

Report of the Finance Committee

The finance committee's primary charge was to construct a Pro Forma financial statement for the combined congregations. Certain assumptions were necessarily made which may or may not turn out to be correct and which could significantly change these projections. Attached is the Pro Forma statement. Our estimates show an operating deficit of \$425,000.00. Consequently using a prudent spending policy of 3.75%, it would require about \$11,333,000.00 of endowment funds ($\$425,000.00 / 3.75$) to fund the current operating shortfall.

We believe the combined endowments to have a current value of about \$13,500,000.00. Therefore the entire value would not be required to fund the currently proposed deficit. The committee has serious concerns as to the sustainability of non-endowed revenue, i.e., primarily dues, and to a lesser extent, special gifts. The committee anticipates dues to decline and that operating costs could rise increasing the operating deficits in the future. Consequently, we recommend that a portion of the endowment assets not needed to fund the current deficit be reserved to fund the anticipated increased future deficits.

The result is that funds available for a major capital project are:

- 1.) Endowment type assets not needed to fund the current and future operating deficits could be loaned or perhaps even dispersed where permitted to partially offset the cost of capital improvements.
- 2.) Proceeds from sale of the facility no longer needed.
- 3.) Distributions directed from a fund at GKVF to B'nai Jacob which are anticipated to be approximately \$40,000.00 a year.
- 4.) Possible proceeds from the Temple's overfunded cemetery trust. However, the trust would have to be broken by a court.
- 5.) A separate fund raising effort

Additionally the committee recommends the various cemetery properties be operated separately from the regular budget and financed separately. Therefore they are not included in the Pro Forma.

The committee recommends that all endowment funds be pooled into a unitized fund which would give us access to a broader range of professional investment management and also result in a savings of investment costs.

Respectfully submitted

Rick Rubin & Ken Kleeman co-chairs

Pro Forma for Combined Congregations

	B'nai Jacob	Temple Israel	Combined
<u>Income</u>			
Dues	\$150,000.00	\$50,000.00	\$200,000.00 *
Other Income	63,000.00	2,000.00	65,000.00
Total Income	\$213,000.00	\$52,000.00	\$265,000.00
<u>Expenses</u>			
Rabbi	\$191,000.00	\$142,000.00	\$333,000.00
Admin. Assistant	48,000.00	48,000.00	96,000.00
Housekeeper	0.00	24,000.00	34,000.00
Payroll Taxes	6,000.00	5,000.00	11,000.00
Worker's Comp	1,500.00	1,400.00	2,900.00
Maintenance	35,000.00	40,000.00	50,000.00
Insurance	6,300.00	11,300.00	12,000.00
Utilities	28,000.00	30,000.00	40,000.00
Office Expense/ Accounting	5,400.00	12,500.00	15,000.00
Programs	25,200.00	26,000.00	50,000.00
Misc/Other	5,700.00	41,000.00	46,000.00
Total expenses	<u>352,100.00</u>	<u>381,200.00</u>	<u>689,900.00</u>
Operating Income (Loss)	-139,100.00	-329,200.00	-424,900.00

MISC./OTHER DETAIL

Synagogue

Mem/Golden Book Expense	\$ 950.00
Misc. Expense	4000.00
Sanctuary Expense	630.00
Pay Pal Fee	120.00

Total	\$5700.00

Temple

Rabbi Emeritus	\$ 5500.00
URJ MUM dues	14000.00
Founders Contribs	1800.00
Memorial Board	250.00
Long Range Planning	250.00
Rabbi Emeritus Gift	8000.00
Emergency Preparation	200.00
Grounds	11000.00

Total	\$41000.00