## Congregational Meeting 2019-2020 Budget Review By Allie Samek, Treasurer

The 2020 Annual Congregational Meeting will take place on Sunday, June 14, 2020. In anticipation of that meeting I would like to present this report to review the 2019-2020 Budget. This review speaks to actual results through April 2020 and projections through June 30, 2020.

The budget results for 2019-2020 (19/20) is significantly different from plan due to many important factors, the largest of which is the impact of COVID-19. The highlights of this years budget vs. actuals are as follows:

- FY 19/20 had a projected budgeted surplus of \$226,867, as voted on and approved at the congregational meeting in June 2019. I project that we will end FY 19/20 with a budget deficit of approximately -\$484,779. While there are many areas that account for this difference, the primary categories are as follows:
  - \$150,000: Reduction in annual giving to plan (approx. \$150k) we believe this was budgeted too high by approx. \$50k and \$100k fell short due to COVID 19
  - \$150,000: Overages in preschool teacher salaries due to overtime and hourly wage increases to plan
  - \$100,000: Accounting error due to the way we planned for gross vs. net preschool revenue.
     Our budget counted net and the preschool was planning against gross
  - o \$50,000: Overages in scholarships given away, primarily to preschool parents
  - \$40,000: Overages in overhead expenses (supplies, postage, health care benefits, etc)
  - \$40,000: Shortage in contribution from summer '19 summer camp (kids 5-12)
  - \$287,000 Refund to preschool parents in the form of a credit/refunds for COVID 19. We gave refunds of \$41k for enrichment and aftercare in the preschool in the form of cash.
  - These shortfalls have been OFFSET by emergency fund donations in the amount of approximately \$125,000.
- This year also saw the successful closure of the purchase of the Jonas Building (Isaiah East) for \$2.718 Million dollars. We have taken out a mortgage for this property with the principle being \$2.54M and annual interest payments in the amount of approx. \$120k of which up to \$60k can be drawn from the endowment. The loan also came with the ability to draw against it up to \$600k.
- Finally, in May 2020 we were able to complete the new hire of Marc Granirer, our new CFO. Mark
  will be instrumental in managing the Temple finances as we move throughout next year and
  beyond. With Marc's tenure, we sadly say goodbye lovingly to our long-term Controller, Barbara
  Levine.

<u>COVID Impact and financial implications:</u> It is important to understand that there is a significant difference between our P&L budget/actuals and our cash flow. Temple Isaiah was able to secure the federal PPP loan in the amount of \$1,055,187 which enabled us to keep our staff employed during the

spring school closure as well as allow for no reductions in headcount through the end of the fiscal year. When this loan is forgiven, we will see credit for this amount on next year's budget.

As you will see in my formal presentation, I believe we should look at FY 19/20 and FY 20/21 both separately and combined in an effort to get a good idea of how the overall financial health of the temple will look once the PPP loan is forgiven.

For more detailed information by department, please see the attached two reports that project the financial results of the current fiscal year.

## Temple Isaiah Budget Summary Budget vs Actuals FY1920

| Comparison | Month of April            |
|------------|---------------------------|
| Comparison | Year to Date - 04/30/2020 |

