

The Board of Elders is recommending this budget to the congregation for approval at the February 12th Congregational Meeting. In doing so, we make the following observations:

- The submitted budget indicates a small operating deficit of less than \$4,000.

- The Board of Elders recommends approval of the budget as submitted, on the following basis:
 - The indicated deficit represents approximately one-half of one percent of the operating budget, within the typical margin of error for estimated revenue and expense lines. The 2011 budget indicated a similar deficit and ended up in small surplus.
 - The Board, while not wanting to include unconfirmed revenues in the budget, has a reasonable and conservative expectation of yielding additional lease income exceeding the indicated deficit.
 - The indicated deficit, if proving real, is sufficiently small that the Board and its committees can comfortably exercise needed mid-course adjustments during 2012 to maintain balance.
 - The Board will make a mid-year report to the congregation.

- As part of the submitted 2012 budget, the Board of Elders recommends standardizing the guideline formula for the Church's OCWM pledge to reflect 15% of the prior year's actual designated revenue categories. This approach seems more prudent than basing such commitments on projected revenues, while still maintaining the church's strong leadership commitment to OCWM.

We look forward to your presence at the Congregational Meeting.

Your Board of Elders