



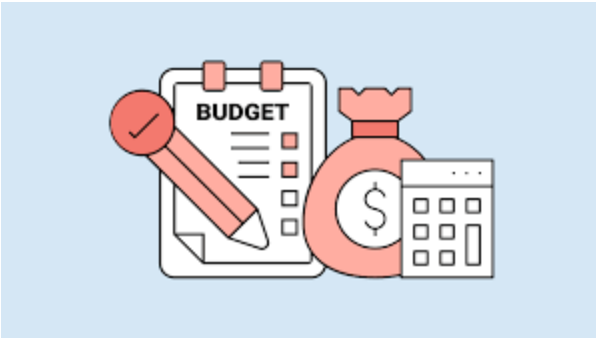
2025 Congregational Meeting  
Treasurer's Report Presented By Harris Smith  
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We are very lucky to have an experienced budget committee to help guide us through the budgeting process. Huge "THANK YOU" to the following congregants who spent countless hours working on this budget:

- Suzanne Solig, President
- Allison Samek, Past President
- Mike Diamond, Past President
- Debra Silverman, Executive Vice President
- Harris Smith, Budget & Finance Committee Chair/Treasurer
- Jerry Witkow, Personnel Committee Chair
- Jeffrey Glaser, VP Development
- David Snow, Past VP Membership
- Ken Friedman
- Eileen Lewis
- Jonathan Lonner
- Jeffrey Misthal
- Eric Shabsis
- Ex Officio
  - Rabbi Dara Frimmer
  - Deb Moses
  - Art Scher

THANK YOU

## My summary of the 2024-2025 Budget year



Presented a conservative budget to the congregation in June 2024 recognizing the uncertainties, macro economic issues among others, could negatively impact our budget.



Due to efforts of the Rabbis, senior staff, department leaders and the congregation, the stars aligned



While our projected operating loss is slightly greater than our budgeted operating loss, we ended the year on a solid note very close to plan.

To Summarize – we are currently in solid financial shape. But this does not mean we can coast. As a reminder, for the past several years, we have been looking at the sustainability of the Temple Budget and will continue to do so!

- Primarily, this means, ***“will our revenues grow at a significant enough rate to offset the increase in yearly expenses that we see?”***
- The Budget Committee, along with Senior Staff and Clergy have been looking at this issue and made significant progress with it this year.
- The goal of the Executive Committee, the Budget and Finance Committees, and the Board of Trustees for the next several years is to have meaningful and realistic discussions about this issue with a goal to find a sustainable long-term path forward. We need to keep discussing both new revenue streams and controlling expenses.



Another reminder from last year....some context to keep in mind as you read this document:

A budget is a reflection of our collective values, vision and mission as a congregation. The URJ suggests that we look at a budget through the following lenses:

- Who are we as a congregation?  
What do we want to achieve and what will it cost us to implement this vision?
- How much money do we have?  
What can we do with it to achieve our vision?
- My reminder to everyone – this is not a for-profit business, and our goals and financial plan need to match our mission, yet we need to preserve capital for the future!



**This budget process has been an exercise in working through the known and unknown during a time where the budget requires “certainty”. A look at the budget process:**

Our experienced Executive Director (Deb Moses) took the lead on the development of the Budget



Executive Director (ED) met with the department heads to develop their goals, strategy, plans and projections and put together a cohesive Budget encompassing all departments



The Budget Committee met with the ED to review her initial Budget recommendations. Various members of the Budget Committee met with the ED and various Department heads for adjustments (cuts or increases) based on deep discussions with ED, various department heads and the Budget Committee



