

The following budget for the year 2012 reflects the Budget Committee's best estimates of income and expenses. The major change is the increasing of the retention rate for OCWM. We have held the retention rate at 44% for several years, but find that we could no longer hold to that percentage and still provide meaningful resources to our member churches in the Association. The increasing of the retention rate is particularly difficult for us since we host the national office of the UCC in the Western Reserve Association. We are well aware that keeping more of the dollars in the Association directly impacts the Conference and National levels of the church. When the Association Council voted to approve this proposed budget it was done with the agreement that any surplus dollars realized at the end of 2012 will be equally distributed between the Conference and National offices of the United Church of Christ.

### **Income:**

The proposed budget assumes a total of \$565,500 in OCWM giving by the churches of the Association. The Budget Committee, upon considering year-to-date receipts, believes this to be a realistic number. With the retention rate at 48%, income derived from OCWM giving will be \$271,440.

In addition to OCWM, we receive income from several investment sources. The Endowment Fund provides income by our using 5% of the Fund based on a twelve month average. For 2012, this will provide \$114,192 for income.

A third source of income for the operating funds of the Association is a portion of the investment returns from the Trinity Mission Fund. For 2012 this will amount to \$1,933.

The final source of income is our Omnibus Fund. The principle of this fund is available for Association to use as needed. This year we will be using 5% of the fund based on a twelve quarter average, adding \$5,500 to our income. We are also proposing using \$5,202 of the principle to balance the income to expenses.

Total income for 2012 is \$407,210.

Please note that two other funds under investment, the Trinity Assistance Fund and the North Olmsted Trust Fund are restricted in their use by the Trust Agreements and can not be changed. The income from these funds are used to support Mission Priorities and Church Development.

**Expenses:**

It is important to understand that this proposed budget is based on our current staffing model and not on the new model we have agreed to with the Eastern Association at last Spring's meeting. Therefore, the expected savings from the new staffing model is not reflected in this budget.

There is a 1.5% increase in staff salaries as suggested by the joint meeting of all of the Budget Committees of the Ohio Conference.

The only line item that has a substantial increase is the Payroll and Bank Services fee which is due to the higher cost of our "Lock Box" necessary for financial operations.

Total expenses for 2012 will be \$407,210.

I wish to thank the members of the Budget Committee for their faithful labor on behalf of the Association. Jim Parks and Jim Meyer provide much needed expertise and vision and I greatly appreciate their guidance in developing this proposed budget. As always, I thank Carolyn Willis for her timely and thorough reports on the financial life of the Association.

Respectfully Submitted,

Mark Thomas  
Chair of the WRA Budget Committee