

Shambhala Center of Lexington  
Finance Team Meeting  
May 2, 2016

Handouts:

- Profit & Loss comparison report for 1<sup>st</sup> quarter
- Balance comparison report for 1<sup>st</sup> quarter
- Financial suggestions from the Director (**ERRATA:** listed cost of new building is incorrect, should be \$375,000 rather than \$410,000)
- Cost report for cushion/cover replacement

Attending: Lucia Gilchrist, Craig Sargent , Dave Block, Randy Pratt, Neil Griggs, Cheryl Coover (scribe)

The group discussed the comparison reports and the differences in amounts between the two years.

Craig will talk to Kit St. John at Shambhala International about what is expected for our Unified Giving Model contribution.

The difference between SI Shambhala Day contributions from last year is large – there was a 50% drop across the mandala from last year.

Our gross income for the first quarter was \$25,000, but we had some one-time programs. Randy advised that we negotiate a lower percentage for the UGM than the requested 25% of gross. Our net income is less than 25% of the gross. Lucia stated that our contribution has reached \$6,600 this year, but we need to determine how much our members are sending directly to SI, as that is considered part of our Center total contribution. It is felt that it is too early in the year to determine if we can reach 25%, last year's total was approximately 17% of gross income.

Mary, Randy and Craig did a walk-through at Mill & Max with an architect; they have offered to develop models for proposed changes to that building for \$3,000. The group feels that we need a vision for the space in order to inspire members to donate toward this, but no plans were approved at the meeting for spending this amount at this time. Dan advised that costs of construction must be included in the plans; Randy stated that the architect was very conversant with costs and mentioned them during the walkthrough. It is still unknown if the building can support a second floor, but the current floorplan can be expanded. The architect's estimate for a new floor was \$450,000 plus \$75,000 for an elevator, and we will need to pay for a service contract on the elevator. This amount was deemed unaffordable even if we sell the Maxwell building.

The projects budget will be reevaluated when current projects (mainly new A/C and furnace) are finished and paid. New cushions and covers will have to be delayed until the big projects are done. Work has been delayed on the new air conditioners partly due to rain (as of 5/13, the downstairs unit has been replaced).

The group discussed creating budget lines for Grounds and miscellaneous spending, so these groups will not have to ask for approval for each project. There have been questions about restricted donations; this will be discussed in a smaller finance group.