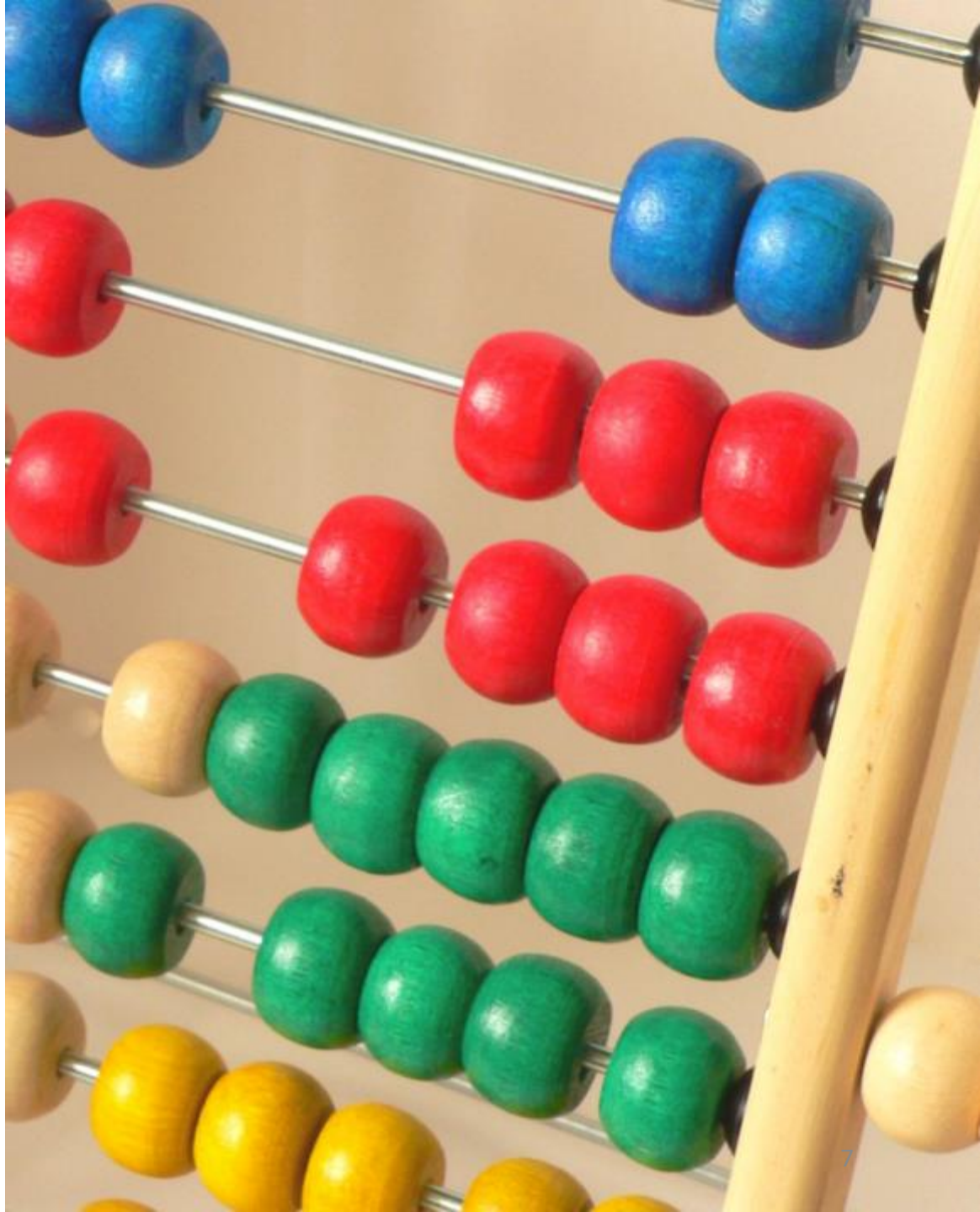
The Budget Committee finalized the Budget and the Treasurer will present the FY 2025/2026 Budget to the Board of Trustees (BoT) for their approval



The Treasurer will present the BoT approved FY 2025/2026 Budget at the Congregational meeting on June 4<sup>th</sup> for their approval



