



May 11, 2011

## Zen Center of Los Angeles Financial Report to the Sangha 2010

Dear Friends and Sangha Members,

I am writing to provide you with a report on the Center's financial performance for the year 2010.

### REPORT ON OPERATIONS 2010

**Revenue:** Our **operating revenue** in 2010 was \$478,503 versus a budget of \$469,862. While this suggests that we came in \$10,000 above budget, the actual results include an unbudgeted payment to ZCLA from the White Plum Asanga of \$20,000 that had not been anticipated or budgeted for. This payment was to help support our ongoing project to digitize audio tapes of talks given by Maezumi Roshi and his teachers that have been slowly degrading with age. The actual cost to us (so far) for that project has been slightly more than \$20,000, and this was also not a budgeted expense. Factoring out the \$20,000 payment, a more proper assessment is that we came in around \$10,000 below budget on the revenue side. Even so, our revenue came in at approximately 98% of target.

In 2009, we received a grant from the Angell Foundation to be used to support general operations of the Center for the 12 months of July 2009 through June 2010. The total amount of this grant was \$42,725. We included one-half of this amount, or \$21,362.50, as part of our operating revenue for 2009, and 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, Dokai, and Mary.

After a bit of a rocky beginning, our fundraising efforts ended up doing fairly well in 2010. Thank you to both our Development Circle and to our donors! We had a good response to our year-end appeal, and the Dharma Training Fund, which had been lagging, closed the gap by year-end and came in at 98% of our projection. Thank you to everyone who supports this important program. Our current appeal for 2011 is going on now, and we ask for your continued support.

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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  
Abbot Seat Holder 2011  
Sensei Merle Kodo Boyd

BOARD OF DIRECTORS  
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Robert Swan  
John Swanger

**Expense:** Our total **operating expenses** for 2010 were \$457,006 against a budget of \$436,194. Again, this reflects the unbudgeted digitizing expense of \$20,345; factoring that out, our expenses were almost exactly on budget at \$436,000.

As these figures show, if you look solely at operating revenue and expenses, we ended the year with an operating surplus of \$21,497 against a projected surplus of \$33,500.

However, in addition to its operating expenses, the Center also incurs capital expenses each year devoted to the upkeep or improvement of our buildings and grounds. The largest expense (\$8,200) in 2010 related to work we did rebuilding the Sangha House back steps. We spent an additional \$15,327 on other projects, much of it involving priority plumbing work and other non-discretionary infrastructure repairs. In total, we spent \$23,527 on capital improvements.

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 down in principal in 2010 was \$6,871.

**Conclusion.** Taking all these items into account, the 2010 results are as follows:

Operating Revenue	\$478,503
Operating Expenses	\$-457,006
<b>Subtotal</b>	<b>\$21,497</b>
Capital Expenses	\$-23,527
Mortgage Principal	\$-6,871
<b>Total</b>	<b>\$-8,901</b>

As this reflects, we ended 2010 with an overall deficit of \$8,901. In our budgeting, we had projected a deficit of \$9,168, so our actual results were exceedingly close to our forecast. The Center's financial reserves allowed us to continue operating despite incurring this deficit. Myoho, the Executive Circle and the Finance Committee of the Board work closely with me to prepare our budget each year, and I am very grateful for their efforts; the close alignment of our budget projections with our actual results demonstrates their care and understanding of the Center's year-over-year operations and requirements.

## **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, 2010.

### **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 Center. If the donations exceeds expense, at the end of the year the difference is transferred to the 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 2010, we received donations to the Dharma Training Fund of \$4,922; we spent almost the exact amount. There was a net decrease in our DTF balance sheet account of \$65. As of December 31, 2010, the Dharma Training Fund balance was \$7,214.

### **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. This amount is on deposit with a bank in Massachusetts. The remainder of the Lowell Bequest is maintained in ZCLA accounts here in California. As of December 31, 2010, 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 Center. It is administered by Roshi. As of December 31, 2010, the balance was \$8,244.

### **D. Angulimala Prison Circle**

The Angulimala Prison Circle funds are maintained as a separate, internally-restricted account for use by the Prison Circle. As of December 31, 2010, it had a Balance Sheet account of \$1,724.

## **E. Kobori Roshi Transportation Fund**

The 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. As of December 31, 2010, the fund's balance was \$4,241; in 2010, we drew down \$1,157.10 from this account.

## **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. 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 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 in the West.

I want to express my thanks to all of you for your practice and your continuing support of the 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 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, Development, 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 and to Sensei Kodo Boyd for their tireless efforts on behalf of us all.

If you have any questions about this financial report, or any other question regarding the Center's financial operations, please feel free to contact me.

Sincerely,

Tom Dharma-Joy Reichert  
[dharmajoy@zcla.org](mailto:dharmajoy@zcla.org)

Chief Financial Officer

## SUMMARY TABLES OF FINANCIAL RESULTS: 2010

### 2010 Revenue & Restricted Funds Usage

Membership	\$79,669
Program	\$36,502
Fundraising	\$51,711
Facilities	\$247,997
Bookstore	\$9,745
Publications Royalties	\$1,636
Angell Foundation	\$21,362
Other Restricted Gifts	\$34,423

**Total** **\$478,505**

### 2010 Capital & Operating Expense

Personnel	\$228,491
Programs/Archive	\$53,203
Fundraising	\$7,202
Facilities	\$106,131
Bookstore	\$6,422
General &	
Administrative	\$55,555
Capital Expenses	\$23,527
Mortgage	\$6,871

**Total** **\$487,402**