| Description  Major Net Revenue Drivers and Programs Sch A  Membership Dues, net of expenses  Preschool, net of expense | Apr 1, 2020 -<br>Apr 30, 2020<br>Actual<br>22,762<br>(224,709) | Apr 1, 2020 -<br>Apr 30, 2020<br>Budget<br>(17,337)<br>(52,786) | Jul 1, 2019 -<br>Apr 30, 2020<br>Actual<br>1,790,474<br>1,194,222 | Jul 1, 2019 -<br>Apr 30, 2020<br>Budget<br>1,804,858<br>1,490,123 | July 1, 2019 -<br>June 30, 2020<br>Approved Budget<br>1,795,446<br>823,489 | EST JULY 1 PAY<br>TEACHERS /NO<br>REFUNDS<br>1,779,222<br>462,721 |
|--|--|---|---|---|--|---|
| Annual Givining, net of expenses   | (7,206)  | (52,786)<br>482   | 1,194,222   | 1,490,123<br>483,330  |  | 627,086   |
| Security Assessment, net of expenses   | 4,588  | (463)   | 217,694   | 188,375   |  | 187,450   |
| Religious School, net of expenses  | (42,740)   | (45,028)  | 77,322  | 39,574  | _  | (35,322)  |
| Isaiah Camp, net of expense  | (8,164)  | (14,171)  | 88,207  | 78,195  |  | 42,656  |
| Total Net Revenues from Major Drivers and Programs   | (255,470)  | (129,303)   | 3,871,150   | 4,084,455   | 3,4  | 3,440,805   |
| Other Sources of Revenues  | (8,515)  | 6,066   | 93,842  | 59,610  |  | 66,500  |
| Total Net Revenue  | (263,985)  | (123,237)   | 3,964,992   | 4,144,065   | 3,   | 3,507,304   |
| Operating Expenses   |  |   |   |   |  |   |
| Clergy and Executive Compensation  | 99,257   | 76,195  | 860,257   | 835,177   | 1,0  | 1,049,204   |
| Contingent Exp for Possible Sr Staff Hires/Reor Expenses   | 13,455   |   | 72,195  | 45,000  |  | 74,265  |
| Office Salaries  | 59,408   | 57,954  | 621,157   | 608,719   | 76   | 751,310   |
| Health Insurance, Payroll Taxes, Workers Comp  | 17,917   | 13,743  | 300,920   | 239,963   | 26   | 269,973   |
| Total Administrative Personnel Costs   | 190,037  | 147,892   | 1,854,529   | 1,728,859   | 2,14   | 2,144,753   |
| Program Costs  |  |   |   |   |  |   |
| Rituals  | 10,273   | 24,636  | 219,883   | 210,021   | 26   | 267,517   |
| High Holiday, net of ticket sales  |  |   | 54,974  | 61,454  | 6  | 61,454  |
| Social Justice   |  | 2,703   | 37,779  | 48,886  | 5  | 55,000  |
| Adult Education - net  | 574  | 750   | 32,024  | 32,386  | 4  | 44,000  |
| Library  | 134  | 1,483   | 569   | 15,511  | 1  | 19,164  |
| Total Program Costs  | 10,981   | 29,572  | 345,229   | 368,258   | 4  | 447,136   |
| General and Administrative Expenses  |  |   |   |   |  |   |
| Building Expense   | 21,447   | 25,628  | 262,599   | 283,209   | 33   | 332,050   |
| Overhead   | 41,924   | 17,383  | 391,598   | 264,178   | 30   | 304,500   |
| Office Expense   | 4,191  | 3,250   | 53,164  | 43,650  | 52   | 52,000  |
| Total General and Administrative Expenses  | 67,562   | 46,261  | 707,361   | 591,037   | 688  | 688,550   |
| Total Operating Expenses   | 268,580  | 223,725   | 2,907,119   | 2,688,154   | 3,28   | 3,280,438   |
| Net Surplus (Deficit)  | (532,565)  |   | 1 057 873   |   | 33   | 200   |

