



Annual Meeting

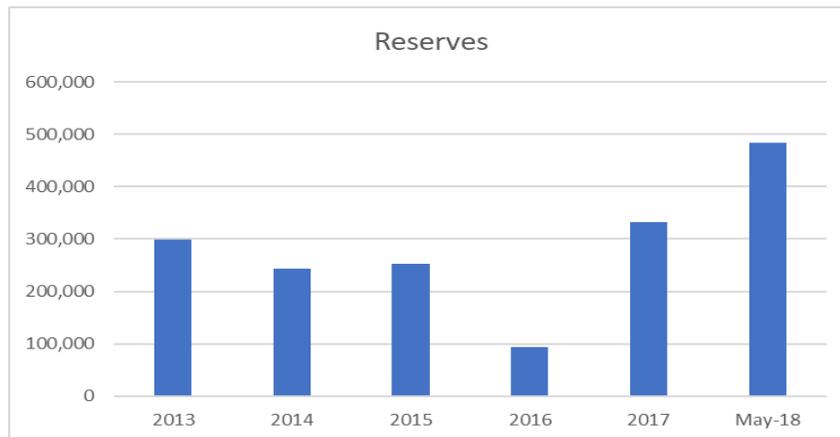
Treasurer's Report

June 13, 2018

I am happy to have the opportunity to present the Treasurer's report tonight. I am grateful my fellow officers for their work on the budget and finances and would like to convey a special thank you to our Controller, Polina Berdich, who works tirelessly and does a terrific job.

One of our goals is to provide you with financial transparency and achieve best-in-class financial practices in the non-profit world. I am pleased to report that our audit committee, led by Moshe Fruchter, worked with our independent accounting firm, Loeb & Troper, to complete The Jewish Center's 2017 audited financial statements. The JC once again received an unmodified opinion. On behalf of all of the officers, I would like to thank Moshe and the other members of the audit committee, Harriet Gordon Wagman, Howard Brodie and Meir Rotenberg for their dedication and support.

We ended 2017 with a surplus of \$133,000, which comes to about 5% of our budget. This is the second consecutive year that we ended with a 5% surplus. We transferred the surplus, as well as \$20,000 in board member fees, to our reserves. Our reserves stand at nearly \$500,000 as of the end of May, 2018, the strongest that they have ever been.



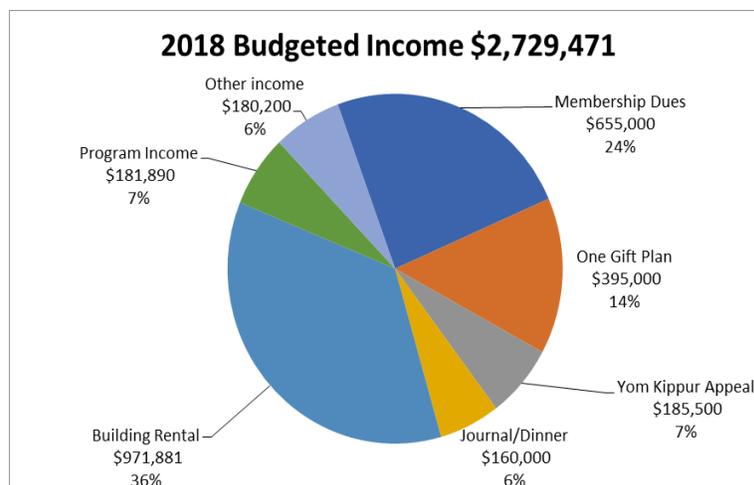
The surplus is attributed to income that was 3% above budget and to expenses that came in 2% below budget. The main driver for better-than-expected income was membership dues, which were 14% above budget and grew by 6% year-on-year. Salaries and benefits were the main reason that expenses were below budget. We did not have a programming director for a considerable portion of 2017, and Rabbi Ari Lamb moved on. We are fully staffed in 2018, and have welcomed Ora Weinbach as our Community Educator, so I do not expect 2018's salaries and benefits to be below budget.

While we are very pleased with 2017's results, I would like to remind the membership that our budget is a cash budget, with income and expenses recorded at the time the cash income or outlay occurs, as opposed to when it is accrued or incurred. This was a positive in 2017, as invoices for several expenses incurred late in 2017 and amounting to over \$10,000 were not received or paid until 2018.

Before I continue to the 2018 budget, I would be remiss if I did not mention our Centennial campaign, which spans 2017 and 2018. The operating budget does not reflect centennial income and expenses, that are accounted for separately. To date, we have received nearly \$4.5 million in pledges, a third of which has already been collected. Against this, over \$600,000 of centennial expenses have been paid.

