



FINANCIAL REPORT CARD

2018-2019

This Financial Report Card is intended to provide our members with a brief overview of the Temple's financial results for the 2018-2019 fiscal year which ended on June 30, 2019. Financial transparency is very important to our Board of Trustees. We hope this Report Card will give our members the information necessary to be confident that we are on solid financial ground.

A BALANCED BUDGET

We finished the 2018-2019 fiscal year with a balanced budget for the seventh year in a row. Revenues from operations exceeded operating expenses by approximately \$65,000. The excess funds will be transferred to capital reserves which are in need of replenishment. \$1.6 million of existing capital reserves were used last year for deferred maintenance items such as exterior painting, roof replacements and HVAC replacements undertaken concurrently

with the major renovation projects at the Schaefer Family Campus and Beck Family Campus. As a result, our capital reserves are below normal levels and we are committed to replenishing them over the next several years so that our new facilities will remain in good working order for the foreseeable future without having to impose special assessments on the membership.

2018-19 REVENUE AND EXPENSES

REVENUE

Membership Commitments	2,644,539	25%
Religious School Fees	779,695	8%
Early Learning Center	3,196,518	31%
Fundraising	1,204,423	12%
Facilities Rentals	497,780	5%
Program Fees & Other Income	547,257	5%
Mausoleum Sales	995,259	10%
Transfers from Other Funds	530,396	4%
Total Income	10,395,867	100%

EXPENSES

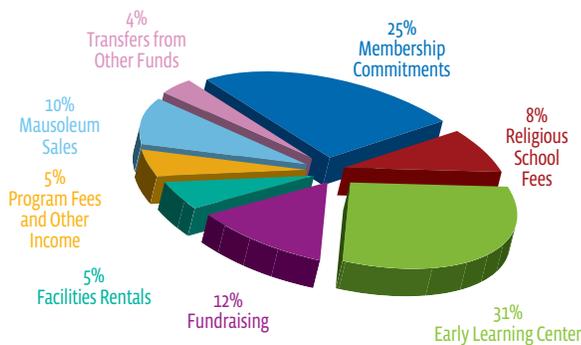
Program: Religious Activities	3,041,401	29%
Program: Education	4,110,672	40%
Program: Mausoleum	544,966	5%
Administration and General	1,515,202	15%
Fundraising and Project Expenses	549,808	5%
Transfers to Other Funds	633,818	6%
Total Expense	10,395,867	100%

REVENUE AND EXPENSES

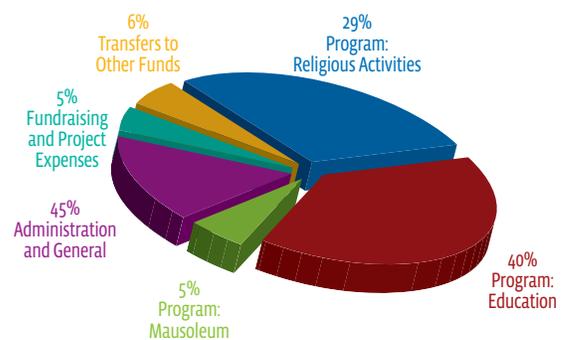
The Temple's major revenue and expense categories as a percentage of total budget are in line with similarly sized congregations according to a benchmarking survey by the Union for Reform Judaism ("URJ"). One area where Temple Beth El is different, in a good way, than other large Reform congregations is the percentage of overall operating revenues that come from Congregational Commitment (formerly known as "Membership Dues"). Our Congregational Commitment revenues make up [25%] of total revenues, which is roughly half of the national average. The reason is that Beth El has

multiple, significant and diversified revenue streams including Mausoleum Sales, Charter School facility rental revenue, Early Learning Center ("ELC") tuition, Religious School tuition, catering services revenue, and substantial fundraising, all of which make our Temple far less reliant on Congregational Commitments than our peers. This is a positive attribute because it allows us to keep Congregational Commitment rates from getting too high and it enables us to better withstand economic downturns.

REVENUE



EXPENSES



OUR PEOPLE

MEMBERSHIP

The Temple's overall membership in terms of number of households, has remained relatively flat for the past three years. We finished the fiscal year on June 30, 2019 with 1,502 member households, compared to 1,504 in 2018 and 1528 in 2017.

TOTAL MEMBER HOUSEHOLDS AS OF JUNE 30	
2017	1,528
2018	1,504
2019	1,502

RELIGIOUS SCHOOL ENROLLMENT

Religious School enrollment at the conclusion of the 2018-2019 academic year stood at 492 students, nearly identical to the same time the prior year when we finished the year with 493 students. This is the first time in recent history that we have not seen a year-over-year material drop in total student enrollment. We believe

this favorable trend is due to a combination of (i) a growing Early Learning Center that is providing a pipeline of young children into the Religious School, and (ii) new and creative Religious School initiatives aimed at satisfying the needs of modern Jewish families.

