

BETHANY LUTHERAN CHURCH
2026 BUDGET

And
Financial Positions at 12/31/2025

Table of Contents

<u>Item</u>	<u>Page</u>
Mission Planning for 2026	3
2026 Budget	4
Statements of Income & Expenses for 2024 & 2025	4
Tithes & Offerings	5
Other Income	5
Benevolence – Mission Support	5
Administrative Office Groups and Congregation Committees	6
Property	7
Staff - Ordained	8
Staff - Professional	8
Financial Positions:	
Total Cash & Mortgage Balances at 12/31/25	9

Mission Planning for 2026

- The following pages comprise Bethany's Financial Plan and Budgets for 2026.
- We began this process in December of 2025 when each Committee began planning and budgeting for 2026. The budgets were then compiled and approved by the Finance Committee and recommended to The Church Council.
- On January 12, 2026, 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 2024 and 2025 and Budget 2026

	Actual 2024		Budget 2025	Actual 2025		Budget 2026
Total Income						
Tithes & Offerings	\$770,526		\$802,940	\$744,302		\$744,300
Other Income	\$1,526		\$2,000	\$1,729		\$2,000
Total Income	\$772,052		\$804,940	\$746,031		\$746,300
Total Expenses						
Benevolence						
Mission Support	\$108,000		\$100,000	\$100,008		\$100,000
Social Action	\$15,085		\$13,500	\$12,389		\$13,000
Global Mission	\$2,400		\$2,400	\$2,400		\$2,400
Total Benevolence	\$125,485		\$115,900	\$114,797		\$115,400
Staff						
Ordained	\$172,246		\$197,029	\$184,137		\$166,032
Support	\$217,207		\$209,183	\$202,456		\$206,036
Total Staff	\$389,454		\$406,212	\$386,593		\$372,068
Property						
Total Fee Income	(\$26,539)		(\$25,275)	(\$25,170)		(\$25,275)
Total Expense	\$178,163		\$194,681	\$170,915		\$183,150
Net Total	\$151,625		\$169,406	\$145,745		\$157,875
Other Committees						
IT Costs	\$17,561		\$15,130	\$12,844		\$14,130
Office Expense	\$20,205		\$20,050	\$13,421		\$15,950
Christian Education:	\$13,686		\$11,580	\$6,408		\$7,580
Evangelism	\$7,118		\$9,300	\$7,269		\$8,300
Worship & Music	\$17,247		\$18,052	\$13,298		\$14,847
Youth Ministry	\$7,504		\$6,000	\$3,805		\$3,200
Finance & Stewardship	\$23,069		\$33,310	\$31,837		\$36,950
Total Committees	\$106,391		\$113,422	\$88,882		\$100,957
Total Expenses	\$772,954		\$804,940	\$736,018		\$746,300
Surplus (Deficit)	(\$902)		\$0	\$10,013		\$0

Tithes and Offerings:

To forecast Tithes and Offering Income for 2026, the Finance Committee looked at the Actual Tithes and Offerings received in previous years and how they compared to Total Pledges for those years. Excluding last year and the capital campaign years, the T & O Income had been averaging about 34% more than pledges. Receiving an actual amount above pledges has been consistent and represents gifts received from members who choose not to pledge, members who pledged but gave more than their pledge, new members who came after the pledge drive, and gifts from non-members. However; last year's percentage was only 24%. And pledges received for 2026 were slightly lower than last year. We considered using the historical 34% to forecast 2026 and assuming that last year's 24% was an aberration. However; that produced an amount greater than 2025's actual and we did not think that was justified. Then we considered using a percentage in between, i.e. 30%, and this gave us an amount approximately equal to 2025's actual T&O. This seemed more reasonable so we have forecasted T & O for 2026 at \$744,300; basically, the same as 2025.

Other Income:

The Other Income line in our budget is made up of gifts received from our members through Thrivent's "Thrivent Choice[®] Program", interest earnings from our bank accounts, and our credit card rewards program. The Other Income budget projection for 2026 is \$2,000 compared to \$1,729 in 2025.

Benevolence – Mission Support:

Our constitution calls for 18% of the current year's receipts to be given as benevolence. This is to be calculated as 18% of Tithes and Offerings, adjusted for property reserves and mortgage, and inclusive of Dedicated Funds intended for outreach, such as global mission and social action. In 2025 we were successful in reaching that goal and our plan for 2026 is to accomplish that again.

