

BETHANY LUTHERAN CHURCH
2024 BUDGET

And
Financial Positions at 12/31/2023

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Mission Planning for 2024

- The following pages comprise Bethany's Financial Plan and Budgets for 2024.
- We began this process in December of 2023 when each Committee began planning and budgeting for 2024. The budgets were then compiled and approved by the Finance Committee and recommended to The Church Council.
- On December 19, 2023, The Church Council approved the proposed budget and recommended forwarding to the Congregation at the Annual Meeting.
- The end result of this planning is now presented to the congregation for review and approval at the Annual Meeting.

Statement of Income & Expenses Actual 2022 and 2023 and Budget 2024

| | Actual 2022 | | Budget 2023 | Actual 2023 | | Budget 2024 |
|--------------------------|-------------------|--|------------------|------------------|--|------------------|
| Total Income | | | | | | |
| Tithes & Offerings | \$750,919 | | \$853,582 | \$774,512 | | \$875,000 |
| Other Income | \$1,610 | | \$2,000 | \$1,706 | | \$2,000 |
| Total Income | \$752,529 | | \$855,582 | \$776,218 | | \$877,000 |
| Total Expenses | | | | | | |
| Benevolence | | | | | | |
| Mission Support | \$102,000 | | \$105,000 | \$105,000 | | \$108,000 |
| Social Action | \$14,183 | | \$16,766 | \$14,256 | | \$16,800 |
| Global Mission | \$2,400 | | \$3,400 | \$2,300 | | \$2,400 |
| Total Benevolence | \$118,583 | | \$125,166 | \$121,556 | | \$127,200 |
| Staff | | | | | | |
| Ordained | \$254,240 | | \$261,542 | \$197,399 | | \$226,759 |
| Support | \$183,806 | | \$204,950 | \$200,747 | | \$238,244 |
| Total Staff | \$438,046 | | \$466,492 | \$398,146 | | \$465,003 |
| Property | | | | | | |
| Total Fee Income | (\$21,382) | | (\$23,800) | (\$24,739) | | (\$25,100) |
| Total Expense | \$181,953 | | \$208,752 | \$199,291 | | \$197,839 |
| Net Total | \$160,571 | | \$184,952 | \$174,552 | | \$172,739 |
| Other Committees | | | | | | |
| IT Costs | \$12,655 | | \$11,300 | \$12,570 | | \$14,130 |
| Office Expense | \$16,436 | | \$17,235 | \$17,462 | | \$19,790 |
| Christian Education: | \$7,697 | | \$11,250 | \$13,223 | | \$13,910 |
| Evangelism | \$4,427 | | \$10,930 | \$6,989 | | \$10,500 |
| Worship & Music | \$11,795 | | \$16,722 | \$8,566 | | \$15,222 |
| Youth Ministry | \$978 | | \$4,135 | \$9,806 | | \$7,500 |
| Finance & Stewardship | \$7,442 | | \$7,400 | \$8,585 | | \$31,006 |
| Total Committees | \$61,430 | | \$78,972 | \$77,201 | | \$112,058 |
| Total Expenses | \$778,630 | | \$855,582 | \$771,455 | | \$877,000 |
| Surplus (Deficit) | (\$26,101) | | \$0 | \$4,763 | | \$0 |

TITHES AND OFFERINGS:

To forecast Tithes and Offering Income for 2024, the Finance Committee looked at the Total Tithes and Offerings, the amounts diverted to Capital, and the remaining Tithes and Offering Income, for the last four years, as follows:

| Year | Total T & O | Diverted to Capital | T & O Income |
|------|-------------|---------------------|--------------|
| 2020 | \$ 655,674 | \$ 0 | \$ 655,674 |
| 2021 | \$ 689,863 | \$ 0 | \$ 689,863 |
| 2022 | \$ 972,856 | \$ 221,937 | \$ 750,919 |
| 2023 | \$ 999,512 | \$ 225,000 | \$ 774,512 |

Clearly our congregation has responded generously to the Expand the Table Capital Initiative over the first 21 months which encompassed most of 2022 and all of 2023. The challenge for 2024, with 3 months remaining in the Capital Initiative, was to forecast how many of our members could continue at these higher levels not only for the first 3 months of 2024 but beyond so that we can pay down our mortgage as quickly as possible. After analyzing it in several different ways, we came up with the following forecast, which we hope is conservative.

| | | | |
|------|------------|------|------------|
| 2024 | \$ 875,000 | \$ 0 | \$ 875,000 |
|------|------------|------|------------|

This reflects a drop in total giving that we hope doesn't happen, but if it does, it will be enough to cover our forecast expenses. However, it will not allow us to divert any funds for early principal payments on the mortgage. If total giving is closer to the last 2 years, we will have enough to make larger reductions in the mortgage.

