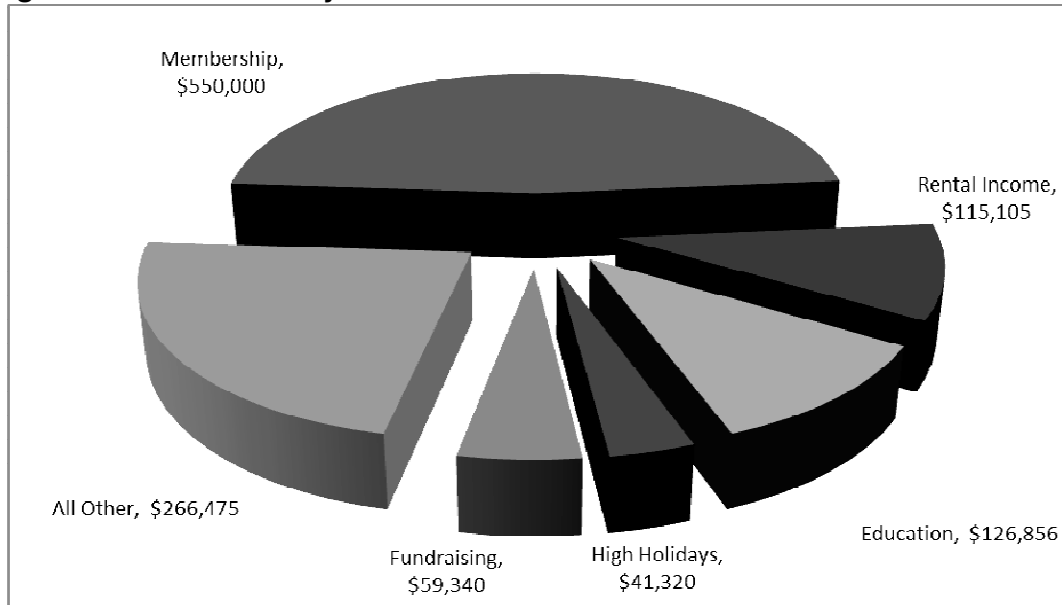




Dear Fellow Congregants,

As we complete the first half of our fiscal year, the Board of Trustees would like you to have some fresh insights about our financial picture. Ours is a complex portrait, with some good news and ongoing challenges.

Budgeted Revenue for July 2011 – June 2012



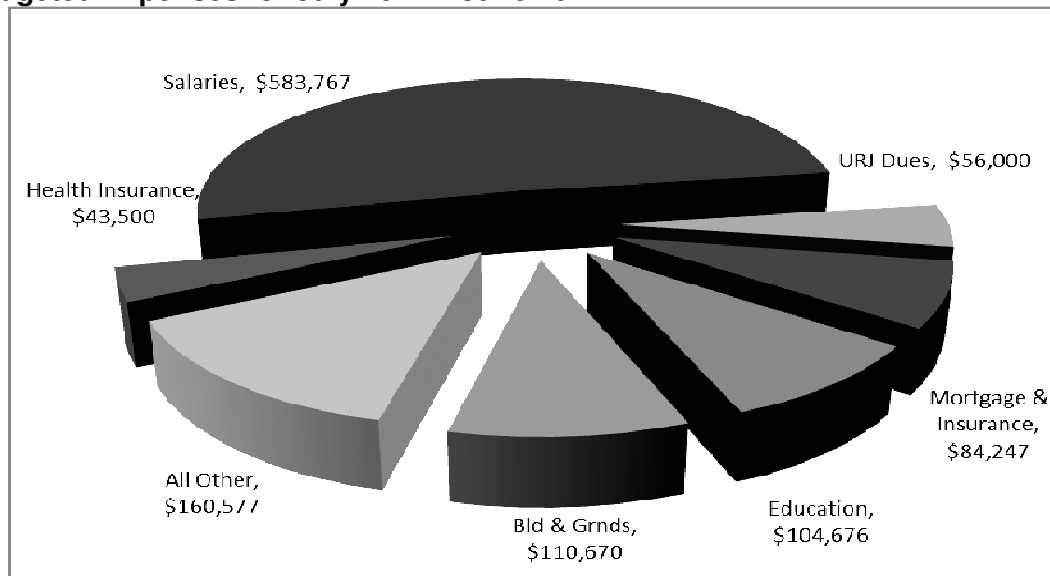
- At a time when too many congregations are struggling with declining membership and financial insolvency, CBI membership continues to grow. To date, CBI has approximately 609 families, up from 600 one year ago and 7 percent higher than 5 years ago.
- Although CBI has not raised membership dues in 6 years, less than 50 percent of our members pay full dues. In terms of collections, 6-month membership dues collections are off by 13 percent from last year and 21 percent from 5 years ago.

	2007-08	2008-09	2009-10	2010-11	2011-12
Members	568	578	600	600	609
6-Month Membership Collections	\$401,919	\$394,451	\$402,931	\$364,997	\$315,871

- CBI has negotiated a one-year renewal of the Brookfield School lease, pushing our combined rental income over \$115,000 or 10 percent of revenue. CBI and Brookfield will continue discussions on longer term options later this year.
- Religious school enrollment, the new Keshet program and expanded adult education class programming provide \$126,000 (11 percent) of revenue.
- Fund raising, including the popular Wine and Food Festival and January's celebration of Rabbi Alfi's 13 years of ordination and support to the Sacramento Jewish community will contribute an estimated \$60,000, about 5 percent of total revenue.

(over, please)

Budgeted Expenses for July 2011 – June 2012



- One of the most important accomplishments this year was our congregation's response to the pay off the mortgage initiative. Last December, our President Steve Goldberg and VP of Finance Jeff Askenas authorized an additional payment of \$215,000 for a cumulative principal reduction of \$437,000. This new payment allowed us to renegotiate our loan which has reduced the monthly mortgage payment by 46 percent from \$6,654 to \$3,563. Our initial balance of \$985,000 now stands at \$547,395. All pledges total \$825,900 with \$159,100 standing between us and full debt retirement.
- CBI has done a good job controlling expenses which have been trending down by 5 percent over the most recent 5-year period.

	2007-08	2008-09	2009-10	2010-11	2011-12
Expenses	\$1,209,086	\$1,238,867	\$1,194,626	\$1,161,279	\$1,143,437

- CBI now operates with almost 20% less staff than in 2007. CBI professional staff, administration and support personnel have been more than remarkably productive; last year's congregation-wide survey measured high levels of member satisfaction with staff and programming.
- Salaries make up almost half of CBI expense. Education accounts for 9 percent of all expenses with \$15,000 for supplies and programs. Buildings and grounds account for 10 percent with \$45,000 for utilities and \$20,000 in maintenance and repair. URJ dues account for 5 percent of our expenses.
- Request for scholarships were at an all-time high and CBI was able to offer over \$25,000 in religious school and Camp Shelanu scholarships, more than twice the amount of last year.

So where are we? We started the fiscal year with a \$31,000 deficit from 2010-11. Our preliminary mid-year trends show that we are not out from under the general economic stress. Fortunately, CBI's restricted and endowment funds help see us through such short falls. This, however, is not a long-term strategy. This March, CBI will begin work in setting the 2012-13 budget. Our team will look for new opportunities to enhance the programs and services you have come to rely on. We will continue to control our expenses and review revenue options, including our dues structure.

We want you to know how much we value your membership and support. If you have any questions about this report or our finances, please contact me or our President, Steve Goldberg.

Sincerely,
 Alex Swedlow, Chief Financial Officer