# A Quick Review of 2024-2025



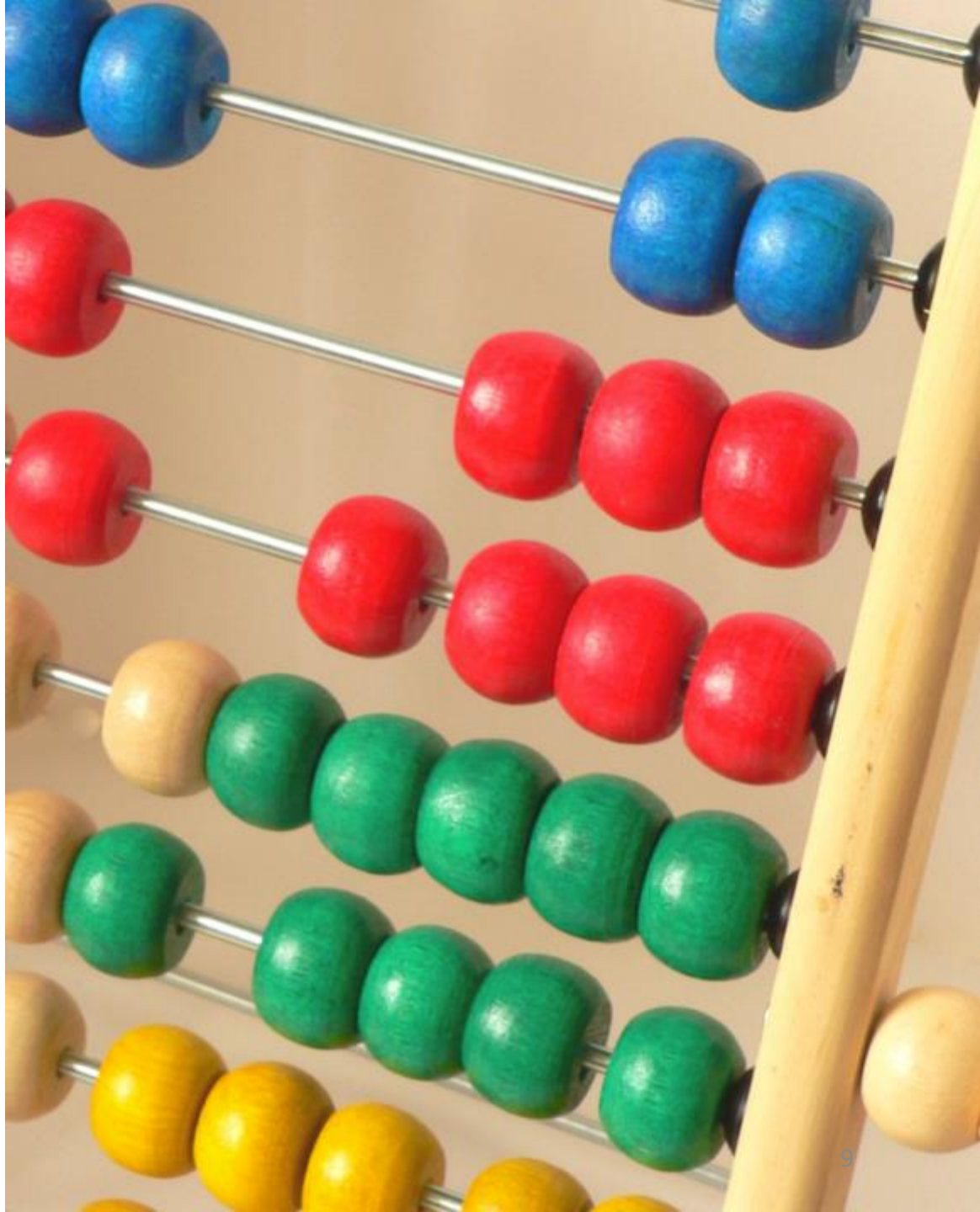
**2024-2025: We had a budgeted operating loss of \$51,891 for the year, the projected operating loss is expected to be \$52,056.**

The FY 24/25 approved budget showed a projected operating loss of \$51,891. Our estimated projected actual operating loss is expected to be \$52,056.

- We have been able to hold all our program costs to at or below budget in almost every department
- Our revenues and enrollments in Preschool were significantly better than budgeted for, while we fell short in Religious School. We incurred greater security expenses than budgeted but were able to manage other operating expenses.
- We implemented our previously adopted “spending policy” to the extent of approximately \$150,000 which offsets various operating expenses.



FY 2025-2026



# FY 2025 – 2026 Budget Narrative

This operating budget was developed through a thoughtful and diligent partnership between Budget Committee members and Temple staff to ensure a sound financial plan. While it is not desirable to present an operating budget with a deficit, it is not unusual in Isaiah's recent budgeting cycles.

This budget reflects some of our current and future challenges and the ways we plan to address them in keeping with Isaiah's values.

The primary areas of deficit result from:

- **Focusing on clergy retention.** Our extraordinary clergy team is essential to our Isaiah community. We have renewed 2 clergy contracts this year to retain the very best team.
- **Building an innovative K-12 program.** We hired a rabbi educator as Director of K12 Education and Engagement. His mandate is to grow our K12 program by developing engaging pathways as students transition from preschool to K12, launch the JASA Aftercare Program in August 2026, and reimagine the teen program, among other priorities.
- **Keeping us safe.** Security is expensive and our security needs and costs are increasing. We have asked for your help, and you have stepped up, but there is still a gap reflected in this year's budget.
- **Removing barriers to membership and Jewish education.** We do not turn anyone away who demonstrates financial need.

