



Highlands United Church works every day to be a community-focused church, an inclusive church, a welcoming space, a safe place for all. A place that fosters opportunities not just to live and grow, but to thrive!

Highlands United Church is at a Crossroads

A recent pattern of deficit budgets, year end appeals, rising inflation, and building expenses has produced a growing gap in sustainable funding for building and ministry.

The Leadership Board has analysed the physical and financial trends and recommended the congregation take bold steps to address both the current and future needs in order to create a healthy physical and financial platform for ministry. With the approval of our congregation, we are now undertaking a Feasibility Study to gather input and assess our capacity to launch a campaign to create a fund large enough to stabilize our physical and financial future.

The ultimate long-term vision for Highlands United Church is vital life and ministry today and for coming generations. We believe God needs Highlands, the world needs Highlands, and Edgemont Village needs Highlands. This means we need a plan for today and tomorrow

75 Years: Honouring the Past and Building the Future

Since our inception in 1949, Highlands United Church has been an active and respected part of the Edgemont Village community. From the beginning, we have taken risks to serve the needs of the Congregation and the surrounding community. We have become known for strong creative worship, a heart for justice, open mindedness, faith for all ages, and for making fabulous music to offer to God.

Highlands has also attempted to address our financial future several times. We created the *Building & Equipment* fund to proactively address capital replacement needs, and created the *Heritage Fund* to support enduring, future-shaping projects. These funds are not providing the funding we need for future sustainability.

As we look back on the challenges we faced during COVID, we should take pride in the fact that Highlands United showed a remarkable capacity for creativity and resilience with innovative worship, creative use of technology, steady leadership, generous financial commitment, and strong community bonds.

After three years of disruption, we are well on our way to revitalizing the life of our church, both in-person and online, by opening doors to new ministries and programs, fostering new connections with First Nations and the greater North Shore community, and welcoming a new refugee family. We are also developing a Thrift Store, renewing Children and Youth programs, and recommitting to vibrant seniors' programs.

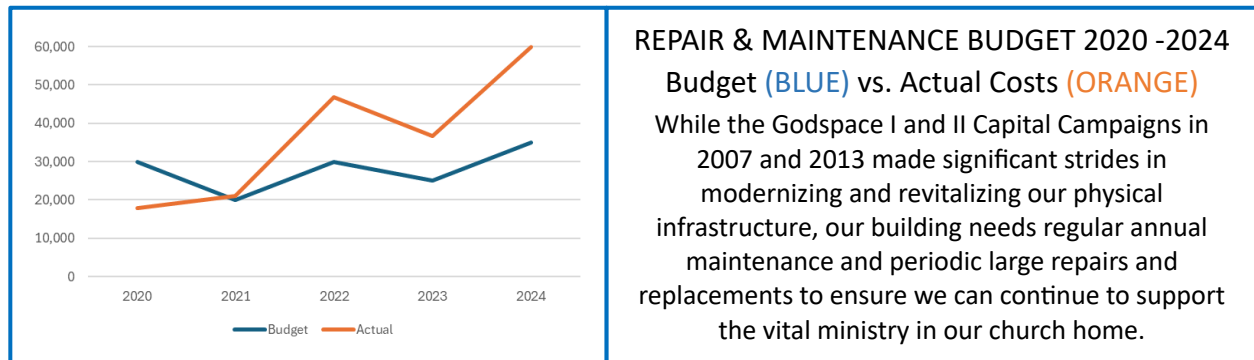


Following the joyful celebration of our 75th year in 2023, **your church leadership has been focused on our future**, and what we must do as a congregation to ensure that we will celebrate many more significant milestones in the years and decades ahead.

