuing the practice established from 2019 to 2025. Any Bequest income exceeding $1.8 million will be added to the operating reserve to support the church's future endeavors.
13) The Denominational Assessment Rate will be revised in accordance with the rate and formula approved by GC45 in WF24b: GCE05 Assessment Funding Rate for 2026–2028. The details are listed below for greater details:
    a. The assessment rate be increased by 0.5% annually over the next triennial budget cycle, starting from the current rate of 4.5%, as follows:
        i. 5.0% of adjusted revenues in 2026
        ii. 5.5% of adjusted revenues in 2027
    b. The investment related portion of assessment be adjusted as follows:
        i. 0.25% of invested assets in 2026
        ii. 0.30% of invested assets in 2027
14) Other revenues generated by the General Council Office, such as fees, bank account interest, and bookstore sales, etc. are to be designated to support governance and Mission and Ministry.

Expense Assumptions/Cost Containment Measures:

15) Inflation is expected to continue moderating and is anticipated to return to Bank of Canada's target inflation rate of 2%; the current inflation rate as of July 2026 stands at 2.6%.
16) Annually adjust minimum salaries by the annualized Consumer Price Index (CPI) if 3% or less; when the CPI exceeds 3%, staff gather data on wage predictions, collective agreements in not-for-profit and social service sectors, adjustments being offered by other denominations, to support the Executive of the General Council, considering issues of affordability, to set an adjustment. **The 2026 General Council Staff salary schedule will include a 2.6% COLA, based on July 2025 CPI data. Adjustments for 2027 and 2028 will be made when future CPI figures are released**.
17) To ensure strategic alignment and financial sustainability, total salary and Mission & Service Grants shall be reduced by $2 million beginning in 2026, guided by the strategic plan framework.

18) Assessment allotments to regional council offices will be maintained at the same level as the prior year for 2026. The Denominational Assessment Task Review Group, as directed by GC 45 in Calgary, will review and update the allocation for the subsequent years.
19) Funding for the Indigenous Church will be maintained at the same level as the prior year, pending further discernment on sustainable funding and the use of the Indigenous Church's financial reserves.
20) The programmatic budget will be held at $2 million, consistent with the 2024 funding level. The management team believes that safeguarding this level of program funding is essential.
21) Continue to tighten control over travel and meeting expenditures, using the strategic plan to prioritize planning; total budgeted spending shall not exceed the prior year's amount by more than inflation or 3%, whichever is lower.
22) Starting January 2026, the Mission and Service fundraising will be managed by the United Church of Canada Foundation. Despite declining revenues, this partnership aims to improve efficiency through collaboration. The General Council Office will coordinate budgeting with the Foundation to align financial plans and achieve operational savings. Annual fundraising costs shall not exceed 5%, based on the 2025 budget baseline.

Inter-Fund Transfers:

23) Use surplus in the annuity fund to support the operating budget, contingent upon a satisfactory actuarial review and thorough understanding of the fund's financial status and obligations. A funding policy should be established and approved by the Executive of General Council to ensure the long-term sustainability and responsible stewardship of the gift annuity program.
24) Consider using the Property Fund to support the build-out of the future home of the General Council Office at 300 Bloor Street West, subject to Executive approval and a thorough analysis of existing financial obligations, such as the projected demands from the captive insurance program, to ensure alignment with the funds' mandate (The capital in the Property Fund originates from Ventures in Mission, a successful fundraising campaign launched in the 1980s. This campaign was guided by three key mandates: (1) redevelopment of communities of faith, (2) development of new communities of faith, and (3) increased mission and ministry support through funding the Old Pension Plan.)
25) Suspend the annual $300,000 transfer from the Operating Reserve to the Healing Fund until the existing funds have been fully utilized, and reallocate the $300,000 to the operating budget to support the Indigenous Ministry and Justice Unit's operating operations.
26) Continue supporting the Indigenous Ministries and Justice Unit's operations through an annual allocation of $396,000 from the Morrison Fund, in addition to the funding through the current year's Mission and Service revenues.