## FY 2025 – 2026 Budget Narrative, continued

Additionally, we have worked hard to control the deficit in this year's budget by:

- Managing costs without compromising on essential programs.
- Fundraising continues to be a critical priority.
- Increasing Pre-K enrollment. The renovation of our Teddy Bear Suite has resulted in increased interest and enrollment.
- Developing strategies for member retention, especially at key drop-off points.
- Increasing dues. We raised dues this past year by 5% and a modest \$100 increase in security fees is in line with our peer synagogues.
- Increasing security fees (to help bridge the gap).

**We are presenting a deficit of \$170,851, but overall impact on our finances will be modest (we have a strong balance sheet). We see these “investments” as strengthening and sustaining our future. Given the uncertain current economic situation, the Budget Committee, in partnership with our Executive Director & Clergy, will meet regularly to fine-tune our budget and planning as necessary.**



## 2025-2026: A LOOK AT REVENUES

With all the uncertainty in the world right now, one thing was certain to the committee – predicting our revenues was the most challenging task of the committee

- Membership: Rabbi Dara's #1 priority was and is to keep every member who wants to be a member, a member. This year, predicting who will rejoin and at what rate was challenging. That said, we budgeted \$2.522 million in revenue (dues) for FY 25/26 and expect to achieve our budget which is a minor increase over the prior year.
- Religious school: In FY 24/25 we budgeted tuition of \$550k but expect to end the fiscal year at \$510K. For FY 25/26, we budgeted \$523K because we believe more students will come back this year based on new programming, among other reasons.
- Annual Giving: FY 24/25 we budgeted \$900k and we exceeded that goal. For FY 25/26 we are budgeting \$900k. We are developing a comprehensive philanthropy strategy to enhance our Endowment, Capital Campaign and Legacy Gift programs.
- Preschool: We budgeted revenue for FY 24/25 of \$3.3 million and exceeded this amount by \$206k. Budgeted Preschool revenue for FY 25/26 is projected to be \$3.8 million.

## 2025-2026: A LOOK AT EXPENSES



**While we need to continue to be super conservative with respect to our expenses for this upcoming year, we are realistic in investing in people, programs and infrastructure.**

General Administrative Expenses and Overhead Expense – consistent with last year. The Executive Director continues to focus on implementing our CRM and new accounting platforms which will provide significant focused information to run the Temple more efficiently and on a timelier basis.

Continuing our commitment to Chai Village LA for \$30,000 per year.

Adopted previously approved Spending Policy at 4% to fund operations (versus below the line) based on the Gan Family Fund of \$2,062K and designating the Dean Friedman unrestricted gift of \$1,901K, so that we can draw up to 4% earnings of the corpus per year to fund operations. The total designated/endowment funds of \$3,963K result in \$150K per year of additional operating revenue to fund various programs/expenses.

***That said, we will never be able to save ourselves into prosperity, so we need to look for additional profitable and strategic revenue streams***

## Overall “Thoughts from the Treasurer”

- How will Annual Giving, Preschool and Membership pan out when we now are facing macro economic and political issues and fall out from October 7, 2023?
- While the Preschool is the largest revenue driver with over half of the Temple revenue, we rely on our Preschool for the contribution to Membership and to the bottom line. Many of these families are purely transactional. What does a less transactional and more relational preschool look like 5/10/15 years out?
- Membership is the largest profit contributor to the bottom line. We need to continue to evaluate how dependent we want to be on the school vs. membership (remember, membership is impacted by enrollment too!).