EARLY LEARNING CENTER ENROLLMENT

Early Learning Center ("ELC") enrollment at the conclusion of the 2018-2019 academic year was 244 students, compared to 222 students at the same time in the prior year, representing a 10% increase year-over-year. The Beth El ELC has been growing steadily and consistently since it opened in 2009. Last year the campus was expanded to include, among other things, six new classrooms. Three of these new classrooms are already filled with

ELC students and we anticipate filling the rest in the near future.

There is a high demand for our ELC due to the excellent reputation we have built in the local community, with waiting lists for most grades. With the continuation of new residential construction in West Delray and West Boynton Beach, we do not foresee a reduction in demand for our ELC program in the foreseeable future.

BETH EL MAUSOLEUM

The Beth El Mausoleum continues to provide a meaningful final resting place for our synagogue members and members of the surrounding Jewish community. Gross sales revenue for the 2018-2019 fiscal year was just under \$1 million, compared to about \$1.4 million the year before. We believe this decline was primarily due to a pricing strategy implemented to preserve in-

ventory of premium locations, as well as the ongoing construction at the Schaefer Family Campus which may have been a barrier to purchase. We are hopeful that the new facilities will provide comfort and inspiration to our community and increase our ability to attract potential purchasers.

OUR FUNDRAISING

FULFILLING THE PROMISE CAPITAL AND ENDOWMENT CAMPAIGN

We should all be extraordinarily proud of the success of the Fulfilling the Promise (“FTP”) Campaign. Thanks to the generosity of approximately 733 unique donor households, we have been able to build the facilities to achieve our dreams of creating a physical space as modern and inspirational as our program, educational and spiritual offerings.

Total funds available to complete the Schaefer Family Campus and Beck Family Campus expansion and renovation projects stand at \$24,300,000. This figure includes (i) gifts already received, (ii) pledge commitments that are formalized but not yet received, (iii) legacy gifts and other expectancies we expect to realize in the next eight years, and (iv) future net income from ELC tuition associated with the newly constructed classrooms at the Beck Campus.

The Beck Family Campus expansion is complete. Total construction costs came in at just under \$4.6 million, including all soft costs, architecture and engineering fees, as well as furniture, fixtures and equipment (“FF&E”).

The Schaefer Family Campus expansion and renovation project will be complete by the summer of 2020. We expect this project to cost approximately \$17.4 million including all soft costs,

architecture and engineering fees, artwork and décor, as well as FF&E.

Because many of the large gifts we received for this campaign are paid out over an extended period of time, the Temple has a construction loan in place with Wells Fargo Bank. Financing costs over the life of the loan are expected to total roughly \$2.3 million, resulting in total project costs, including financing expenses, of \$24.3 million.

TOTAL FUNDS AVAILABLE FOR CONSTRUCTION & DEBT SERVICE

SCHAEFER FAMILY CAMPUS	\$20,100,000
BECK FAMILY CAMPUS	\$4,200,000
TOTAL	\$24,300,000

TOTAL FTP PROJECT COSTS

BECK CAMPUS CONSTRUCTION PROJECT	\$4,600,000
SCHAEFER CAMPUS CONSTRUCTION PROJECT	\$17,400,000
FINANCING COSTS	\$2,300,000
TOTAL	\$24,300,000

FINANCIAL TRANSPARENCY

LOAN OBLIGATIONS AND THE PLAN TO BE DEBT-FREE

Although we have funds and future commitments to pay for our current construction projects, there still remains \$3.7 million of outstanding debt from the original construction of the Beck Family Campus in 2009. We presently do not have the funds or future commitments to retire that debt. We have also taken on a construction bridge loan to pay for the recent construction and renovation projects while we wait for payments to come in over the next several years from pledges which will be paid out over an extended period of time.

After completion of Phase 3 of the Schaefer Family Campus

renovation project in the summer of 2020, we will have roughly \$10.3 million of outstanding debt at a fixed rate of 3.92% interest per year. Our top priority is to pay down this debt as quickly as possible.

As a result, we will continue the FTP campaign with a goal of raising approximately \$3.7 million between now and the loan maturity date of July 5, 2027. If we can do that, we will be completely debt free, including the original debt from the construction of the Beck Campus in 2009. That is our primary fundraising initiative for this coming year.

AUDIT

We hope you find this financial report card informative. This is not intended to be a detailed financial statement, but rather a high level summary of our financial results from the 2018-2019 year.

Thanks to the ongoing support of our members, the generosity of our benefactors, and the hard work of our incredible staff, Temple Beth El stands on solid financial footing. The 2018-2019 year was another successful one economically and we are blessed with the good fortune of having such a strong and supportive Jewish community in Boca Raton.

Financial transparency is very important to us. The Temple

hires independent auditors from an outside accounting firm every year to audit our books and our financial controls. The results of the audit are presented to the Finance Committee and the Board of Trustees. Undergoing a full third-party audit every year is both time consuming and costly. But we feel it is time and money well spent. We always want our members to feel comfortable that we are operating at the highest levels of financial integrity. Should any of our members want more information about the Temple’s financial data, they are welcome to contact Mark Erickson (Director of Finance) or Steve Kaufman (Executive Director) and we would be happy to answer your questions.