



Park Slope Jewish Center

Financial Statements

Fiscal years ending June 30, 2022, 2023, and 2024

Presented at the PSJC Annual Meeting, January 12, 2025

Mona Schnitzler, Treasurer

Executive Summary

Operations returned to normal at PSJC in the year ending June 30, 2024. Services, events, and the Hebrew School operated primarily in-person, with many successful and inspiring programs and events. At the end of fiscal 2024, we began a successful campaign to raise funds for yard improvement. No operating funds will be used on this project and a portion of the funds were collected before year-end. We expect to see about \$40k annually from yard rentals.

However, decreased financial support compared to pre-pandemic levels and increases in expenses related to operations and pastoral care pose significant threats to PSJC's future. Without the support of the PPP loans and stabilization campaign that positively affected our cash flow and results in Fiscal 2022, we are facing a significant cash shortfall by June 2025. Operating deficits, a lack of regular fundraising events, and the cash drain from servicing our two loans are the primary drivers. Membership has returned to pre-pandemic levels, but we need to increase membership and collections in all categories. Rising inflation has negatively affected operating expenses, including payroll. Security costs continue 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 drain on resources.

There is an urgent need to resume regular fundraising events to bridge our operating deficit and support our loan servicing until we can retire our outstanding obligations in 2027 (see Note 3), begin to generate revenue from our yard renovation project, increase membership, and implement cost-saving measures recommended by our newly constituted Finance Committee. The Finance Committee has been working on addressing these issues since Summer 2024 and has been joined in the effort by the Fundraising and 100th Anniversary Committees.

Our community has come through the pandemic with the dedication of our engaged and resilient membership and staff. We now need to focus on preserving our legacy and building for the future.

Summary of Operating Activity

In fiscal 2024, ending June 20, 2024, PSJC operated with a deficit of \$114,763 including non-cash depreciation expense, compared to a deficit of \$171,380 in fiscal 2023. The synagogue has historically operated with a small deficit. The unusual positive results in fiscal 2022 were due to COVID-related PPP loans ultimately forgiven by the government and an emergency stabilization campaign.

Revenues increased \$123,163 as compared to the prior year. Factors impacting revenue were:

- \$100,000 reimbursement of the 2019 Homeland Security grant was recognized in fiscal 2024.
- Fundraising and contributions increased by \$12K. This category includes \$45K raised for the yard project. However, our ad hoc contributions decreased by \$30K, primarily because of a one-time contribution in fiscal 2023 of \$18K from a local sports team. There was no major fundraiser in fiscal 2024.
- High holiday revenue decreased overall by \$18,000. Kol Nidre appeal revenue decreased by \$12,000 and ticket revenue decreased by \$6,000.
- There were modest increases in Membership and HS and Youth Programming, primarily due to increased collection efforts by staff and the Treasurer. Approximately \$50K of membership revenue collected in June 2024 was for the subsequent fiscal year, a timing difference that happens every year.
- Better tracking of PAI revenue, collection efforts around B'nai Mitzvah fees, ATID programming, and the community seder resulted in a \$6,900 increase in Committee and Other programming revenue.
- Rental income decreased because of a one-time rental to a TV production company for \$62,000 in fiscal 2023. On the positive side, our major tenant was in the building for the entire year, and we had a summer tenant.

Expenses increased \$67,148 over fiscal 2023. Primary drivers included:

- Operating expenses increased by \$28,575. Our credit card processing fees increased due to more members using electronic payments and an increase in charges from the credit card companies. Kiddush expenses increased \$13K as Covid restrictions eased.
- Building maintenance and repair increased by \$30,597. This includes \$8,200 of yard design consultation that will be covered by the yard campaign. We spent \$15,691 on an initial yard leveling and sod installation project. A long-standing dispute with NYC over elevator inspection was settled for \$6,000 and a repair to our stairlift was another \$1,100. Our roof and stairwell needed water damage repair for \$8,000. Janitorial supplies and equipment increased \$7k due to increased use of the building and general inflation.
- General and administrative costs increased \$27,511, primarily due to the need for outside accounting help during our administrator's absence in fiscal 2023/24.

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 are timing differences between fiscal years that account for differences.

