



Park Slope Jewish Center

Financial Statements

Fiscal years ending June 30, 2021, 2022, and 2023

Presented at the PSJC Annual Meeting, January 21, 2024

Mona Schnitzler, Treasurer

Executive Summary

Operations returned to normal at PSJC in the year ending June 30, 2023. The year saw services, events, and Hebrew School operating primarily in-person, but the risk of decreased member engagement and financial support continued to be a significant concern. Some in our community still were experiencing financial hardship because of the pandemic, diminishing their ability to support PSJC at prior levels.

Without the support of the PPP loans and stabilization campaign that positively affected our results in Fiscal 2021 and 2022, our net deficit was \$65,009 after non-cash depreciation expense of \$105,808. There were increases in most revenue categories, except for fundraising and contributions. This was more than offset by increases in operating expenses, primary due to our return to in-person activities and the effect of rising inflation. Finances benefitted from a series of one-time revenue infusions from a TV production and a local sports team. This helped to offset our lack of a major fundraising event in this fiscal year. We lost one of our large rental clients during Covid and have been unable to fully replace that revenue.

Membership has returned to pre-pandemic levels, but we need to increase membership in all categories, especially younger members. Rising inflation has negatively affected operating expenses, including payroll. We need security at many events and that cost continues to rise.

Our building will be 100 years old in 2025 and while it is overall in good condition, maintenance of our aging systems is an ongoing cost. Our lack of a major fundraising event hurt our bottom line. Finally, our yard was a lifesaver during Covid, but to exploit its full potential as usable space, a major fundraising campaign will need to be conducted.

Our community has come through the pandemic with the dedication of our engaged and resilient membership and staff. However, the need for this support is far from over and will be crucial for the foreseeable future.

Park Slope Jewish Center			
Statements of Activities - Current Year vs Prior Year			
For the 12 Months Ended June 30, 2022 and June 30, 2021			
		June 30, 2023	June 30, 2022
			June 30, 2021
REVENUES AND SUPPORT			
	Membership	\$ 536,536	\$ 612,940
	HS & Family Programming	132,661	78,519
	High Holidays	150,646	93,944
	Rental Income	121,619	850
	Fundraising & Contributions	110,580	245,618
	Committee and Other Programming	10,261	6,866
	Other Income	7,376	13,545
	Pass-Through Revenues	24,692	29,865
	Capital Project Contributions & Grants	1,271	51,405
	Total Revenues and Support	1,095,641	1,133,554
EXPENSES			
	Payroll (excl HS and FP)	638,027	539,017
	HS & FP Expenses	141,461	85,569
	Security Services	42,574	9,908
	Operating Expenses	88,587	83,139
	Building Maintenance & Repairs	66,906	52,311
	General & Administrative Costs	36,215	25,448
	Fundraising Expenses	5,548	1,458
	Committee & Other Programming	47,616	29,052
	Interest and Mortgage Expense	20,869	26,035
	Pass-Through Expenses	34,847	25,569
	Depreciation Expense	105,808	102,860
	Total Expenses	1,228,458	980,366
	Current Change in Net Assets	(132,817)	153,188

Summary of Operating Activity

In fiscal 2023, PSJC operated with deficit of \$132,817 including non-cash depreciation expense, compared to income of \$141,051 in fiscal 2022. This deficit is more in line with our historical results. The unusual positive results in fiscal 2021 and 2022 were due to Covid related PPP loans, ultimately forgiven by the government, and an emergency stabilization campaign.

Revenues decreased \$83,292 as compared to the prior year. Factors impacting revenue were:

- \$201,898 of PPP revenue was recognized in fiscal 2022.

- Ad Hoc contributions increased by \$24,736. This increase included an \$18,000 one-time contribution from a local sports team. It was not enough to offset the lack of any fundraising events in fiscal 2023.
- High holiday revenue increased overall by \$12,154 but Kol Nidre appeal revenue decreased by \$5,673. This is concerning because we depend on this appeal for about 10% of our revenue.
- There were modest increases in Membership and HS and Youth Programming, primarily due to increased collection efforts by staff and the Treasurer.
- Better tracking of PAI revenue and collection efforts around B'nai Mitzvah fees resulted in a \$7,313 increase in Committee and Other programming revenue.
- Rental income increased due to the rental of our space by a TV production company for \$62,000. Our major tenant was in the building for the entire year, and we had a summer tenant. This accounts for the remainder of the increase.

