

REPORT OF THE FINANCIAL STEWARDSHIP RESEARCH COMMITTEE

January 2019

REPORT OF THE FINANCIAL STEWARDSHIP RESEARCH COMMITTEE

January 2019

Purpose:

Assess past and current financial management of the Temple:

- What is working well
- Challenges
- Aligning our budget with our core values
- Balance budget and deficit
- Appropriately staffed
- Reserve fund
- Endowment

REPORT OF THE FINANCIAL STEWARDSHIP RESEARCH COMMITTEE

January 2019

Methods:

- Interviews with TBA staff, clergy and lay leaders
- Reviewed internal financial documents and outside CPA audits
- Interviews with other Jewish congregations
- Interviews with non-Jewish congregations
- Interviews with URJ and WRJ

REPORT OF THE FINANCIAL STEWARDSHIP RESEARCH COMMITTEE

January 2019

Facts:

- Dues and Fees, including the Religious and Nursery Schools are 88 % of total budget
- Membership Dues are \$2.6M. This is 47% of operating revenue
 - similar to a URJ survey of 48% for large temples
- Fees for Religious School and Nursery School are 41% of our total expenses
 - URJ survey found average of 32%

REPORT OF THE FINANCIAL STEWARDSHIP RESEARCH COMMITTEE

January 2019

Facts: (continued)

- We supplement our religious school. Consistent as a core value.
- Our staffing costs are 63% of the budget
 - Consistent with other URJ congregations
- TBA fundraising is 7% of our total revenue
 - URJ survey found large congregations derive 21%

REPORT OF THE FINANCIAL STEWARDSHIP
RESEARCH COMMITTEE
January 2019

What is Working Well:

- The temple is run tightly and well.
- Revenue and expenses are reviewed monthly .
Expect a loss of \$23,700 in FY'19.
- Financial aid is about 10% of our budgeted dues and fees. Consistent with that at other temples.
 - Revised financial aid policy

REPORT OF THE FINANCIAL STEWARDSHIP RESEARCH COMMITTEE

January 2019

Working Well: (continued)

- Assets are in excess of \$12M while mortgage is about \$2.0M.
 - set aside \$900K for major repairs.
- Annual Fund under Rabbi Pokras's guidance has grown from \$27K to the current \$97K. - anticipate earning a matching grant of \$50K offered by a member
- Annual audits are conducted by an outside CPA firm .

REPORT OF THE FINANCIAL STEWARDSHIP RESEARCH COMMITTEE

January 2019

What are the Challenges:

- Declining membership
- Declining numbers in our Religious School
- Fewer TBANS families are joining the congregation.
 - 73% of the Nursery School families are not members.

REPORT OF THE FINANCIAL STEWARDSHIP RESEARCH COMMITTEE

January 2019

Challenges: (continued)

- Endowment contributes (\$56K) only, a small fraction (just over 1 %) of our budget.
 - Several other URJ temples reported that their endowment contributed only a few percentage points to their operating expenses.
- Cash cushion diminishing
 - TBA borrows from our reserves of \$1.3M non-endowment
 - paid back through dues collections mid-summer.

REPORT OF THE FINANCIAL STEWARDSHIP RESEARCH COMMITTEE

January 2019

Findings:

- TBA members, and families with students in Machane and TBANS, have very high expectations of our clergy, staff and programs.
- TBA finances are managed well and are in accordance with our core values.
- Based on URJ, staffing is appropriate for a congregation of our size.
- TBA is overly reliant on dues and fees.

REPORT OF THE FINANCIAL STEWARDSHIP
RESEARCH COMMITTEE
January 2019

Findings: (continued)

- Declining membership and school registrations are stressing TBA finances.
- Our endowment is small.
- Fundraising is a small fraction of our operating budget.
- Our financial aid policy and associated procedures have been updated.
- TBA reserve funds are low. Interest in creating a Reserve Fund Policy, but not a Deficit policy.