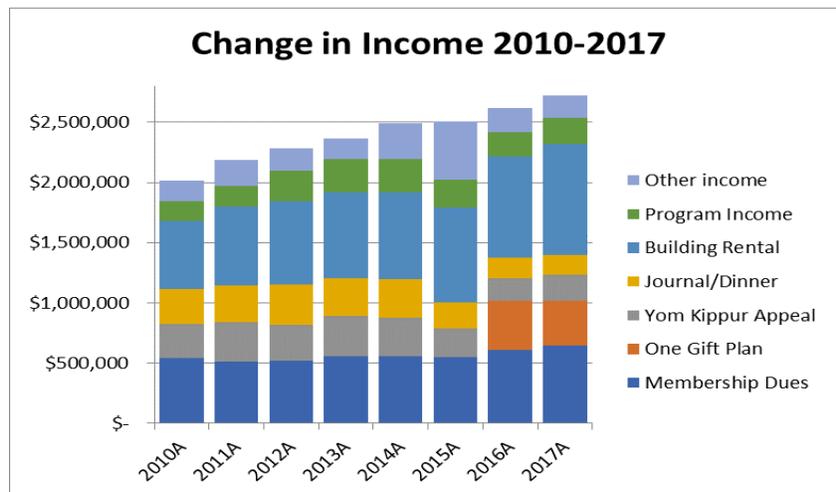
2018 Budgeted Income

I would now like to review with you our 2018 operating budget. As you can see in the Income pie chart below, membership dues, although a significant commitment on all our parts, cover only about a quarter of operating income while income from the Annual Dinner and Yom Kippur Appeal accounts for under 15% of the total. Note that the Dinner and Yom Kippur Appeal account for a considerably smaller portion of overall income compared to prior years, while One Gift, which we now break out as a separate line item, accounts for 15% of the budget, has grown. I would like to emphasize that we carefully follow and analyze One Gift contributions to ascertain that they are accretive to overall income.



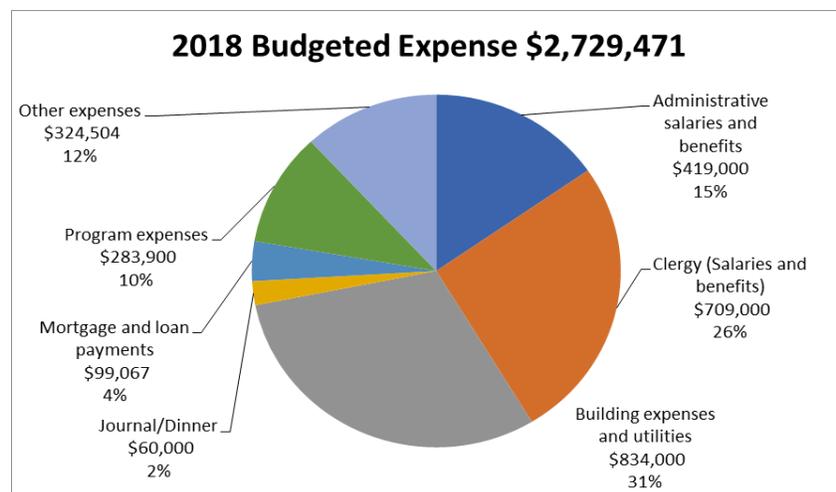
Program income accounts for a little over 5% of our budgeted income for the year. As a reminder, with the notable exception of the Youth Department, we strive to have a neutral budget for most of our programming.

Building Rental is expected to generate over 35% of The Jewish Center’s 2018 income. Ideally, we would aim to have a larger percentage of our operating budget come from member donations and to allocate more of our building rental income for capital improvements and reserves.

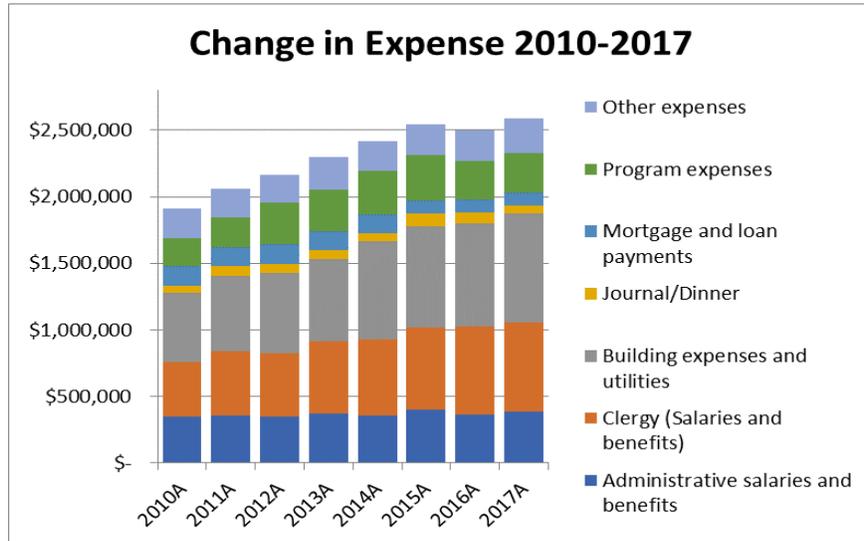


Since 2010, our income annual growth rate income has been 4%. The fastest growing source of income has been building rental (+7%), though One Gift has grown to a nearly \$400,000 line item from its advent four years ago. Save for 2015, we recorded a surplus over each of the years over the measured time period, used to build up our reserves.

2018 Budgeted Expenses



The Expenses pie chart above indicates that physical plant costs (utilities, maintenance, security, service, repairs, etc.) represent 35% of expenses – including interest charges on our mortgage. Programming accounts for over 10% of expenses. Over 40% of all expenses are related to clergy and administrative salaries and benefits. Since 2010, the clergy line has increased at an annual rate of 7%, similar to the annual increase in the building and utilities line.



With the goal of cutting expenses where possible and increasing income, we are hoping with your help to build up reserves. Looking forward, we would be grateful for your participation in coming up with new ideas on these fronts. Until such time as our reserves are adequate, we are heavily dependent on prompt payment of dues and pledges in order to continue to offer the quality program offering and to support our seasonal cash flow. Please feel free to contact me or any of the officers at officers@jewishcenter.org with any questions, suggestions or ideas.