Overall, continued inflation impacted expenses negatively. Expenses increased by \$228,576 over fiscal 2022. In person programming increased our payroll, Hebrew school and family programming expenses, and security expenses. The increase in operating expenses was due to utility bills that increased \$12,000 and credit card processing fees that increased \$5,000.

Pass-through revenues and expenses are funds that filter through PSJC's accounts but aren't controlled by PSJC. Examples include the Rabbi's discretionary Fund and member-sponsored kiddush. These revenues and expenses offset each other over time, but there can be timing differences between fiscal years that account for differences.

Our comparative Statement of Activities include revenue from capital campaign contributions in fiscal 2021 as well as expenses associated with building depreciation. Depreciation is a non-cash expense that approximates the long-term wear and tear our building and fixtures experiences on a yearly basis. The actual cost of any capital repairs fluctuates from year to year and is reported on the Statement of Cash Flows and the Balance Sheet. Additional information on depreciation can be found in Note 2 to the Financial Statements.

Park Slope Jewish Center			
Statement of Cash Flows			
For the 12 Months Ended June 30, 2023 and 2022			
	Fiscal Year 23	Fiscal Year 22	Change
CASH AT START OF YEAR	\$ 624,205	\$ 757,566	\$ (133,360)
Operating Surplus/(Deficit)	(132,817)	141,051	\$ (273,868)
Accounts Payable	80	(28,461)	\$ 28,541
Other Liability	(9,790)	-	\$ (9,790)
Capital Expenditures	(90,047)	(46,292)	\$ (43,755)
Accounts Receivable	(38,000)		
Depreciation Expense	105,808	69,465	\$ 36,343
Principal Loan Payment	(65,833)	(71,849)	\$ 6,016
PPP Loan	1,988	(197,275)	\$ 199,263
Total change in cash	(228,611)	(133,361)	\$ (95,250)
CASH AT END OF YEAR	\$ 395,594	\$ 624,205	\$ (228,611)
Debt at start of Year	590,255	859,378	
Debt at end of Year	526,409	590,255	
Net cash at start of year	33,948	(\$101,815)	
Net cash at end of year	(130,818)	33,948	
NET CASH EXCLUDING PPP LOAN	(124,107)	29,225	

During fiscal 2023, cash decreased by \$228,611. This was primarily attributable to operating deficit net of depreciation of \$65,009, principal loan payments of \$65,833, and capital expenditures of \$90,047 stemming from our Homeland Security grant. PSJC laid out the funds for these improvements and expects to be reimbursed in fiscal 2024.

Park Slope Jewish Center			
Statements of Financial Position			
As of June 30, 2023, 2022 and 2021			
		6/30/2023	6/30/2022
		6/30/2021	
ASSETS			
Current Assets			
Cash and Cash Equivalents			
	Checking	\$ 149,411	\$ 378,268
	Savings and Investments	246,183	245,937
	Total Cash and Cash Equivalents	395,594	624,205
Other Current Assets			
	Other Liabilities	9,790	-
	Total Other Current Assets	47,790	-
	Total Current Assets	443,384	624,205
Fixed Assets			
	Capitalized renovation Cost	4,277,329	4,187,282
	Accumulated Depreciation	(1,286,117)	(1,180,309)
	Total Fixed Assets	2,991,212	3,006,973
	TOTAL ASSETS	\$3,434,596	\$3,631,178
			\$3,787,711
LIABILITIES AND NET ASSETS			
Liabilities			
Current Liabilities			
	Accounts Payable	\$ 1,650	\$ 1,570
	Line of Credit	360,705	378,351
	Mortgage Payable	158,993	207,180
	PPP Loan	6,711	4,723
	Total Liabilities	528,060	591,825
Net Assets			
	Equity	2,906,536	3,039,353
	Total Net Assets	2,868,536	3,039,353
	TOTAL LIABILITIES AND NET ASSETS	\$3,396,596	\$3,631,178
			\$3,787,711

