

2010 Budget Presentation to the Conference Annual Meeting General Operating Fund - Iowa Conference, UCC

The following script is intended to be used in conjunction with a PowerPoint presentation originally used to present a summary of the 2010 General Operating Budget at the 2009 Annual Meeting of the Iowa Conference.

SLIDE 1

Background info: This presentation explains the General Operating Fund (GOF) of the Iowa Conference, UCC. The GOF is that part of the conference operation which is funded by gifts to OCWM -- Our Church's Wider Mission and other unrestricted income.

The information in this PowerPoint correlates with the information found in the meeting booklet -- Financial Reports, Page 1 -- and you may wish to turn to that page.

The anticipated expenses for the GOF in 2010 are \$1,009,240.

SLIDE 2

One way to understand the makeup of the GOF budget is to divide it into five sections, or categories:

- Board of Directors - dark blue
- Wider Church - brownish red
- Personnel - green
- Operations - purple
- Program - light blue

As you can see, the bulk of the budget pertains to wider church and personnel.

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The Board of Directors budget section includes funds to pay for meeting expenses of the Board, but mostly it pays for our bookkeeping costs and annual audit.

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Wider church includes a number of specific items.

The largest, of course, is undesignated contributions toward the support of the entire ministry of the national settings of the church. This amount is budgeted at 36% of basic OCWM from our churches. This percentage is reduced 1% from that for 2009 for reasons we will discuss briefly later, when we talk about a challenge to the churches, which if met, would enable us to continue at 37%. We'll return to that.

There are other aspects to our support of the wider church - settings of the church which are funded OUTSIDE our regular sharing of OCWM:

- The Council of Conference Ministers
- The West Central Region of Conferences
- The CUE (Chicago, United, Eden Seminaries) Fundraising Consortium. When your church sends contributions for the support of the CUE seminaries, your entire contribution goes to the schools because the overhead costs of CUE are paid by the participating conferences.
- Nationwide Special Counsel
- General Synod delegation expenses

In total these others aspects of our support of the wider church come to \$21,040. The 36% of basic OCWM comes to \$347,400, so in total we are anticipating support of the wider church in the amount found at the top of the slide - \$368,440.

SLIDE 5

The largest part of our budget is for personnel. Our work is relational. Our staff is our most important and most valuable resource. It is the staff personnel of the conference that makes our ministry personal. The total for staff comes to \$498,700 -- nearly half of the total GOF.

The circle on the left represents the entire GOF budget. The light colored section is the personnel budget. The circle on the right represents just that light colored section of the entire budget. It is further subdivided to illustrate the relative amounts spent on the program staff (the darker colored segment) and the support staff (the lighter colored segment).

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We have returned to the original pie chart representation of the entire GOF budget. Operation expenses account for 6.1% of the total GOF budget - \$61,500.

SLIDE 7

Expenses included in the operations budget include (but are not limited to),

- Utilities at our office building,
- Repairs and maintenance of the office
- Property and liability insurance
- Office machinery and supplies
- Postage
- Technology expenses -- hardware and software
- Telephone expenses

Currently this section does NOT include automobile expenses and other professional expenses of the staff. Those are in the personnel section but in the future that will likely change.

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As you know, the offices of the conference will be moving to a different (and more modest setting) almost immediately after this meeting. The new office is located at 5609 Douglas Ave in Des Moines.

SLIDE 9

Once again we are looking at the pie chart of the entire GOF budget. Direct programming is not the highest priority of our current ministry emphases, but there are some aspects of direct programming that we continue to fund -- mostly, though not entirely, through other groups and organizations. These programming expenses consume 4.7% of our budget, or \$47,950.

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The largest segment of program expense is ministry support for Our Sacred Space, Inc. - Pilgrim Heights Camp and Retreat Center.

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The GOF subsidizes the conference's Center/Learn/Search program of lay theological education with \$10,000.

SLIDE 12

We support IRMS -- Iowa Religious Media Service -- with an annual contribution of \$9250. If your church doesn't currently use IRMS you are missing out on a wonderful resource.

SLIDE 13

We provide direct support for ministry programs with youth and young adults in the amount of \$5000 (in addition, of course, to our full-time staff person). In addition to this \$5000, the six associations each provide substantial financial subsidy and support for youth programming.

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All that we've seen so far describe our anticipated expenses. How will all this be paid for?

SLIDE 15

The GOF is funded with support from OCWM and a small amount of other unrestricted income. It's important to understand that the GOF does NOT include pass through funds and other designated contributions which come from your churches and pass through our books. All of these restricted funds are used according to donor intent and promptly disbursed accordingly.

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There are many kinds of these pass-through funds:

- There are the 4 special offerings of our denomination:
 - OGHS - One Great Hour of Sharing
 - NIN - Neighbors in Need
 - STC - Strengthen the Church
 - The Christmas Fund
- There are other UCC related entities, such as Back Bay Mission and Lifelink and support for the CUE seminaries.
- Considerable support for non-UCC entities is passed through our books.
- From time to time there are special appeals for disaster assistance and other special projects. These are all restricted funds and do not pass into or through the GOF.

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There are also conference programs which are completely or partially self-supporting. These include:

- Center/Learn/Search
- Annual Meeting
- Youth and Young Adult Ministry programs
- Continuing Education events

These are all accounted for outside the GOF, though for some of them the GOF offers some support.

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Our anticipated income to the GOF is \$1,056,000. Of that amount, \$1,035,000 is expected to come from churches and individuals.

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Here's the breakdown of the sources from which we expect that OCWM income: As you can see, we expect some from individuals, but by far the largest part comes from churches - the blue part of the pie chart.

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There is an additional source of unrestricted income which comes from earnings on investments. This is almost entirely from invested proceeds from the sale of the old conference office building. We expect \$19,000 of such income in 2010.

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There is also a small amount of misc income -- anticipated at \$2000. This added to the income from investments gives us other income in the amount of \$21,000.

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If all goes as expected, we will have a surplus of \$47,760. This is a fairly small number, especially given that our estimates for OCWM income from churches may prove to be optimistic.

SLIDE 23

In a moment I'll take your questions. I would point out that on page 2 of the financial reports there is a recommended resolution from the Board which would increase our OCWM sharing with the national church to 37% if we surpass church support of OCWM by \$10,000. That resolution will be voted on tomorrow in conjunction with action on the entire budget. Please read it carefully.

Are there any questions?