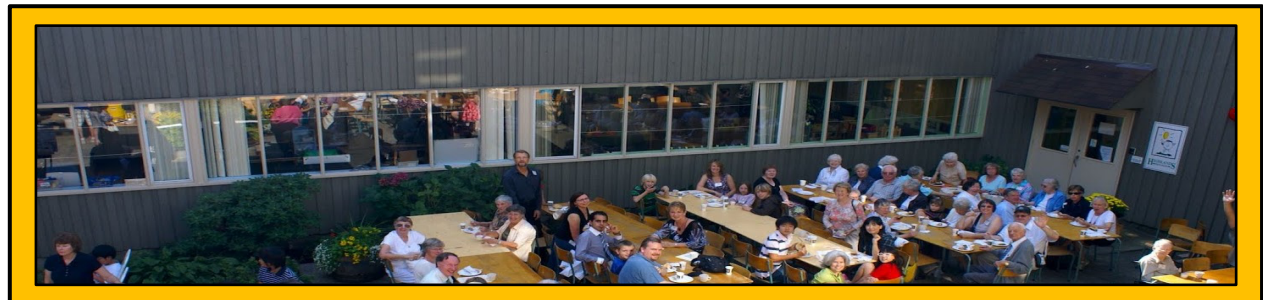
The Physical Heart Of Our Ministry

Our building is a vital and necessary heart of our various ministries. It is home base for our life. However, the continuing costs of maintenance are significant and have reached the point where they are beyond what we are able to provide in our annual operating fund.

As our building ages and continues to be used heavily, our annual budget allocation for maintenance has not kept up with costs. In addition, we have not been able to create a Building and Equipment reserve fund large enough to keep pace with capital replacements.



There is consensus among the building management team, Finance Committee and Leadership Board that the current Building and Equipment Fund will not be sufficient to fund expected capital projects let alone the unexpected projects.



Our Operating Fund Is The Core Financial Engine Of Our Ongoing Ministry

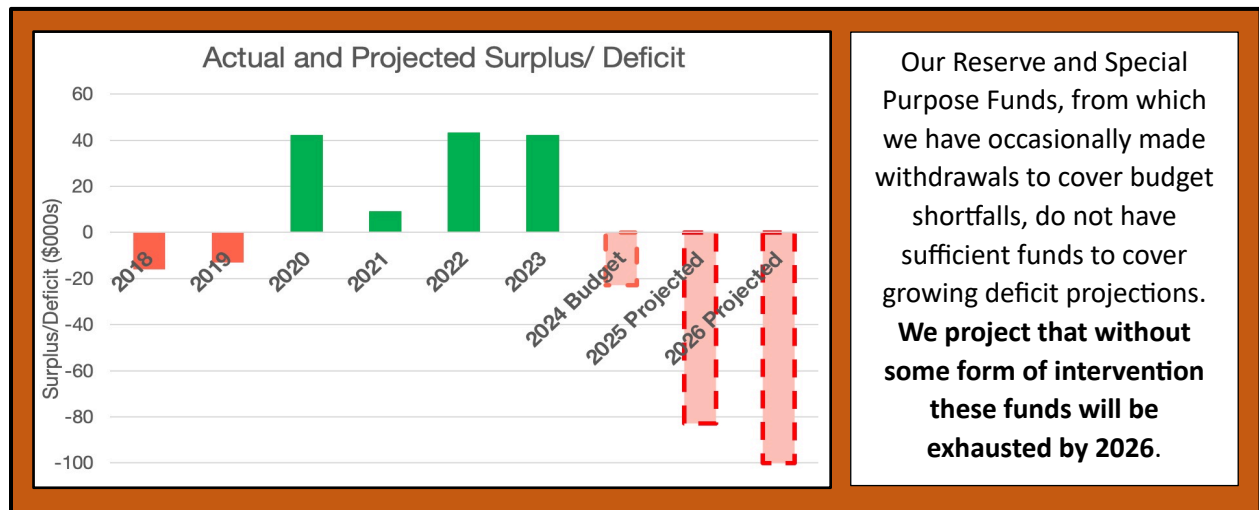
The vast majority of income to the Operating Fund – the vital day to day life of the church – comes from generous offerings, healthy building rental revenue, and fundraising (mostly thrift sales). Highlands has a history of generous giving and a vibrant Stewardship program, but even with that, offerings have not kept pace with increased expenses.

A concerted effort to maximize building use has resulted in increased building revenue, but not enough to cover increased upkeep costs on our well-used building and provide for increased ministry expenses.

Thrift sales have also brought in better-than-expected revenues, so we have embarked on an exciting Thrift Store project to expand on this.

