

# 2023 Proposed Dues Increase

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MURAT SHRINE



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# Resolution #1

- Read & tabled at the June Stated Meeting
- Calls for a \$75 increase in annual Temple dues





# Resolution #1

Whereas Murat Shriners annual dues of \$165 do not meet our current financial needs or have not met our budget for the past several years. We propose an increase in our annual dues to \$240 per year with the option to pay \$20 monthly by credit card or auto debit, etc. ***This does not include Imperial or Hospital assessments.***

Be it resolved; A Murat Shrine Temple dues increase is needed to meet our current and future financial obligations.

# Resolution #2

- Read & tabled at the June Stated Meeting
- Calls for the ability to increase Temple dues 5% annually





# Resolution #2

Whereas in the future, we recommend a maximum annual dues increase of 5%, should the Murat Shrine Divan and Finance Committee determine an increase in the Murat Shriners dues is needed.\*

Be it resolved; this will eliminate the requirement to return annually to the Murat Nobles to approve an increase.

*\*For example, if Resolution #1 is passed, the maximum dues increase in 2025 would be \$12 (5% of \$240).*

# Dues Structure

- Temple dues
- Imperial assessment
- Hospital assessment





# Dues Structure

## 2010 - 2022

- \$150
  - Temple dues \$115
  - Imperial assessment \$30
  - Hospital assessment \$5

## 2023

- \$200
  - Temple dues \$165 (+ \$50)
  - Imperial assessments \$30
  - Hospital assessment \$5



# Revenue & Expenses

- Historical Deficits
- The Oasis Lounge
- Temple Donations
- Top 4 Expenses





# Historical Deficits\*

	2018	2019	2020	2021	2022
Dues & fees	\$ 506,632	\$ 538,063	\$ 523,052	\$ 494,405	\$ 508,781
Theatre lease	50,000	50,000	50,000	50,000	50,000
Oasis Lounge	(227,832)	(90,392)	(144,984)	(127,435)	(82,289)
Fundraising	105,393	187,372	61,732	123,849	56,255
Other	<u>(8,089)</u>	<u>(21,679)</u>	<u>14,443</u>	<u>13,284</u>	<u>(41,435)</u>
	426,104	663,364	504,243	554,103	491,312
Expenses	<u>(802,943)</u>	<u>(586,621)</u>	<u>(709,650)</u>	<u>(919,983)</u>	<u>(886,034)</u>
Surplus (Deficit)	(376,839)	76,743	(205,407)	(365,880)	(394,722)

\*Transportation Fund revenue & expenses are **NOT** included in this table.

# The Oasis Lounge



	2018	2019	2020	2021	2022*
Revenue	\$ 276,857	\$ 367,161	\$ 72,897	\$ 175,720	\$ 272,202
COGS	(160,532)	(178,824)	(82,517)	(89,562)	(139,852)
Expenses	<u>(331,184)</u>	<u>(272,169)</u>	<u>(148,144)</u>	<u>(213,543)</u>	<u>(321,495)</u>
Net loss	(214,859)	(83,832)	(157,764)	(127,385)	(82,289)

*\*\$106,856 of catering & wedding revenue has been removed.*



# Temple Donations

	2021	2022	2023 YTD	2024	2025
Actual donations	\$ 939,095	\$ 197,141	\$ 83,829		
Pledged donations			\$ 108,500	\$ 83,500	\$ 62,500

- Anticipated debt service is \$200,000 per year.
- These pledges are committed to the debt service and cannot be used for operations.



# Top 4 Expenses

	2018	2019	2020	2021	2022
Admin.	\$ 221,489	\$ 238,510	\$ 233,316	\$ 292,492	\$ 336,076
Building	184,410	164,854	178,186	167,905	231,477
Imperial*	138,905	151,300	151,300	157,610	132,911
Promotion	111,474	119,248	76,133	139,401	126,246

*\*Imperial assessment of \$35 per member is going up to \$55 in 2024.*

# Assets & Liabilities

- Cash & Investments
- Property & Equipment
- Line of Credit & Mortgage





# Cash & Investments

	2018	2019	2020	2021	2022
Cash	\$ 390,995	\$ 421,832	\$ 684,122	\$ 330,845	\$ 461,355
Investments	3,114,769	3,139,732	3,107,843	3,857,132	2,929,937
Imperial*	<u>1,294,971</u>	<u>1,439,666</u>	<u>1,810,934</u>	<u>2,025,105</u>	<u>1,745,758</u>
Total	\$ 4,800,735	\$ 5,001,230	\$ 5,602,899	\$ 6,213,082	\$ 4,675,695

*\*Imperial Transportation Investments CANNOT be used for Temple operations.*



# Property & Equipment\*

	2018	2019	2020	2021	2022
Land	\$ 616,046	\$ 616,046	\$ 616,046	\$ 616,046	\$ 616,046
Building	2,316,909	2,316,909	2,316,909	2,316,909	2,316,909
Improvements	1,153,886	1,228,075	1,728,160	3,256,530	3,832,113
Other	1,029,458	1,033,489	1,234,628	1,341,416	1,341,416
Total	\$ 5,116,299	\$ 5,194,519	\$ 5,895,743	\$ 7,530,902	\$ 8,106,484