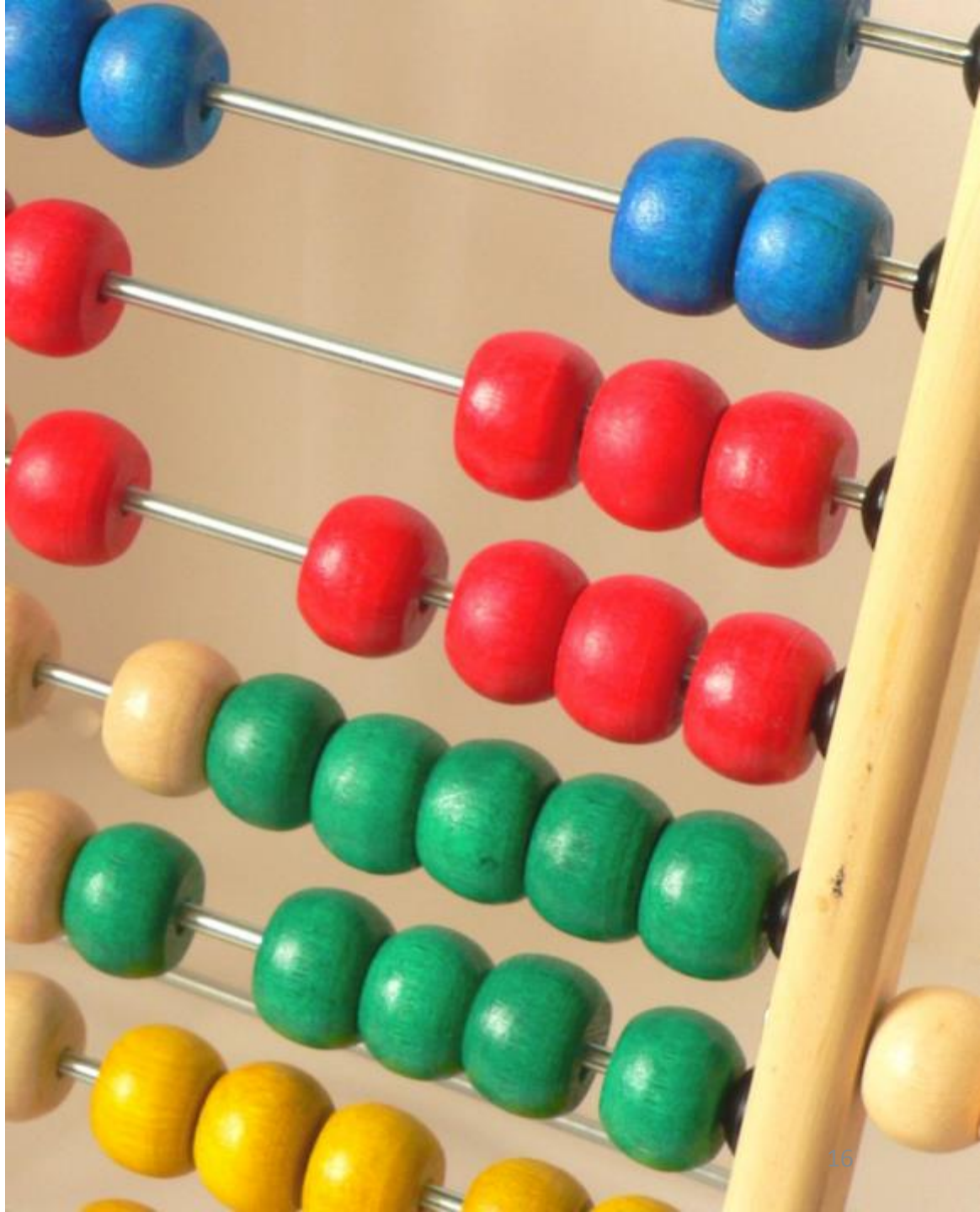


## Overall “Thoughts from the Treasurer”, continued

- We are in a strong cash position right now. Finance Committee is developing an Investment Strategy to enhance our ROI.
- We have developed a comprehensive and strategic Capital and Clergy Endowment Campaign to enhance our financial position to raise the funds to make the needed improvements to our facilities and provide funds to ensure a full clergy team with bandwidth to form meaningful relationships with all members.
- Our Clergy and staff are our most valued and precious asset. How do we ensure that we can attract and retain top talent while not feeling burdened by increasing salaries?



