

Congregational Meeting
Budget Presentation Summary
By
Harris Smith, Treasurer

The 2026 Annual Congregational Meeting will take place on Wednesday, June 10, 2026 and those in attendance will be asked to approve the FY 2026-2027 budget on recommendation of the Board of Trustees.

This budget reflects the goals and values of Temple Isaiah for next year and the future:

- Dedicated clergy that provides spiritual and cultural engagement for all members.
- Creative new programming for K12 with increased hours to the religious school day and enhanced Hebrew learning.
- A continued commitment to intergenerational innovative programming.
- A new afterschool program for children from DK to 5th grade with a rich Jewish curriculum.
- Ongoing opportunities for all members to gather in community for Jewish learning and Jewish joy.

We believe this is a realistic budget addressing rising expenses incurred from:

- increased security
- increased health insurance costs
- inflation for all goods purchased
- and the need to increase salaries in a competitive market
- among other expenses

As we continue to deal with the after-effects and uncertainties relative to increased antisemitism, a potential recession, the unique labor market, inflation, geopolitical issues, among others, the Budget Committee and management will continue to monitor and meet as necessary to review the budget as we begin to see revenue actualize.

The highlights of next year's budget:

We have projected an operating deficit for FY 2026-2027 of (\$155,908). While any projected deficit is not sustainable in the long term, this budget is based on what we believe to be conservative revenue and expense numbers given the environment.

The budget revenue is based on various projections and assumptions:

- Membership dues were raised by 3%. The increase for families went from \$4150 to \$4275, Single adult went from \$2075 to \$2140. Security also increased by \$200 which was also approved by the membership committee. Membership dues and membership units will approximate the level we attained in FY 2025-2026. Once again, being a member of Isaiah remains at the forefront of everything we do and retaining members even during challenging times is critical.
- Religious school increased from \$1,900 to \$2,100; this is an increase of 10% which includes \$180 for security which didn't increase and \$60 for RSPA which increased from \$35. It also includes an extra 30 minutes to the Religious school day. It also includes increased Hebrew classes. Total Religious School projected revenue has been increased by 20% (\$93,580) over FY 2025-2026 projected actuals with a commitment to keep religious school scholarships to the \$30,000 in the budget. The Budget Committee believes that K12 education is absolutely fundamental to what Isaiah is, and while the department is not a profitable revenue generator, we need to think of it as a core Temple "service". As a matter of comparison, Temple Isaiah's Religious School budget is in line with all similar sized synagogues.

- We have lowered the Annual Giving goal to \$820,000. We will be having in-person High Holiday services as well as live streaming services in which to make the Annual Appeal achievable.
- Preschool tuition is budgeted at \$4,087,200 which represents a 11% increase from FY 2025-2026 projected revenue. This will be accomplished through the increase of 20 children, and a tuition increase of 10% for toddlers and the addition of the Tiny Turtles.
- The Sales Community Center is fully operational. The Innovation Center is housed in the Sales Community Center. We have hired a coordinator of intergenerational programming to operate the Sales Center. We currently have two years of operating revenue available from donations to the Sales Center in restricted funds.

We received the final installment of the Employment Retention Tax Credit (ERTC) of \$371,071 in July 2025 for the quarter ended December 2020, which helped offset the net operating loss even though the ERTC is reported as a “below the line” item.

On the expense side, all overhead areas for spending in the FY 2026-2027 budget have been looked at closely by management, the Budget Committee and various department leaders. While we need to be conservative with respect to our expenses for this budget year, we are realistic in investing in both people, programs and infrastructure. Certain costs continue to increase including wages, health insurance and security costs, and they have been budgeted.

In accordance with our by-laws our FY 2024-2025 financial statements were “reviewed” by our outside accountants, Gursey/Schneider. Highlights from the report include:

- As of June 30, 2025, we had cash and cash equivalents of \$1.2 million and investments (including those in our designated funds) at a fair market value of \$6.3 million.
- Our liabilities (not including deferred revenues which related to the timing of when we recognize our dues and tuition revenues received) amounted to about \$220,799 for accounts payable and accrued expenses, and \$1,498,229 for loans payable [(\$1,358,129 for Sales Community Center mortgage, \$140,100 for the EIDL (Economic Injury Disaster Loan)].
- Our Total Net Assets consisted of Unrestricted Net Assets Without Donor Restrictions of \$6,822,224; \$3,545,974 With Donor Restrictions; and \$3,961,165 of Board Designated Reserves. In total, Temple Isaiah has \$14,329,363 in Total Net Assets.

In summary, we will end FY 2025-2026 in a secure and strong fiscal position. The forgiveness of the two PPP loans (\$2,110,376) in prior years, the receipt of ERTC money of \$1,306,478 (\$935,407 in prior years and \$371,071 in FY 2025-2026), and the \$1.8 million unrestricted gift from the Dean Friedman estate received in a prior year, which has been designated by the Board, have significantly helped our financial position. We are fortunate to be in the position we are currently in, but it is important to note that we generally operate at a small operating deficit. While our revenues are fairly stable over time, our operating expenses increase annually. This in combination with the volatility of market conditions affects the fair value of our investments, so we must be vigilant at all times.

As a reminder, these documents are for Temple Isaiah Congregation members only, so please do not distribute them to others. If you would like a copy of the financial review, please reach out to me directly. I look forward to seeing you at the June 10th Congregational meeting and discussing in more detail our projected results from FY 2025-2026 and the FY 2026-2027 budget. If you have questions feel free to email me at: harrismithcpa@gmail.com.