



April 2, 2010

Zen Center of Los Angeles Financial Report to the Sangha 2009

Dear Friends and Sangha Members,

I am writing to provide you with a report on the Zen Center's financial performance for the year 2009.

Report On Operations 2009

Revenue: Our **operating revenue** in 2009 was \$467,118, against a budget of \$452,100. We thus ended up \$15,018, or 3%, above our revenue projection.

In 2009, we received a grant from the Angell Foundation to be used to support general operations of the Zen Center for the 12 months of July 2009 through June 2010. The total amount of this grant was \$42,725. We have included one-half of this amount, or \$21,362.50, as part of our operating revenue for 2009, and will include the second half in our revenue for 2010. Thank you to the many people who were involved in the Angell Foundation grants process, including Roshi, Muso, Myoho, Dokai, Mary, Plum-Hermit and Gessho.

In 2009 we added a "mini-capital campaign" to our usual fundraising cycle; this yielded \$13,021 in donations towards a goal of \$25,000. Unfortunately, the Dharma Training Fund appeal only raised 70% of its projected return. We hope 2010 will see a rebound in giving to this important fund.

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Honorary Founder 1967
Baian Hakujun Daiosho
Founding Abbot 1967-1995
Taizan Maezumi Roshi
Abbot 1995-1999
Roshi Bernard Glassman
Abbot 1999-
Roshi Wendy Egyoku Nakao

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Expense: Our **operating expenses** were \$421,753, against a budget of \$424,826. We thus ended up \$3,073, or 1%, below our expense projection.

As these figures show, if you look solely at operating revenue (\$467,118) and expenses (\$421,753), we ended the year with an operating surplus of \$45,365.

However, in addition to its operating expenses, the Zen Center also incurs capital expenses each year devoted to the upkeep or improvement of our buildings and grounds. The largest expense by far in 2009 related to work we did on the Zendo, specifically the mold remediation and complete reconstruction of the teachers' face-to-face meeting rooms. In 2009, we spent \$48,650 on the Zendo remodel. We spent an additional \$41,200 on other projects, including painting several buildings, concrete installation and repair, lighting installation around the grounds, and other safety projects. In total, we spent \$89,850 on capital improvements.

To fund these needed capital improvements, we relied on two different sources of funds. First, we used the operating surplus of \$45,365. Second, the Board used \$45,000 from the proceeds of a generous bequest. In making their wills in 1978, long time Zen Center member Dolores Ejun Lowell and her husband, Vernon Lowell, designated certain real property in San Diego to go to the Zen Center. ZCLA received proceeds of \$445,000 from the sale of this property in 2004. The Board set the funds aside in order to carefully consider uses for this generous bequest. Over the past few years we have used portions of these monies for various projects to enhance the Zen Center. In 2009, we used \$45,000 of these funds to help pay for the work that we did on the Zendo.

Finally on the expense side, we break up the amount of each payment on our **mortgage** into the principal and interest component, and report them separately. The interest component is reported as part of our operating expenses, while the principal component is reported as part of our capital expenses. The total amount paid in principal in 2009 was \$6,576.

Conclusion. Taking these items into account, the 2009 results are as follows:

Operating Revenue	\$467,119
Operating Expenses	(\$421,753)
Subtotal	\$45,366
Capital Expenses	(\$89,850)

Lowell Bequest Transfer	\$45,000
Mortgage Principal	(\$6,576)
Total	(\$6,061)

As this reflects, we ended 2009 with an overall deficit of \$6,061. In our budgeting, we had projected a deficit of \$8,800, so our actual results were exceedingly close to our forecast. The Zen Center's financial reserves allowed us to continue operating despite incurring this deficit.

Report On Various Restricted Funds

Either through the decisions of the Board or based on certain designations by donors, we maintain a series of restricted funds that are designated for particular purposes. Here are reports on the status of various internally-restricted funds as of December 31, 2009.

A. Dharma Training Fund

The Dharma Training Fund is maintained as a separate, internally-restricted fund. We receive donations for it through the year, and these funds are then used to help support practitioners and programs at the Zen Center. If the donations exceeds expense, at the end of the year the difference is transferred to the Zen Center's Balance Sheet and carried forward. If the expense exceeds donations, the funds are transferred from the Dharma Training Fund account on the Balance Sheet.