# Some Numbers for Insight



# FY 25/26 Budget Summary

Description	July 1, 2024 - June 30, 2025 Approved Budget	FY2425 Projected Actuals	FY2526 Draft Budget
<b>Major Net Revenue Drivers and Programs Sch A</b>			
Membership Dues, net of expenses	2,133,234	2,034,645	2,133,988
Preschool, net of expenses	589,985	679,366	858,180
Annual Givining, net of expenses	900,000	969,365	900,000
Security Assessment, net of expenses	(84,900)	(102,500)	(118,182)
Religious School, net of expenses	(117,237)	(137,324)	(140,410)
Center for Innovation, Net of Expenses	395	47,395	25,000
<b>Total Net Revenues from Major Drivers and Programs</b>	<b>3,421,477</b>	<b>3,490,948</b>	<b>3,658,577</b>
Other Sources of Revenues	237,435	217,435	209,000
<b>Total Net Revenue (Budgeted)</b>	<b>3,658,912</b>	<b>3,708,383</b>	<b>3,867,577</b>
<b>Operating Expenses</b>			
Administrative Personnel Costs			
Clergy and Executive Compensation	1,361,752	1,361,752	1,449,078
Office Salaries	750,900	728,272	763,222
Health Insurance, Payroll Taxes, Workers Comp	279,349	278,423	365,850
<b>Total Administrative Personnel Costs</b>	<b>2,392,001</b>	<b>2,368,447</b>	<b>2,578,150</b>
<b>Program Costs</b>			
Rituals	259,500	246,528	265,729
High Holiday, net of ticket sales	132,000	187,596	195,381
Social Justice	57,000	57,000	55,000
Adult Education - net	55,000	55,000	50,000
Library	-	-	-
<b>Total Program Costs</b>	<b>503,500</b>	<b>546,124</b>	<b>566,110</b>
<b>General and Administrative Expenses</b>			
Building Expense	475,803	481,367	542,668
Overhead	297,000	322,000	309,000
Office Expense	42,500	42,500	42,500
<b>Total General and Administrative Expenses</b>	<b>815,303</b>	<b>845,867</b>	<b>894,168</b>
<b>Total Operating Expenses (Budgeted)</b>	<b>3,710,803</b>	<b>3,760,439</b>	<b>4,038,427</b>
<b>Net Surplus (Operating)</b>	<b>(51,891)</b>	<b>(52,056)</b>	<b>(170,851)</b>
<b>Net Other Income</b>			
Endowment Funds	93,993	(61,442)	2,300
Extraordinary Income	300,000	565,000	500,000
SCHWAB Interest Income	83,872	83,872	40,000
Restricted Funds Income	-	-	-
Operations Building Depreciation	(385,496)	(385,496)	(385,496)
Capital Campaign Funds	(75,000)	(113,000)	100,000
Extraordinary Expenses	-	(6,000)	-
<b>Total Net Other Income</b>	<b>17,369</b>	<b>82,934</b>	<b>256,804</b>
<b>Total Net Surplus</b>	<b>(34,522)</b>	<b>30,878</b>	<b>85,953</b>

# Major Revenue and Expense drivers

Description	July 1, 2024 - June 30, 2025 Approved Budget	FY2425 Projected Actuals	FY2526 Draft Budget
<b>Membership Dues Revenue, Net of Expenses</b>			
Membership Dues Revenue	2,414,708	2,343,318	2,409,204
Membership Expenses	281,474	308,673	275,216
<b>Net Membership Dues Revenue</b>	<b>2,133,234</b>	<b>2,034,645</b>	<b>2,133,988</b>
<b>Preschool, Net of Costs</b>			
Preschool Revenue	3,409,730	3,631,682	3,905,250
Preschool Expenses	2,819,745	2,952,316	3,047,070
<b>Net Preschool Revenues</b>	<b>589,985</b>	<b>679,366</b>	<b>858,180</b>
<b>Annual Giving, Net of Costs</b>			
Revenue	900,000	969,365	900,000
Expenses	-	-	-
<b>Net Annual Giving Revenue</b>	<b>900,000</b>	<b>969,365</b>	<b>900,000</b>
<b>Security Assessment, Net of Cost</b>			
Security Revenues	36,000	37,500	112,500
Security Expenses	120,900	140,000	230,682
<b>Net Security Assessment</b>	<b>(84,900)</b>	<b>(102,500)</b>	<b>(118,182)</b>
<b>Religious School, Net of Costs</b>			
Religious School Revenue	549,840	521,640	522,875
Religious School Expenses	667,077	658,964	663,285
<b>Net Religious School Revenues</b>	<b>(117,237)</b>	<b>(137,324)</b>	<b>(140,410)</b>
<b>Center for Innovation, Net of Costs</b>			
Center for Innovation Revenue	115,000	135,000	25,000
Center for Innovation Expenses	114,605	87,605	(0)
<b>Net Center for Innovation Revenues</b>	<b>395</b>	<b>47,395</b>	<b>25,000</b>
<b>Facility Rentals/Commissions, Net of Costs</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Other Revenues</b>	<b>217,435</b>	<b>197,435</b>	<b>189,000</b>
<b>Total Program Net Revenues plus other revenues</b>	<b>3,658,517</b>	<b>3,660,987</b>	<b>3,842,576</b>

Thank You

