



## From Your Co-President

Summer School Begins

July 2018

I was a part-time Adjunct College Professor for 24 years. I taught three semesters a year – fall, spring and summer. I taught what I think are the most exciting and most important Business Department courses – Accounting, Economics and Finance. It is hard for me to reach this time of year and not say.....okay class, let's begin.

With that thought in mind, I will begin my Summer Semester Accounting I class now. Today's lesson will concentrate on the Profit & Loss Statement. A Profit & Loss Statement is a financial statement that reports an entity's revenues and expenses for a given period of time. In other words, this statement shows the profitability for an entity over a period of time. When expenses are greater than revenues, the entity is not profitable, and is actually losing money.

When I review the projected Profit & Loss Statement for the full fiscal year for Congregation L'Dor V'Dor I see a net loss of approximately \$200,000. This is a great concern of mine and of nearly every member of our congregational family. The primary reason for this financial situation is driven by the fact that the NYC Department of Education no longer leases our school facilities from us. Although we brought in a new school to replace the DOE, the rent that the Montessori School pays us is approximately \$150,000 less than what the DOE paid us.

In extremely simplistic terms we can take three actions to help reduce our loss and hopefully turn us into a profitable entity again. We must either: increase the revenues we bring into the temple, reduce our operating expenses or a combination of both increasing revenues and decreasing our expenses. Over the past year I have met with and worked with several very intelligent financial members of our congregation. Despite this meeting of the financial minds, we have not yet solved these problems.

The revenues brought into our shul primarily come from membership dues, donations and rental income from the third party school. Our expenses are primarily the result of basic operating expenses – salaries, utilities, and insurance. Since I have not been able to solve this problem yet, I turn to you for your thoughts and ideas. How do you think we can generate more revenue? What suggestions do you have to reduce some of our costs?

Right now, I see two options for us. Option 1 involves a team effort to bring more money into the temple and find ways to reduce or eliminate costs. This is our preferred option as this would make us profitable and projects a much better financial picture for the long term. Option 2 is to do nothing. By doing nothing, every time we have a loss, we have to reduce our savings and investment accounts balances. At some point, there will be no savings left and we will not be able to turn on the lights, pay our staff and keep Congregation L'Dor V'Dor operating. This is NOT an acceptable option.

Now that summer school has begun, your homework assignment is to help us to turn this bad financial situation into a good financial situation. Please contact me, Marjorie, Steve, our Finance Committee Chairs – Judy and Irwin or anybody else and share your ideas. Time is ticking away, please get your homework assignment completed as quickly as possible.

Thank you and have a great semester.