Other Income:

The Other Income line in our budget is made up of gifts received from our members through Thrivent's "Thrivent Choice ® Program", gifts from other charities such as United Way and Amazon Smile, Interest earnings from our bank accounts, and our credit card rewards program. The Other Income total budget projection for 2024 is \$2,000 compared to \$1,707 in 2023.

Benevolence – Mission Support:

A minimum of 18% of the current year's receipts will be given as benevolence. This is to be calculated as 18% of Tithes and Offerings inclusive of Dedicated Funds intended for outreach, such as global mission and social action.

For 2024 we have budgeted Mission Support to be \$108,000 which is \$3,000 more than last year.

What this would look like:

| Receipts: | 2021 | 2022 | 2023 | 2024 |
|---------------------------------|------------------|------------------|------------------|------------------|
| Tithes & Offerings Adjusted | \$679,000 | \$719,058 | \$742,512 | \$863,000 |
| Dedicated Fund Receipts | \$14,000 | \$16,694 | \$4,864 | \$2,000 |
| Total Receipts | \$693,000 | \$735,752 | \$747,376 | \$865,000 |
| Benevolence Paid: | | | | |
| ELCA- N. I. Synod | \$100,000 | \$102,000 | \$105,000 | \$108,000 |
| Social Action | \$10,000 | \$14,183 | \$14,256 | \$16,800 |
| Global Mission | \$2,500 | \$2,400 | \$2,300 | \$2,400 |
| Dedicated Fund Payments | \$14,000 | \$18,937 | \$17,319 | \$28,900 |
| Total Benevolence | \$126,500 | \$137,520 | \$138,875 | \$156,100 |
| Benevolence % of Total Receipts | 18.3% | 18.7% | 18.6% | 18.0% |

Administrative Office Groups and Congregation Committees:

Critical to the success of Bethany is the work of its administrative office staff and the congregation committees. These groups put in many hours of hard work. Overall, we have budgeted total dollars of \$112,058. These costs represent 12.8% of our total operating expense budget. The largest increase, and most of the total increase, is in finance and is totally due to a new budget of \$23,340 for interest on our new mortgage. Other increases are for worship and musical resources and evangelical outreach.

| Description: | Actual 2022 | Actual 2023 | Budget 2024 |
|---------------------------|------------------------|------------------------|------------------------|
| IT Costs | \$12,655 | \$12,570 | \$14,130 |
| Office Expense | \$16,436 | \$17,462 | \$19,790 |
| Christian Education | \$7,697 | \$13,223 | \$13,910 |
| Evangelism | \$4,427 | \$6,989 | \$10,500 |
| Worship & Music | \$11,795 | \$8,566 | \$15,222 |
| Youth Ministry | \$978 | \$9,806 | \$7,500 |
| Finance & Stewardship | \$7,442 | \$8,585 | \$31,006 |
| Total Committees | \$61,430 | \$77,202 | \$112,058 |
| % of Total Expense | 7.9% | 10.0% | 12.8% |

The Property Committee:

The **Property Committee** shall see to the proper maintenance and protection of all property of the congregation and shall take care that the same is kept in good repair and is adequately insured.

Budget for 2024

Head Start fees have been going up because they have taken a little more space and because we increase their fee to pass along our costs that have gone up such as utilities.

