

Dear Shir Tikvah Members:

We are pleased to report that Temple Shir Tikvah remains in good financial health, thanks to the generosity of our supporters, our dedicated volunteers, and responsible spending by our staff. These are unprecedented times, and the current pandemic situation makes it difficult, if not impossible, to accurately predict what the coming year will bring. Building on our history of conscientious fiscal stewardship, we are confident that Temple Shir Tikvah will be able to sustain our financial health throughout what may be a challenging fiscal year ahead.

Here are the highlights of our current financial position:

- We are projecting to finish the current fiscal year with a small surplus. There is also an existing operating surplus from recent years that will give us a cushion for the uncertainty of the year ahead.
- Our building fund and endowment fund accounts were affected by the stock market declines over the last few months but continue to be healthy and are positioned to take advantage of the recovery when it happens.
- Our membership stayed relatively constant this year, adding twenty-one new families and nineteen resignations for a net gain of two. Our total membership stands at 379, including families and single memberships.
- We are proactively investigating all available sources of funds (both federal relief and other grants) to mitigate the possible impact of the pandemic on our sources of income (such as increased need for abatements or a decline in fundraising).

Included here for your approval are three items:

1. annual operating budget
2. capital budget
3. dues and fees schedule.

The proposed budget for the 2021 fiscal year is shown on pages 3 and 4. For comparison, the budget for the current year (FY20) is shown along with a re-forecasted projection of the final income and expenses.

The major features of our FY 2021 budget proposal are:

- We are proposing to keep dues flat, with no increase in either school tuition or membership dues for FY21.
- We are assuming no net growth to membership, with the expectation that we will continue to draw in new members to replace our typical level of annual resignations.
- The total operating budget for Temple Shir Tikvah for the next fiscal year is just under \$1 million. We have budgeted expenses so that we will have a balanced budget.
- Fundraising is essential to keep dues and tuition affordable for many of our members. We rely on a strong Chai campaign to balance the budget and fund our abatements.
- We plan to spend income from the endowment at 5% of the balance, which is a common rate used by non-profit organizations and is consistent with our historic practice.

- As in past years, we spend money from the Building Fund to pay the mortgage and fund capital improvements and repairs to the building.
- We have budgeted for abatements similar to previous years, with the understanding that these may be higher due to financial pressures arising from the pandemic. We are expecting that the available surplus operating funds from prior years will be adequate to cover potentially higher abatements. If changes in the way we operate during the pandemic shutdown yield reduced operational costs (such as not renting space at the Ambrose school or reduced energy usage in the building) those funds would also be available.

The Board has approved a capital expense budget of \$155,200 for the coming year, about half of which is for a necessary replacement of the building HVAC units. The capital budget is based on a long-term plan, developed and updated by the house committee. This plan anticipates expenses for ongoing maintenance and improvements of our building and facilities.

We are deeply grateful to all of you who have contributed to the Chai Campaign, the Forman-Blumenthal Family Scholarship Fund for Jewish Education, the Shir Tikvah Emergency Relief Fund and the Rabbi and Cantor Discretionary Funds. We are counting on you to sustain us in the coming year. As always, we thank the Chai campaign team and the development committee for their efforts. We are also grateful to our investment committee for their management of the endowment and building fund. Finally, Shir Tikvah's finances are overseen by a strong and dedicated finance committee.

We are committed to remain open to all who want to join our community, regardless of financial ability. Through the generosity of our members, we are able to assist families with both school tuition and membership. If you find yourself in difficult circumstances, please discuss financial arrangements with Dan Levin, treasurer@shir-tikvah.org or Linda Singer-Berk, director of administration, linda@shir-tikvah.org.

Thank you for your continued involvement in our community and support of Temple Shir Tikvah. We look forward to seeing you at the annual meeting.

