



# TREASURER'S REPORT

Annual Membership  
Meeting – May 11, 2021

# Agenda

**Short-Term: We are OK for now, but...**

**Long-Term: 1. Life and Legacy Campaign  
2. New Capital Campaign**

**Mid-Term: Challenges and Changes**

# Short Term

**Strictly from a financial point of view, we benefitted from COVID:**

- Building and personnel expense reductions were greater than the loss of revenue from facilities rental.
- A number of members increased their Financial Commitment to help.
- Rabbi and the Board undertook enhanced fundraising activities.
- Two PPP loans totaling \$130,000.
- **Result? Projected surplus of \$33,836 for the fiscal year ending June 30, 2021.**
- \$345,547 in Unrestricted Funds on hand.

# 2021 Budget vs. Projections

	Jul '20 - Jun '21 BUDGET	Jul '20 - Jun '21 Projections
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Unrestricted Donations	\$ 98,590	\$ 112,063
Fund Transfers	\$ 13,419	\$ 10,688
Dues (actual) / Machazit-Nediv Lev	\$ 345,000	\$ 360,000
Misc. Fees	\$ 20,000	\$ 16,350
Schools Fees & Dinners	\$ 25,550	\$ 28,650
Gift Shop (net)	\$ 250	\$ 650
Grants, Refunds, Covid-19	\$ 30,000	\$ 38,100
Interest & Dividend Income	\$ 500	\$ 432
<b>Total Income</b>	<b>\$ 533,309</b>	<b>\$ 566,933</b>
<b>Expense</b>		
School & Sporty	\$ 6,100	\$ 2,412
Onegs	\$ 1,000	\$ -
Building	\$ 80,200	\$ 76,844
Charitable Contributions	\$ 1,201	\$ 1,200
Conferences	\$ 2,775	\$ 2,275
Subscriptions & Dues (URJ)	\$ 22,000	\$ 22,176
Gifts	\$ 1,710	\$ 1,487
Office Expenses	\$ 20,790	\$ 23,650
Salaries & Benefits	\$ 403,900	\$ 378,900
Professional Services	\$ 2,500	\$ 4,680
Programs	\$ 3,500	\$ 15,219
Misc.	\$ 4,000	\$ 4,255
Entertainment & Travel	\$ 500	\$ -
<b>Total Expense</b>	<b>\$ 550,176</b>	<b>\$ 533,097</b>
<b>Surplus (Deficit)</b>	<b>\$ (16,867)</b>	<b>\$ 33,836</b>

# **Challenges: Membership and Building Maintenance**

**Traditional Dues-Paying Membership is on the decline in the United States across all religions; Bet Ha'am included.**

**Our beautiful new building is not so new anymore! We will need as much ~\$2 million over the next 30-40 years for major repairs and upkeep.**

# Traditional Membership Declines

In 2007, 395 households paid something towards membership dues. In 2020, only 293 households paid something – a decline of 26%.

During that same time period, dues income dropped from \$391,447 to \$354,257 – a decline of 9.5%.

We are increasingly relying on a smaller number of families for a larger percentage of dues:

- Only some 70 families in 2020 paid more than \$1,800 per year in dues – the minimum needed to barely cover our expenses.
- Only 133 families paid more than \$1,000.

# **Payroll Expenses Increase**

**Payroll is our single biggest expense, consuming 2/3 of total revenue in 2020.**

**In 2007, our total payroll expense was \$324,148; in 2020 it was \$414,326 – an increase of 27.8%.**

**Bigger building >> greater utilization >> more programming >> greater payroll costs.**

# **COVID-19 PPP Loans**

**We took two PPP Loans of \$65,000 each.**

**The first loan has been formally forgiven.**

**We expect the second loan to be forgiven.**

**In the absence of COVID and these two PPP loans, we would have experienced significant deficits over the past two fiscal years.**

# Short-Term Prognosis

Thanks to the PPP Loans, and the generosity of a decreasing number of families, we are OK for the moment.

Looking out longer-term...

# **Long-Term Initiatives**

**We have two long-term initiatives:**

**Grinspoon Life and Legacy Campaign  
(started this year).**

**Capital Campaign (very preliminary  
discussions just getting started).**

# **Grinspoon Life and Legacy Campaign**

To date, Revocable (\$567,146) and Irrevocable (\$128,177) pledges have a combined Net Present Value of \$695,323.

In the long-term, the yield from these funds (once we receive them) will help supplement our income.

# Capital Campaign

We are very early days in the discussions for a Capital Campaign; the last campaign having launched nearly a decade ago.

In the long-term, the yield from these funds (once we receive them) will also help supplement our income.

But we are not there yet...

# Mid-Term Financial Challenges

For the fiscal year ending June 30, 2022, we are currently projecting a deficit of **\$159,511.15.**

\$50,000 of that is to apply to future major building maintenance expenses. *(Note: This is the first year we are including such a set-aside.)*

~\$40,000 is for higher expenses related to the hiring of a new Executive Director role over the previous Office Administrator role. *(Note: the new ED is expected to have significant fundraising experience to help cover this increase.)*

# 2022

# VS.

# 2021

# Projections

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Fund Transfers	\$ 9,140	\$ 10,688
Dues (actual) / Machazit-Nediv Lev	\$ 355,000	\$ 360,000
Misc. Fees	\$ 8,850	\$ 16,350
Schools Fees & Dinners	\$ 36,750	\$ 28,650
Gift Shop (net)ou	\$ 1,000	\$ 650
Grants, Refunds, Covid-19	\$ 30,000	\$ 38,100
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# Time for Change

With a shift to a preference for “fee-for-service” by many households, combined with declining traditional membership, we need a new operating model that supplements dues income with fundraising and other income streams.

# Fundraising

**Fundraising is now a top priority for both the Board and the Rabbi.**

**Starting this winter, together the Rabbi and the Board have raised more than \$20,000 in net new funds.**

**The new Executive Director will have significant fundraising experience.**

# New Income Streams

The Board, the Rabbi and the Finance Committee have been discussing new income streams to ensure the long-term financial health of the congregation, in a way that dovetails with our existing culture.

To quote Rabbi Saks:

*"All options should be on the table."*

Here to talk more about the kinds of changes we are considering is Board Member Michael Levine.