However, even with all this good work, over the past several years **our annual Operating Fund has experienced annual deficits** (without special appeals) that range from \$13,000 to \$46,000. We have managed the last 6 years very well thanks to reduced costs during COVID years, and special appeals when deficits became threatening.

While our community has been responsive and generous when we have been faced with year-end budget shortfalls and critical repairs, we cannot continue to count on this. Expenses are increasing more rapidly than income. **The projected deficit in 2024 is approximately \$70,000 and looking ahead, this annual deficiency will only continue to increase as the basic costs of operations continue to increase.**



The Leadership and Extended Leadership Boards have determined that **Highlands United Church cannot continue to live into our mission by maintaining the ‘status quo.’** With the spirit’s guidance, we plan to create a lasting foundation for the next season in the life and ministry of Highlands United.

Our plan involves supporting the work of today with healthy ongoing stewardship, and a continued effort to increase building use revenue. Additionally, as we work towards the opening of our new Thrift Store, we will continue seeking creative ideas and new initiatives to generate additional operating revenues.

One Fund, Two Purposes

IN ADDITION to these activities, the Leadership Board is proposing to establish a special fund of at least \$5 million, to create a financial platform large enough to *generate revenues that would cover building and equipment costs, and provide stable funding to manage fluctuations in the operating fund* for ministry.

We envision *One Fund with Two Purposes*. The Feasibility Study will tell us which purpose is closer to people's heart and how flexible the community wants the use of this fund to be.

It will also tell us the best way to meet the immediate needs of ministry while, at the same time, building the Fund to the point that it will serve the community long into the future.

A major campaign like this involves many potential sources of funding, including:

- Immediate cash donations in the current tax year
- A pledge to make a larger cash donation in instalments, over multiple tax years
- Planned Gifts, funded from accumulated resources or assets, rather than income
- Bequests

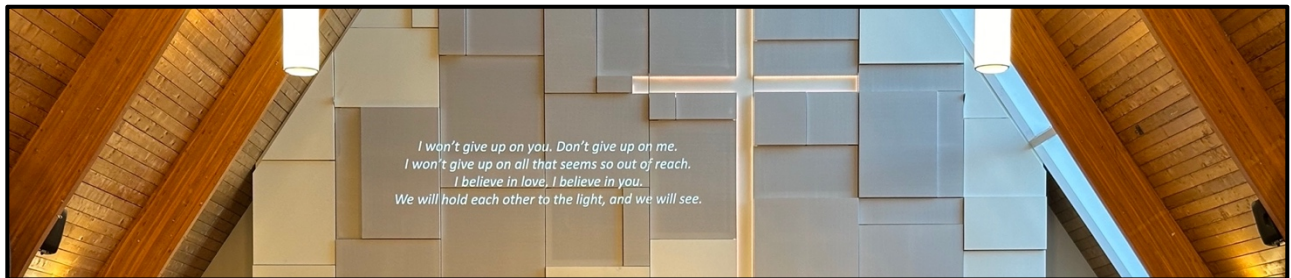
All of these options would be explained in detail and shared with potential donors during the campaign.

There are many details still to be worked out and your input and insight is needed.

To that end, Highlands United has engaged the independent expertise of Waller & Associates, a local faith-based fundraising consultancy, to first conduct a Feasibility Study. Due diligence requires that before we enter into any kind of a major campaign, we fully investigate both the capacity to achieve our goal, and the priorities and preferences of potential donors.

Our ultimate long-term vision for Highland United Church is vital life and ministry today and for generations to come. We believe God needs Highlands, the world needs Highlands, and Edgemont Village needs Highlands. Creating a vibrant financial foundation requires us to pray, discern, communicate, and commit.

Imagine a day when, because today's church invested generously in the future and managed God's gifts well, tomorrow's church has the means to pursue God's call "to gather, take risks, and live out faith in action." – Will Sparks



THE FUTURE: IT'S ABOUT LIVES IN MINISTRY

If you want to see the future of Christianity look in the mirror and look at your neighbor. God's message of love is sent into the world in human envelopes. (Richard Rohr, The Center for Action and Contemplation)