Receipts:	2023	2024	2025	2026
Tithes & Offerings Adjusted	\$742,512	\$741,769	\$711,062	\$711,060
Dedicated Fund Receipts	\$4,864	\$15,460	\$22,914	\$7,500
Total Receipts	\$747,376	\$757,229	\$733,976	\$718,560
Benevolence Paid:				
ELCA- N. I. Synod	\$105,000	\$108,000	\$100,008	\$100,000
Social Action	\$14,256	\$15,085	\$12,389	\$13,000
Global Mission	\$2,300	\$2,400	\$2,400	\$2,400
Dedicated Fund Payments	\$17,319	\$30,819	\$24,106	\$13,600
Total Benevolence	\$138,875	\$156,304	\$138,903	\$129,000
Benevolence % of Total Receipts	18.6%	20.6%	18.9%	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 \$100,957. These costs represent 13.5% of our total operating expense budget. The largest increase, and almost half of the total increase, is in finance and is totally due to budgeting \$5,000 for an independent audit of our accounting and finance operations. Other increases are basically due to normal cost increases. These expenses are above last year but they are still below where they were two years ago.

Description:	Actual <u>2024</u>	Actual <u>2025</u>	Budget <u>2026</u>
IT Costs	\$17,561	\$12,844	\$14,130
Office Expense	\$20,205	\$13,421	\$15,950
Christian Education	\$13,686	\$6,408	\$7,580
Evangelism	\$7,118	\$7,269	\$8,300
Worship & Music	\$17,247	\$13,298	\$14,847
Youth Ministry	\$7,504	\$3,805	\$3,200
Finance & Stewardship	\$23,069	\$31,837	\$36,950
Total Committees	\$106,391	\$88,882	\$100,957
% of Total Expense	13.8%	12.1%	13.5%

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 2026

For the building use fees, we have left Head Start the same as 2025 and increased the other's slightly.

Inflation continues to affect property costs with increases in utilities, contract services like insurance and snow removal, and supplies. The largest increase is in maintenance and repairs and is due to 2025 being unusually low. We expect it will increase back to a more normal level.

	Actual 2024	Actual 2025	Budget 2026
Property Income			
Building Use Fees-Others	(\$3,139)	(\$2,895)	(\$3,000)
Bldg. Use Fee-Head Start	(\$23,400)	(\$22,275)	(\$22,275)
Total Fee Income	(\$26,539)	(\$25,170)	(\$25,275)
Property Expenses			
Utilities	\$42,138	\$41,575	\$44,000
Contract Services	\$107,255	\$116,732	\$120,900
Supplies	\$8,042	\$4,807	\$5,650
Maintenance & Repairs	\$8,729	\$1,801	\$6,600
Property Replacement Reserve	\$12,000	\$6,000	\$6,000
Net Expense	\$151,625	\$145,745	\$157,875
% of Total Expense	19.6%	19.8%	21.2%

Staff-Ordained:

Budget for 2026

Our Plan every year is to follow the Guidelines provided by the Northern Illinois Synod of the ELCA for our ordained staff. For Salary, we have used 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 2026 did not include a specific recommendation for salary increases, although some ranges went up by around 3.5%. We considered this along with the fact that current inflation is now reported at 2.7% and decided on staff pay increases of 3.0% for staff that have been here for at least one year.

The 2026 ordained staffing budget reflects one full-time pastor and one interim pastor serving for a portion of the year, with funding set aside to support ordained leadership throughout the year. As Bethany continues its call process and future staffing decisions are finalized, this portion of the budget may be revisited to ensure alignment with those outcomes.

PLAN FOR 2026 TRANSLATED TO \$\$	
Total Compensation – Ordained Staff	\$143,116
Health & Pension Benefit	\$18,716
Continuing Education	\$1,000
Mileage Reimbursement	\$600
Cell Phone Reimbursement	\$600
Other Expense	\$2,000
Total Ministry Request	\$166,032

Staff-Professional:

Budget for 2026

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 as noted above. 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 wages by 3% in 2026 as appropriate for our professional staff who have been with us for at least one year.

PLAN FOR 2026 TRANSLATED TO \$\$	
Total Compensation	\$174,886
Health & Pension Benefit	\$15,774
FICA	\$14,070
Continuing Education	\$200
Workers Compensation	\$1,106
Total 2026 Staff-Professional Budget	\$206,036

Total Cash and Mortgage Balances at 12/31/25:

Total Cash and Mortgage Balances:

As of the end of December 2025, we have the following cash and mortgage balances:

Accounting Records at Bethany

Operating Surplus	\$67,670
Property Replacement Reserve	\$85,933
Memorials	\$105,435
Other Dedicated Funds	<u>\$33,002</u>
Total	<u>\$292,040</u>

Cash Accounts at Financial Institutions

BMO Harris Bank	\$228,974
Mission Investment Fund	<u>\$63,066</u>
Total	<u>\$292,040</u>

Mortgage Activity and Balance

Beginning Mortgage Balance at 1/1/25	<u>\$358,861</u>
Principal Payments in 2025	<u>(\$ 7,266)</u>
Ending Mortgage Balance at 12/31/25	<u>\$351,595</u>