*\*These assets provide NO cash for operations.*





# Line of Credit & Mortgage

	2018	2019	2020	2021	2022
LOC	\$ 160,912	\$ 110,135	\$ 806,823	\$ 824,292	\$ 1,113,911
Mortgage	_____0	_____0	_____148,253	_____1,091,457	_____1,302,272
Total	\$ 160,912	\$110,135	\$ 955,176	\$ 1,915,749	\$ 2,569,300

- *Total surplus (deficits) from 2017 to 2022 is \$1,477,000.*
- *Anticipated debt service is \$200,000 per year.*
- *Remaining LOC available is approximately \$50,000.*

# Proposed Dues

- Dues Structure
- Payment plan
- Projected budgets





# Dues Structure

## 2024 & BEYOND

- \$295
  - Temple dues \$240
  - Imperial assessment \$50
  - Hospital assessment \$5

## CHANGES

- Dues increase of \$75
- Assessment increase of \$20
- Passed at Imperial Session in Charlotte, NC on 7/3



# Payment Plan

	January	Feb - Dec
Dues	\$ 20	\$ 20
Imperial & Hospital Assessment	<u>55</u>	<u>0</u>
Total	\$ 75	\$ 20

- *Credit card, debit card, ACH (preferred).*
- *There is no fee to use the payment plan.*
- *A gift card or other item is being considered for members that pay in full in December.*



# Projected Budget \$240\*

Total dues of \$295	2024	2025	2026
3,000 paying members	\$ 720,000	\$ 720,000	\$ 720,000
Lease income	50,000	50,000	50,000
Expenses	(1,000,000)	(1,025,000)	(1,050,000)
Debt service	<u>(50,000)</u>	<u>0</u>	<u>0</u>
Projected deficit	\$ (280,000)	\$ (255,000)	\$ (280,000)

*\*Amended Resolution #1 passed at the 7/17 Stated Meeting*

# Projected Budget \$200



Total dues of \$200	2024	2025	2026
3,000 paying members	\$ 600,000	\$ 600,000	\$ 600,000
Lease income	50,000	50,000	50,000
Expenses	(1,000,000)	(1,025,000)	(1,050,000)
Debt service	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>
Projected deficit*	\$ (550,000)	\$ (575,000)	\$ (600,000)

*\*Fundraising, donations & cutting costs must eliminate this deficit.*

# Cutting Costs

- Magazine
- Mailing
- Maintenance
- Assessments





# Cutting Costs

	Amount	Change
Murat Magazine	Approx. \$75K per year	Move to digital?
Member birthday cards	Approx. \$4K per year	Eliminate?
Building maint. contracts	Approx. \$45K per year	Negotiate? New vendor?
Lifetime members	Approx. \$25K per year	Begin to bill these items?

- *Are we alienating our Nobility if we move to a digital magazine?*
- *Would lifetime members consider paying in an assessment?*



# Long-Term Solutions

- Member Participation
- Debt Restructuring
- Debt Elimination
- Sell the Temple?





# Member Participation

- Member participation is at an all-time low
- Recovery from the pandemic has been slow
- Sell more raffle tickets
  - Big Money Raffle
  - Sportsman's Raffle
- Attend more events
  - Big Money Raffle
  - Trivia Night
  - Sportsman's Raffle
  - Potentate's Ball
  - Other select events
- Create a Benevolent Fund



# Debt Restructuring

- Current mortgage balance is \$1.25M.
- Payments are interest only at a rate of 8.25%.
- Monthly interest is approximately \$8,800.
- Refinance to 20-year mortgage at 7.0%.
- Monthly payment would be approx. \$9,600.
- Refinance as interest rates drop in future.



# Debt Elimination

	Amount
Investment balance	\$ 3,085,000
Temple donations remaining	410,000
Raymond James LOC	(1,450,000)
PSB Mortgage	<u>(1,250,000)</u>
Net investment balance	\$ 795,000

- *Could eliminate debt service needs of \$200K per year.*
- *Would eliminate all debt but reduce reserves to a very low level.*



# Sell the Temple?

- Is it time to reopen the idea of selling our Temple?
- We would then need to move to an alternative location
- Two previous attempts to sell the Temple were defeated
- The 1<sup>st</sup> Floor, Oasis & Tunisian Room renovations were voted upon on lieu of sale

# Summary

- Revenues
- Expenses
- Member Participation
- Final Questions





# Revenues

- A dues increase is necessary, but not the final solution
- We must increase our volunteering/fundraising efforts
- Club donations should be directed to the Temple -  
**NOT THE HOSPITALS!**
  - The Hospitals have \$10.6 Billion in assets!
  - 2022-2023 net income of \$34 Million\*
- The Oasis Lounge must become a profitable endeavor

[\\*https://shriners.cld.bz/Annual-Report-2022-2023/72/](https://shriners.cld.bz/Annual-Report-2022-2023/72/)



# Expenses

- Cutting expenses will be a large key of our financial improvement
- We can only cut so much without alienating our distant members
- Lifetime members volunteer their assessments





# Member Participation

- We are a member organization
- Members are the heartbeat of our existence.
- Members must:
  - Volunteer to sell more raffle tickets
  - Try to attend more events
  - Spend more time in the Oasis Lounge
  - Help their fellow Noble out in times of need



# Final Questions

- Can we rely on our membership to fill in the budget gaps through:
  - Volunteering
  - Fundraising
  - Oasis Lounge
  - Donating