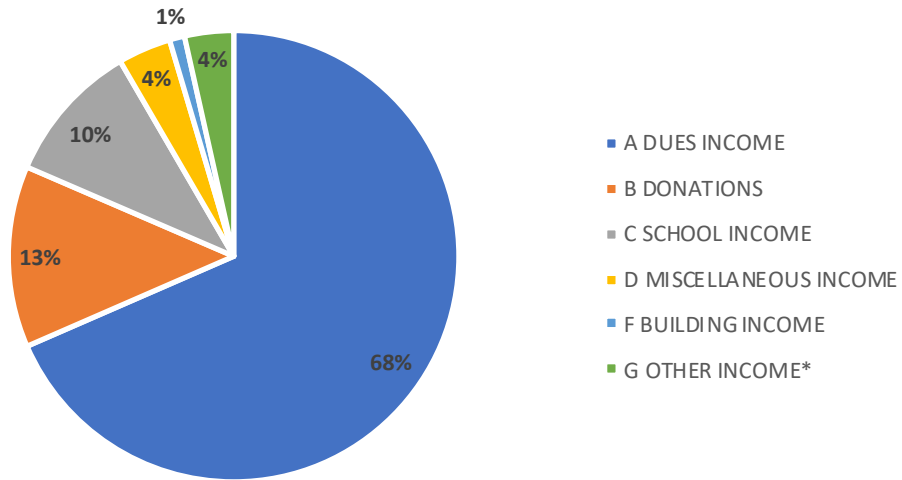
L'Shalom,

Merel Abruzzese, Vice President for Finance
Dan Levin, Treasurer

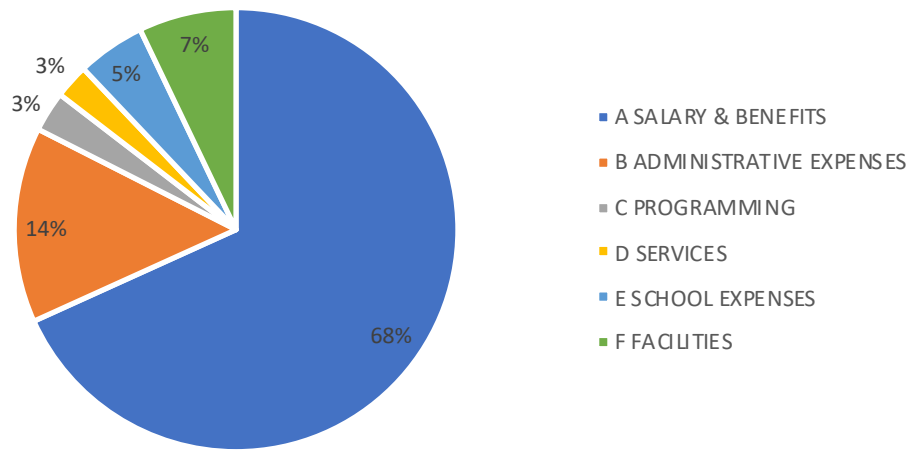
Budget Details:

	<i>Current Year Budget</i>	<i>Current Year Reforecast</i>	<i>Proposed Budget for Next Fiscal Year</i>
	FY-2020	FY-2020	FY-2021
Income Total:	\$982,025	\$1,001,528	\$997,652
Dues Income	\$679,351	\$683,062	\$683,062
Donations Income	\$130,400	\$146,766	\$129,800
School Income	\$88,274	\$89,475	\$101,000
Miscellaneous Income	\$39,000	\$31,725	\$38,000
Transfer from Building Fund, Endowment, Operating Surplus	\$45,000	\$50,500	\$45,790
Expense Total:	\$981,763	\$994,349	\$997,312
Salary and Benefits	\$717,953	\$676,369	\$680,610
Administrative Expenses	\$99,278	\$147,789	\$141,786
Programming	\$27,520	\$29,970	\$29,425
Services/Ritual	\$21,025	\$24,734	\$25,000
School Expenses	\$44,519	\$45,572	\$49,500
Facilities	\$71,468	\$69,915	\$70,991
Operating Surplus	\$261	\$7,178	\$340

FY 21 Sources of Income



FY 2021 Expenses



2020-2021 Proposed Capital Budget	<u>2020-2021</u>
<u>Building Exterior</u>	
Exterior Painting	
-Exterior Trim	\$10,000.00
-Exterior Shingles	\$10,000.00
Gutters -- Replacement	\$2,000.00
Parking Lot	
-Cleaning oil/water separator system	\$2,500.00
Roofing	
-Remove/Replace loose slates	\$6,800.00
Landscaping/Exterior Storage	
-Planting/Tree Work	\$2,000.00
<u>Building Interior</u>	
Interior Painting	
-Lower Level	\$3,895.00
HVAC	
Replace units	\$73,000.00
<u>Misc Projects</u>	
Video/Streaming Equipment	\$35,000.00
Security (cameras)	\$10,000.00
Total	\$155,195.00