Notes to the Financial Statements

Note 1 - Park Slope Jewish Center

Park Slope Jewish Center ("PSJC") is located on the corner of 8th Avenue and 14th Street in the Park Slope section of Brooklyn. PSJC was formed in 1960 by a merger of two pre-existing congregations, with the older one dating back to 1873. PSJC is exempt from Federal and state taxes under section 501(c) (3) of the Internal Revenue Code but is subject to NYC property taxes to the extent that facilities are used for non-member related purposes.

Note 2 - Basis of Accounting

Tuition, donations, and dues paid by members are recorded as revenue in the year they are received. This approach often gives rise to swings in revenue between years, because of the timing of membership renewal notices and Hebrew School tuition billing. Expenses are recorded in the fiscal year they are incurred.

The synagogue building is situated on a lot 50 feet by 83 feet, approximately 4,150 square feet. Together with the adjacent undeveloped lot, the overall site has an area of approximately 8,300 square feet. The building was built in 1925 and reliable cost data for the land and building are no longer available. The cost of the building would have been fully depreciated by the 1960's using a forty-year life as standard accounting practice. Therefore, the cost of the land and building is not shown on the balance sheet.

The value of furniture and equipment are not shown on the balance sheet. Our pews are over 50 years old and are fully depreciated. Purchases of furniture and equipment in recent years, such as tables, chairs, and personal computers, are shown as expenditures on the Statement of Activities and not capitalized.

Capitalized expenditures and recent renovations to the building are being depreciated over a 40-year life. Depreciation represents an approximation of the wear the building undergoes during a typical year. It represents the amount PSJC should be budgeting for capital replacement yearly, recognizing that actual costs will vary in any given year.

Note 3 - Loans

On March 15, 2016, PSJC entered into a mortgage loan and security agreement with Capital One, N.A. ("CapitalOne"). PSJC borrowed \$500,000 to refinance the outstanding balance on an earlier mortgage taken to finance a renovation project. Closing costs for this loan were approximately \$14,000. The loan is secured by a mortgage on the synagogue land and building, and by a security interest in any leases PSJC enters into for use of the synagogue.

The loan requires monthly interest and principal payments through March 15, 2026, at which time the mortgage will be paid in full. The interest rate on the loan is 3.2%, fixed for 10 years. Monthly payments are \$4,892.55, including principal and interest. Prepayments are allowed without penalty at certain dates during the loan term.

The previous mortgage amount was \$756,206 as of March 14, 2016. Money from an earlier capital campaign was used to retire the difference between the old and new mortgage.

In October 2017, PSJC took out a line of credit ("LOC") with CapitalOne in the amount of \$450,000 to assist with major building repair. Closing costs for the LOC were \$14,000. Interest was set at 4% and charged only on the amount drawn. In April 2018, PSJC decided to draw down the entire balance and convert the LOC to a loan. The maturity date is October 27, 2027, and monthly payments are \$2,740.42.

Note 4 - Rental Revenues

Kolot Chayeinu continues to rent space in the PSJC building for their Hebrew School program. Space is rented to Brooklyn Arts for Kids in July for their summer program. There are a variety of short-term rental throughout the year, but another regular renter during the year is actively being sought.

Note 5 - Payroll Expenses

Payroll expenses include all full-time and part-time PSJC staff. Part-time staff for the Hebrew School is reported under Hebrew School and Family Programming expense. Cantorial expenses are reported under Committee and Other Programming expense.

Note 6 - Other Fixed Assets

PSJC owns approximately 160 cemetery graves in Beth David and Mt. Carmel Cemeteries from predecessor congregations. A small number of these graves have been reserved and paid for, but deeds are yet to be issued. It is difficult to assess the fair market value of these graves, but it would likely be in the \$300,000 to \$1,000,000 range. Individuals and households who are members in good standing may purchase graves according to the PSJC Cemetery Policy at prices well-below current market rates.