

**Note:** I am pleased to report that the [Treasurer's Ledger](#) section of the website is completely up to date. It includes the full financial package for each of the past few months of this fiscal year (FY20), last fiscal year's final financial package (balance sheet, P&L, and cash flow), plus a dues breakdown, school analysis, mortgage information, and surplus/deficit summary for the past decade—all with extensive narration. Below is a summary from the monthly web report.

**COVID-19 and Budget Update:** At this time, it is impossible to know what effect this pandemic will have on Bet Ha'am next year. How long it will last, what will happen to employment, to the stock market and businesses is anyone's guess. But without a doubt our financial situation is alarming. While I am worried about our income next year and how that might negatively affect our staffing levels, just to name our largest expense area, it is too early to make informed decisions. Therefore, we will delay crafting a new budget until September and continue with the current one, but will remain diligent. We received \$65,000 through the Payroll Protection Program (PPP) to help mitigate the impact of the virus. The effects include fewer contributions, the loss of rental income, and the cost of keeping everyone employed (even though the building is closed and some are working from home and for fewer hours).

**I hope everyone is well and doing ok in this challenging time. If you need some assistance with shopping, or would like to talk to someone from the congregation regularly, please reach out to the office as we have volunteers who might be able to help you.**

I now anticipate we will have a surplus for this fiscal year, but early projections for next year, assuming no changes to employment or fundraising efforts, **is for a deficit around \$90,000!** Of course if this becomes a reality, the board will need to make difficult decisions beyond the need to increase fundraising. Even prior to the pandemic Bet Ha'am had a perennial budget problem for several reasons:

- Dues (now called *machazit hashekel* and *nediv lev* (MHNL) *per family* have increased by less than 5%, in total, over the last decade.
- Total dues received has decreased by about 10%.
- Expenses have increased by about 30% (less than 3%/year).

Each year we have had special circumstances which have helped to manage this funding imbalance, but it is now unsustainable. At this rate, I anticipate spending down the surplus by Spring 2022, less than two years from now. (We would have to start borrowing money at this point.)

I have written a report identifying the history of how we got here with a few suggestions going forward. The board has a major challenge in devising a plan to solve the financial shortfall. If you would like to be a part of a major development and fundraising endeavor, please [email Lynn Urbach](#), president of the Board of Trustees.

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**A Different Story:** our major fundraising event, was a great success this year! Special thanks to Toby Rosenberg and Rachel Lefkowitz for their hard work, time and expertise in getting a revised event flawlessly presented. To the storied committee and Bet Ha'am staff who supported Toby and Rachel. To the three captivating readers: Lisa Mayer, Stuart Kestenbaum and Steve Steinbock. To the thirty-four host committee members, raffle participants and event supporters. To the raffle winner – Amy Brusselback, who donated the prize back to Bet Ha'am. And to everyone who joined us for a fun and enlightening Saturday evening.

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**We have completed eleven months of the fiscal year as of the end of May, 2020.**

A projected column (column "N") has been added to the P&L. This is what the final amounts at the end of the fiscal year are expected to be.

**Income:** The projected total unrestricted donations income (line 19) is better than last year, primarily due to *A Different Story* reaching budget and the General and Annual funds doing better than budget. MHNL (lines 38 & 39) are about even to last year. Looking ahead, however, it appears that we will NOT make budget (maybe \$13,000 under) as there are a few families who have been members for years but who have not made a commitment yet this year. We have also seen quite a reduction of contributions once the pandemic hit. Rental income is slightly above budget (43), but there will not be any more rentals due to the coronavirus. Grants (56) are a bit behind as we have not received some private grants. A new item, COVID-19 paycheck protection program (57), is the amount we received from the Small Business Association to cover payroll for eight weeks. The \$58,000 amount in the projected column is the final amount we expect to be forgiven. This allows Bet Ha'am to continue to maintain all employees at their current salary level while the building is closed. Otherwise, nothing else significant to report at this early time.

**Expenses:** Oneg expense (80), a perennial problem, has improved this year as Steve and Lynda Hubbell have been successfully recruiting sponsors. When we resume services inside the building, please consider honoring someone's birthday, an anniversary, a yahrzeit, etc., by either bringing in food for the oneg or making a donation. Garden and outdoor maintenance is a bit over (91), due to plant replacement, but is offset with Garden Donations (seen in transfers, line 27). Inspections (98) is over because of the need for an occupancy review to satisfy the fire marshal. (We did get a grant to cover some of this expense). Medical expense (143) is much more than last year. There is an offsetting income line—health insurance co-pay (52). The biggest expense category—salaries and benefits (153), which makes up 68% of the expenses—is a bit higher than last year but appears to be close to this year's budget. Nothing else is really noteworthy at this time.

**Balance Sheet:** All checking/savings amounts are accurate. Of most interest, the top portion presents the bank, individual fund, and investment account balances. There is still almost \$50,000 of outstanding pledges (almost all of it seems current) and there is about \$119,000 in the capital account.

The operating cash position of \$243,751 is \$47,001 better than last year at this time. A large portion of this positive comparison is the paycheck protection program money. We are now projecting a surplus for the year, but a very large deficit for next year.

(Operating cash is funds for our day-to-day operating expenses. It doesn't include capital campaign or restricted funds.) In general, since most of the income arrives at the beginning of the fiscal year and the expenses are spread throughout the year, I would expect the cash position to decrease a bit as the year progresses.