

St. John's Lutheran Church and Schools

2026-2027

Budget Assumptions

Financial Stewardship & Status

St. John's remains debt-free with a healthy surplus account. Major capital projects from the previous cycle—including the Solar Field and Security Grant—are complete and fully operational. We anticipate the new solar field will reduce our annual "true-up" utility expenses. While we have adjusted budgeted interest income downward to reflect falling bank rates, we continue to monitor and adjust the budget throughout the year to ensure fiscal responsibility.

Key Revenue & Enrollment Assumptions

- **Giving:** We have budgeted \$2.04 million in giving, keeping steady with last year's figures. While attendance trends remain positive, we are taking a conservative approach by budgeting for flat or slightly lower giving.
- **School Growth & Tuition:** Elementary tuition and Children's Center rates will increase by 5%; enrollment remains strong. The Children's Center is currently at 80% capacity for the upcoming year; full-time spots are filled and part-time spots are being filled, with 100% enrollment projected by late May.
- **Expansion:** To meet community demand for Christian education, we are adding a third 2nd-grade classroom, which is reflected in increased staffing and material costs, as well as enrollment projections.
- **Fundraising:** We anticipate steady returns from the Golf Tournament, ABA fundraising, and Scrip sales. These funds directly support tuition assistance and various enrollment discounts.

Operating Expenses & Personnel

- **Wages:** The budget accounts for a minimum wage increase (from \$16.90 to \$17.50) and a 3% general cost-of-living increase for all church and school staff.
- **Benefits:** We have prepared for a 7% increase in health benefit costs and a 5% increase in Workers' Compensation Insurance.
- **Curriculum:** Rising economic costs and increased student volume have resulted in higher year-over-year curriculum expenses.

Mission & Outreach

We remain committed stewards of God's gifts, maintaining our position as the top supporter of the California–Nevada–Hawaii District. We continue to prioritize mission support, short-term trips, and our partner schools in Tanzania.