## Temple Isaiah Budget Major Revenue Drivers and Programs Summary Detail Budget vs Actuals FY1920

| Total Program Net Revenues plus other | Other Revenues | Memorial Rentals, Net of Costs | Facility Rentals/Commissions, Net of C | Net Isaiah Camp Revenues | Camp Expenses | Camp Revenues | Isaiah Camp, Net of Costs | Net Religious School Revenues | Religious School Expenses | Religious School Revenue | Religious School, Net of Costs | Net Security Assessment | Security Expenses | Security Revenues | Security Assessment, Net of Cost | Net Annual Giving Revenue | Expenses | Revenue | Annual Giving, Net of Costs | Net Preschool Revenues | Preschool Expenses | Preschool Revenue | Preschool, Net of Costs | Net Membership Dues Revenue | Membership Expenses | Membership Dues Revenue | Membership Dues Revenue, Net of Expenses | Description  |   |
|---------------------------------------|----------------|--------------------------------|--|--------------------------|---------------|---------------|---------------------------|-------------------------------|---------------------------|--------------------------|--------------------------------|-------------------------|-------------------|-------------------|----------------------------------|---------------------------|----------|---------|-----------------------------|------------------------|--------------------|-------------------|-------------------------|-----------------------------|---------------------|-------------------------|--|--|---|
| (263,985)                             | (8,129)        |                                | (386)                                  | (8,164)                  | 8,164         |               |                           | (42,740)                      | 50,412                    | 7,672                    |                                | 4,588                   | (1,233)           | 3,355             |                                  | (7,206)                   | 10,773   | 3,567   |                             | (224,709)              | 272,315            | 47,606            |                         | 22,762                      | 8,063               | 30,825                  | enses                                    | Apr 1, 2020 -<br>Apr 30, 2020<br>Actual            | Month Comp                              |
| (123,237)                             | 1,200          |                                | 4,866                                  | (14,171)                 | 14,171        |               |                           | (45,028)                      | 69,670                    | 24,642                   |                                | (463)                   | 6,463             | 6,000             |                                  | 482                       | 13,606   | 14,088  |                             | (52,786)               | 299,881            | 247,095           |                         | (17,337)                    | 92,637              | 75,300                  |  | Apr 1, 2020 -<br>Apr 30, 2020<br>Budget            | Month of April<br>Comparison            |
| 3,964,992                             | 47,604         | 3,353                          | 42,885                                 | 88,207                   | 343,491       | 431,698       |                           | 77,322                        | 637,569                   | 714,891                  |                                | 217,694                 | 49,810            | 267,504           |                                  | 503,232                   | 128,272  | 631,504 |                             | 1,194,222              | 2,983,714          | 4,177,936         |                         | 1,790,474                   | 185,321             | 1,975,795               |  | Jul 1, 2019 -<br>Apr 30, 2020<br>Actual            | Year to Date - 04/30/2020<br>Comparison |
| 4,144,065                             | 9,600          |                                | 50,010                                 | 78,195                   | 426,195       | 504,390       |                           | 39,574                        | 658,739                   | 698,313                  |                                | 188,375                 | 64,625            | 253,000           |                                  | 483,330                   | 149,560  | 632,890 |                             | 1,490,123              | 2,960,795          | 4,450,918         |                         | 1,804,858                   | 287,127             | 2,091,985               |  | Jul 1, 2019 -<br>Apr 30, 2020<br>Budget            | - 04/30/2020<br>arison                  |
| 3,507,304                             | 12,000         |                                | 54,500                                 | 42,656                   | 461,734       | 504,390       |                           | (35,322)                      | 763,517                   | 728,195                  |                                | 187,450                 | 77,550            | 265,000           |                                  | 627,086                   | 182,914  | 810,000 |                             | 823,489                | 3,673,511          | 4,497,000         |                         | 1,795,446                   | 334,554             | 2,130,000               |  | July 1, 2019 -<br>June 30, 2020<br>Approved Budget |   |
| 2,730,802                             | 53,946         | 3,353                          | 43,277                                 | 58,905                   | 372,793       | 431,698       |                           | (49,920)                      | 780,156                   | 730,236                  |                                | 167,950                 | 77,550            | 245,500           |                                  | 490,405                   | 150,553  | 640,958 |                             | 182,721                | 3,637,209          | 3,819,930         |                         | 1,780,165                   | 240,914             | 2,021,079               |  | EST JULY 1 PARTIAL REFUND \$1000 per child         |   |