

8/10/2016

Dear Bethel family,

Enclosed you will find the proposed 2018 budget for Bethel Lutheran Church. The new budget year begins on September 1st. The Finance Committee, the Church Council, Fara Brock and myself have been working on this budget since the spring of this year. A lot of hours go in to preparing an annual budget and I thank everyone who helped along the way.

There are a few changes in this year's budget that I want to point out.

- For a number of years, we rented (income) to the Fusion After School Program. They are no longer in business. However, Bethel School is expanding their after-school program and have 50 students registered so far. Although the church loses rental income, the administrative charge to the school has increased and was approved by the school board in the 2018 Bethel School budget.
- The increase in spending in the 2018 budget is reflective of actual spending in the current budget year. The changes in spending reflect what we are already doing in this budget year. The only exception to that is the salary increase for the staff.
- The decision was made to leave the "bus payment" (\$7,000) in the budget. Bus payments will affect the budget beginning in February 2018. If the decision is made to retire the current debt on the bus before February 2018, the amount reflected in the budget (\$7,000) will be eliminated. It is easier to take things out of the budget than add them mid-year.
- The proposed increase in giving is a 3% increase over actual giving (versus proposed giving) in the 2017 budget which is modest, sustainable and manageable. This is the same percentage increase (3%) we've seen each year for the last 3 years.
- Our current mortgage is \$658,500. Our monthly payment is \$3,786 per month.

I understand that looking at columns of numbers can be confusing and will generate questions. That is why we had a Treasurer's Forum in July to answer questions regarding the proposed budget. However, if you have any additional questions, please email me or Dave Larson before the congregational meeting on August 20th. Pr. Ben: pastorben@bethelcupertino.org and Dave Larsen: davelars@pacbell.net.

Thank you for taking the time to look over this packet of information. I appreciate your love and commitment to Bethel as we look forward to another inspiring year of ministry and service together!

God bless,
Pr. Ben

Rev: 8/10/2018

FY'17 Adopted Budget: - $\$30,000.00$ *Deficit with $\$650,000$ general fund income*

Income Changes for FY'18:

General Fund Giving	\$	40,000	Forecasted increase from $\$650k$ to $\$690k$
Facility Use Income	\$	(55,000)	Loss of FUSION income
School Admin Charge	\$	45,600	Increase $\$84,600$ to $\$132,000$
Other Cash Donations	\$	7,000	Bus Donations
		<u>\$ 37,600.00</u>	Increase

Expense Changes for FY'18:

Staffing:

		<u>$\\$22,000$</u>	Staffing (5% increase with payroll taxes and benefits)
		$\\$22,000$	Increase

Programs:

		$\$2,500$	Increase for adult activities budget
		$\$2,000$	Increase for 1st Wed. speaker series
		<u>$\\$3,000$</u>	Add Benevolence for increased general fund giving
		$\\$7,500$	Increase

Facilities & Professional Contracts:

		$\$2,300$	Pushpay account annual fee ($\$13,700$ in giving in 2016)
		<u>$\\$1,500$</u>	Increased cost of janitorial supplies
		$\\$3,800$	Increase

Loans & Leases:

		<u>$\\$7,000$</u>	Bus loan payments for February-August
		$\\$7,000$	Increase

Total Change to Expenses FY'18: **$\$40,300$** **Increase**

Net Effect for FY'18 Budget: - $\$32,700$ (- $30,000+37,600-40,300$)

FY'18 Budget: Category Totals

Account Group	Budget FY17	Projected FY17	Requested Budget FY18	
Staffing	561,000	561,000	583,000	+4%
Ministry & Programs (includes benevolence, fee based events)	137,000	146,000	145,000	+6%
Technology and Equipment	10,000	9,000	10,000	0%
Facilities & Overhead	144,000	134,000	148,000	+3%
Loans & Leases	20,000	21,000	27,000	+35.0%
Net Expenses*	871,000	871,000	913,000	+5%
School Admin Charge	-84,600	-84,600	-132,000	
Fee Based Events	-40,000	-40,000	-40,000	
Facility Use Fees	-60,000	-61,000	-6,000	
Other Receipts (Thrivent Choice, bus donations for loan payments)	-6,000	-14,000	-12,000	
Net Required General Fund	680,000	670,000	723,000	
General Fund Giving	650,000	670,000	690,000	
Net Income	-30,000	0	-33,000	

*Excluding Depreciation