Our comparative Statement of Activities includes expenses associated with building depreciation. Depreciation is a non-cash expense that approximates the long-term wear and tear our building and fixtures experience yearly. 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				
Statements of Activities				
For the 12 Months Ended June 30, 2024, June 30, 2023, and June 30, 2022				
	June 30, 2024	June 30, 2023	June 30, 2022	
REVENUES AND SUPPORT				
Membership	\$ 604,683	\$ 536,536	\$ 516,669	
HS & Family Programming	\$ 145,896	132,661	118,566	
High Holidays	\$ 132,576	150,646	138,492	
Rental Income	\$ 46,586	121,619	37,322	
Fundraising & Contributions	123,357	110,580	125,773	
Committee and Other Programming	17,191	10,261	2,948	
Other Income	12,908	7,376	207,476	
Pass-Through Revenues	35,873	24,692	28,993	
Misc Revenue	336			
Capital Project Contributions & Grants	100,000	1,271	2,695	
Total Other Revenue and Support		-	-	
Total Revenues and Support	1,219,406	1,095,641	1,178,933	
EXPENSES				
Payroll (excl HS and FP)	683,670	706,832	586,262	
HS & FP Expenses	125,951	130,931	99,325	
Security Services	42,029	42,574	32,367	
Operating Expenses	117,162	88,587	69,524	
Building Maintenance & Repairs	97,503	66,906	58,173	
General & Administrative Costs	63,726	36,215	33,368	
Fundraising Expenses	5,433	5,548	8,004	
Committee & Other Programming	41,118	27,341	31,597	
Interest and Mortgage Expense	24,195	21,433	23,907	
Pass-Through Expenses	26,449	34,847	25,157	
Depreciation Expense	106,933	105,808	69,465	
Total Expenses	1,334,169	1,267,022	1,037,150	
Current Change in Net Assets	(114,763)	(171,380)	141,783	

Balance Sheet and Cash Flow:

Park Slope Jewish Center				
Statements of Financial Position				
As of June 30, 2024 and 2023				
	6/30/2024	6/30/2023	6/30/2022	
ASSETS				
Current Assets				
Cash and Cash Equivalents				
Checking	\$ 71,984	\$ 149,411	\$ 383,161	
Savings and Investments	146,530	246,183	245,937	
Total Cash and Cash Equivalents	218,514	395,594	629,098	
Other Current Assets				
Other Liabilities	-	9,790	-	
Total Other Current Assets	-	9,790	-	
Total Current Assets	218,514	405,384	629,098	
Fixed Assets				
Capitalized renovation Cost	4,380,981	4,277,329	4,187,282	
Accumulated Depreciation	(1,393,050)	(1,286,117)	(1,180,309)	
Total Fixed Assets	2,987,931	2,991,212	3,006,973	
TOTAL ASSETS	\$ 3,206,445	\$ 3,396,596	\$ 3,636,070	
LIABILITIES AND NET ASSETS				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 375	\$ 1,650	\$ 1,570	
Line of Credit	347,771	360,705	378,351	
Mortgage Payable	104,358	158,824	211,340	
PPP Loan	-	6,711	4,723	
Total Liabilities	452,503	527,891	595,985	
Net Assets				
Equity	2,753,942	2,868,705	3,040,085	
Total Net Assets	2,753,942	2,868,705	3,040,085	
TOTAL LIABILITIES AND NET ASSETS	\$ 3,206,445	\$ 3,396,596	\$ 3,636,070	

During fiscal 2024, cash decreased by \$177,081. This was primarily attributable to operating deficit net of depreciation of \$114,763, principal loan payments of \$67,402, and capital

expenditures of \$103,652 mostly stemming from our Homeland Security grant. PSJC laid out the funds for these improvements and will be fully reimbursed by October 2024.

Park Slope Jewish Center			
Statement of Cash Flows			
For the 12 Months Ended June 30, 2024			
	Fiscal Year 24	Fiscal Year 23	Notes
CASH AT START OF YEAR	\$ 395,594	\$ 629,098	
Operating Surplus/(Deficit)	(114,763)	(171,380)	
Accounts Payable	(1,276)	80	
Other Liability	9,790	(9,790)	
Capital Expenditures	(103,652)	(90,047)	
Depreciation Expense	106,933	105,808	
Principal Loan Payment	(67,402)	(70,162)	
PPP Loan	(6,711)	1,988	
Total change in cash	(177,081)	(233,503)	
CASH AT END OF YEAR	\$ 218,513	\$ 395,594	
Debt at start of Year	526,240	594,415	
Debt at end of Year	452,129	526,240	
Net cash at start of year	(126,489)	38,840	
Net cash at end of year	(229,458)	(126,489)	
NET CASH EXCLUDING PPP LOAN	(124,107)	(131,212)	

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 as 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, when 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. Monies from an earlier capital campaign were used to retire the difference between the old and new mortgage.

In October 2017, PSJC secured a \$450,000 line of credit ("LOC") with CapitalOne to assist with major building repairs. 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 rentals throughout the year, but another regular renter 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 expenses.

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.