In 2009, we received donations to the Dharma Training Fund of \$6,384, and spent \$8,467. This reflects a net decrease of \$2,083, which was transferred from the Balance Sheet. As of December 31, 2009, the Dharma Training Fund balance was \$7,279.

B. Lowell Bequest

The Lowell Bequest currently is maintained in two components. First, to support our Abbot Emeritus Roshi Bernie Glassman and the Zen Peacemakers in the development of their training center in Massachusetts, the ZCLA Board agreed to pledge \$75,000 of the Lowell Bequest as collateral for a construction loan they needed to build the House of One People. The remainder of the Lowell Bequest are maintained in ZCLA accounts with Merrill Lynch. As of December 31, 2009, the combined amount was \$178,843.

c. Sujata Fund

The Sujata Fund was established by Sensei Daniel Nagacitta Buckley for the support of women's practice at the Zen Center. It is administered by Roshi. As of December 31, 2009, the balance was \$8,386.

d. Angulimala Prison Project

The Angulimala Prison Project funds are maintained as a separate, internally-restricted account for use by the Prison Project. In 2009, we received donations for the project of \$200, and the project spent \$410. It has a Balance Sheet account of \$342.

e. Kobori Roshi Transportation Fund

The Kobori Roshi Transportation Fund was established through the gift of an anonymous donor, whose generous support has continued annually. The fund was established to fund long-distance travel to and from ZCLA for practitioners who practice here or wish to explore practice here. As of December 31, 2009, the fund's balance was \$5,399.

Concluding Remarks

ZCLA continues to exist because of the generosity of many, both past and present. Without the generosity of donors, we could not function in any form resembling our current one. This is true of all the many ways, both financial and otherwise, that people contribute to keeping ZCLA alive and thriving. Thank you all for your many ways of giving!

The extraordinary gift from Dolores Ejun and Vernon Lowell has been an important source of funds and has allowed us to undertake vital improvements to our buildings, grounds, and offerings. Indeed, in 2009, we continued to draw on this generosity to pay for the much-needed Zendo remodel. By leaving a bequest in their will back in 1978, the Lowells planted a seed that continues to bear fruit today, more than three decades later. The recently-inaugurated Legacy Circle provides a vehicle for such donations now, which will hopefully support us decades into the future, as we continue our mission to serve others by providing the teaching, training, and transmission of Zen Buddhism.

I want to express my thanks to all of you for your practice and your continuing support of the Zen Center. I am also very grateful to the people who labor daily to keep the Center functioning and, in particular, who

support the incredibly efficient financial operation of the Zen Center. The Center's healthy financial functioning is the result of many hands and eyes, including those people who make up the Board of Directors and its Finance, Fundraising, Endowment and Investment Committees, the Executive Circle, and our Angell Foundation grant writers. I am particularly grateful to Mary Rios, our Business Manager, without whom I would be lost in fulfilling this function. Finally, thanks to Roshi Egyoku Nakao for her ongoing support and tireless efforts on behalf of us all.

If you have any questions about this financial report, or any other question regarding the Zen Center's financial operations, please feel free to contact me. Also, I provide financial reports to the Board approximately six times a year in advance of each Board meeting. These reports are available for inspection in the Office during normal business hours. Please contact Mary Rios if you would like to review them.

In gassho,

Tom Dharma-Joy Reichert

Chief Financial Officer

SUMMARY TABLES OF FINANCIAL RESULTS: 2009

2009 Revenue & Restricted Funds Usage		2009 Capital & Operating Expense	
Membership	\$78,037	Personnel	\$221,830
Program	\$47,546	Programs	\$27,629
Fundraising	\$60,786	Fundraising	\$7,805
Facilities	\$237,037	Facilities	\$111,333
Bookstore	\$11,748	Bookstore	\$7,140
Publications Royalties	\$3,671	General &	
Miscellaneous	\$477	Administrative	\$41,057
Angell Foundation	\$21,362	Legal	\$4,955
Other Restricted Gifts	\$6,450	Capital Expenses	\$89,850
Lowell Bequest Funds	\$45,000	Mortgage	\$6,576
Total	\$512,114	Total	\$518,175