Inflation has affected property costs significantly. The costs in most areas are going up. Utilities, repairs, supplies, insurance; all have increased in price. One area that has increased in the All-Other Expense category below is Landscape costs to maintain the improvements we made last year. To offset these increases and because the Property Replacement Reserve is at the relatively high amount of \$117,435, we have lowered our planned accrual to \$12,000. If some of the expense increases do not happen, we will consider increasing this accrual. The Property Replacement Reserve also increases by 25% of all Building Use Fees, including Head Start. The amounts below, which are credited to property expense, represent 75% of the total usage fees.

| | Actual 2022 | Actual 2023 | Budget 2024 |
|------------------------------|----------------|----------------|----------------|
| Property Income | | | |
| Building Use Fees-Others | (\$1,732) | (\$2,600) | (\$2,600) |
| Bldg. Use Fee-Head Start | (\$19,650) | (\$21,600) | (\$22,500) |
| Total Fee Income | (\$21,382) | (\$24,200) | (\$25,100) |
| Property Expenses | | | |
| Total Utilities | \$39,634 | \$41,727 | \$44,119 |
| Cleaning Service - Church | \$20,652 | \$21,520 | \$22,800 |
| Insurance | \$22,008 | \$23,660 | \$25,000 |
| Maintenance & Repairs | \$25,226 | \$30,119 | \$35,200 |
| Property Replacement Reserve | \$31,861 | \$32,000 | \$12,000 |
| Snow Removal | \$15,076 | \$18,787 | \$18,500 |
| Alarm/Fire Prot.-Insp. | \$4,402 | \$4,005 | \$4,500 |
| All Other Expense | \$23,094 | \$30,033 | \$35,720 |
| Total Expense | \$181,953 | \$201,851 | \$197,839 |
| Net Expense | \$160,571 | \$177,651 | \$172,739 |
| % of Total Expense | 20.6% | 22.6% | 19.7% |

Staff-Ordained:

Budget for 2024

Our Plan every year is to follow the Guidelines provided by the Northern Illinois Synod of the ELCA for our ordained staff which are Pastor Cathy Daharsh and an Associate Pastor position which we are currently looking to fill. Doing so will assure that our Pastors are compensated on an equitable basis and provided with benefits commensurate with their needs. For Salary, we use the annual guidelines provided by the Synod. Medical and Retirement benefits are provided through PORTICO plans (associated with the ELCA) that also provide Disability and Group Life Insurance. We also provide funds for Continuing Education and reimbursement for church related expenditures.

The Synod Compensation Guidelines for 2024 recommended base salary increases of 3% so that is what we recommend for our pastors and that is what is in this 2024 budget. These budgeted amounts include an Associate Pastor for 8 months of the year. The Other Expense category includes an estimate for Associate Pastor moving expenses if needed.

| PLAN FOR 2024 TRANSLATED TO \$\$ | |
|---|------------------|
| Total Compensation – Ordained Staff | \$148,276 |
| Health & Pension Benefit | \$61,855 |
| Continuing Education | \$1,800 |
| Mileage Reimbursement | \$1,000 |
| Cell Phone Reimbursement | \$528 |
| Other Expense | \$13,300 |
| Total Ministry Request | \$226,759 |

Staff-Professional:

Budget for 2024

Our Plan every year is to assure that our staff members are compensated fairly based upon their position, experience, and their needs. In addition to competitive salaries, Medical and Retirement Benefits are provided where deemed appropriate. These Benefits are provided through PORTICO plans (associated with the ELCA) that also provide Disability and Group Life Insurance. We also provide funds for Continuing Education and reimbursement for church related expenditures.

Consistent with the Synod guidelines and the comments above for ordained staff, we have increased base salaries by 3% for our professional staff for 2024.

| PLAN FOR 2024 TRANSLATED TO \$\$ | |
|---|------------------|
| Total Compensation | \$195,481 |
| Health & Pension Benefit | \$26,139 |
| FICA | \$14,954 |
| Continuing Education | \$200 |
| Workers Compensation | \$1,470 |
| Total 2024 Staff-Professional Budget | \$238,244 |

Total Cash and Investment Balances at 12/31/23:

Total Cash and Investment Balances:

As of the end of December 2023 we have the following cash and investment balances:

Accounting Records at Bethany

| | |
|------------------------------|------------------|
| Operating Surplus | \$64,132 |
| Property Replacement Reserve | \$117,435 |
| Expand the Table Capital | \$160,129 |
| Memorials | \$140,522 |
| Other Dedicated Funds | <u>\$47,625</u> |
| Total | <u>\$529,843</u> |

Accounts at Financial Institutions

| | |
|-------------------------|------------------|
| BMO Harris Bank | \$467,279 |
| Mission Investment Fund | <u>\$62,564</u> |
| Total | <u>\$529,843</u> |