NEXT MEETING: August 1, 5:30 pm

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05/02/16

Cash Basis

**SHAMBHALA CENTER OF LEXINGTON**  
**Profit & Loss Prev Year Comparison**  
**January through March 2016**

|                                      | Jan - Mar 16 | Jan - Mar 15 | \$ Change | % Change  |
|--------------------------------------|--------------|--------------|-----------|-----------|
| Ordinary Income/Expense              |              |              |           |           |
| Income                               |              |              |           |           |
| Rent-Mill St.                        | 3,528.00     | 3,528.00     | 0.00      | 0.0%      |
| Donations - unrestricted             |              |              |           |           |
| Krogers Donation                     | 0.00         | 62.64        | -62.64    | -100.0%   |
| Fundraising                          |              |              |           |           |
| Shambhala Day                        | 180.00       | 0.00         | 180.00    | 100.0%    |
| Total Fundraising                    | 180.00       | 0.00         | 180.00    | 100.0%    |
| Membership                           | 9,961.99     | 8,886.00     | 1,075.99  | 12.1%     |
| Other Donations                      | 818.93       | 98.20        | 720.73    | 733.9%    |
| Program Donation                     |              |              |           |           |
| Program Scholarships                 | -2,244.00    | -170.00      | -2,074.00 | -1,220.0% |
| Program Donation - Other             | 12,215.00    | 10,601.50    | 1,613.50  | 15.2%     |
| Total Program Donation               | 9,971.00     | 10,431.50    | -460.50   | -4.4%     |
| Total Donations - unrestricted       | 20,931.92    | 19,478.34    | 1,453.58  | 7.5%      |
| Interest and Investment Income       |              |              |           |           |
| Bank Acct Interest                   | 5.67         | 7.13         | -1.46     | -20.5%    |
| Total Interest and Investment Income | 5.67         | 7.13         | -1.46     | -20.5%    |
| Other Income                         |              |              |           |           |
| GES collections                      | 0.00         | 0.00         | 0.00      | 0.0%      |
| Total Other Income                   | 0.00         | 0.00         | 0.00      | 0.0%      |
| Extraordinary Income                 |              |              |           |           |
| Parking                              | 690.00       | 0.00         | 690.00    | 100.0%    |
| Total Extraordinary Income           | 690.00       | 0.00         | 690.00    | 100.0%    |
| Total Income                         | 25,155.59    | 23,013.47    | 2,142.12  | 9.3%      |
| Gross Profit                         | 25,155.59    | 23,013.47    | 2,142.12  | 9.3%      |
| Expense                              |              |              |           |           |
| Donation Expense                     |              |              |           |           |
| Shambhala Intl Contribution          | 6,900.00 *   | 900.00       | 6,000.00  | 666.7%    |
| Total Donation Expense               | 6,900.00     | 900.00       | 6,000.00  | 666.7%    |
| Facilities & Maintenance             |              |              |           |           |
| Mill Street expenses                 |              |              |           |           |
| Mortgage payment                     | 6,546.12     | 6,546.12     | 0.00      | 0.0%      |
| Mill Street expenses - Other         | 250.00       | 2,599.70     | -2,349.70 | -90.4%    |
| Total Mill Street expenses           | 6,796.12     | 9,145.82     | -2,349.70 | -25.7%    |
| Insurance                            | 1,929.00     | 1,920.00     | 9.00      | 0.5%      |
| Buildings                            |              |              |           |           |
| Cottage                              | 692.50       | 0.00         | 692.50    | 100.0%    |
| Buildings - Other                    | 0.00         | 4.01         | -4.01     | -100.0%   |
| Total Buildings                      | 692.50       | 4.01         | 688.49    | 17,169.3% |
| Grounds                              | 325.00       | 150.00       | 175.00    | 116.7%    |
| Utilities                            |              |              |           |           |
| Utilities-Mill St                    | 176.00       | 655.77       | -479.77   | -73.2%    |
| Sewer service                        | 75.15        | 117.00       | -41.85    | -35.8%    |
| Electric                             | 450.00       | 427.00       | 23.00     | 5.4%      |
| Gas                                  | 483.62       | 904.45       | -420.83   | -46.5%    |
| Telephone - long distance            | 25.76        | 27.79        | -2.03     | -7.3%     |
| Water                                | 105.60       | 109.86       | -4.26     | -3.9%     |
| Total Utilities                      | 1,316.13     | 2,241.87     | -925.74   | -41.3%    |
| Facilities & Maintenance - Other     | 0.00         | 74.30        | -74.30    | -100.0%   |
| Total Facilities & Maintenance       | 11,058.75    | 13,536.00    | -2,477.25 | -18.3%    |
| Fundraising                          |              |              |           |           |
| Mailings                             | 36.38        | 0.00         | 36.38     | 100.0%    |
| Total Fundraising                    | 36.38        | 0.00         | 36.38     | 100.0%    |
| Office                               |              |              |           |           |
| Internet Service                     | 284.97       | 180.00       | 104.97    | 58.3%     |
| Telephone                            | 206.60       | 197.71       | 8.89      | 4.5%      |
| PayPal fees                          | 150.20       | 91.53        | 58.67     | 64.1%     |
| Payroll taxes                        | 134.65       | 93.23        | 41.42     | 44.4%     |
| Personnel                            | 706.28       | 438.36       | 267.92    | 61.1%     |
| Investment Fees                      | -20.47       | 0.00         | -20.47    | -100.0%   |
| Bank Charges                         |              |              |           |           |
| Returned check charges               | 0.00         | 10.00        | -10.00    | -100.0%   |
| VISA card fees                       | 4.08         | 0.00         | 4.08      | 100.0%    |
| Bank Charges - Other                 | 147.80       | 138.23       | 9.57      | 6.9%      |
| Total Bank Charges                   | 151.88       | 148.23       | 3.65      | 2.5%      |

\* drops 3,000 in April- wld error caused by SI

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Cash Basis

# SHAMBHALA CENTER OF LEXINGTON

## Profit & Loss Prev Year Comparison

January through March 2016

|                                 | Jan - Mar 16     | Jan - Mar 15     | \$ Change        | % Change      |
|---------------------------------|------------------|------------------|------------------|---------------|
| Legal and Professional Fees     | 0.00             | 60.00            | -60.00           | -100.0%       |
| NonOffice Supplies              | 0.00             | 4.85             | -4.85            | -100.0%       |
| Office Equipment & Supplies     | 172.62           | 192.19           | -19.57           | -10.2%        |
| Postage                         | 123.45           | 73.27            | 50.18            | 68.5%         |
| Printing and copying            | 0.00             | 41.98            | -41.98           | -100.0%       |
| Publicity                       | 141.49           | 456.55           | -315.06          | -69.0%        |
| Office - Other                  | 39.98            | 0.00             | 39.98            | 100.0%        |
| <b>Total Office</b>             | <b>2,091.65</b>  | <b>1,977.90</b>  | <b>113.75</b>    | <b>5.8%</b>   |
| Membership                      |                  |                  |                  |               |
| Member Services & Reimbursables | 119.86           | 150.38           | -30.52           | -20.3%        |
| <b>Total Membership</b>         | <b>119.86</b>    | <b>150.38</b>    | <b>-30.52</b>    | <b>-20.3%</b> |
| Supplies                        | 43.44            | 292.52           | -249.08          | -85.2%        |
| Practice Materials              | 325.00           | 1,017.52         | -692.52          | -68.1%        |
| Programs                        |                  |                  |                  |               |
| Community Events                |                  |                  |                  |               |
| Gallery                         | 344.67           | 0.00             | 344.67           | 100.0%        |
| Community Events - Other        | 216.57           | 0.00             | 216.57           | 100.0%        |
| <b>Total Community Events</b>   | <b>561.24</b>    | <b>0.00</b>      | <b>561.24</b>    | <b>100.0%</b> |
| Program Expenses                |                  |                  |                  |               |
| Coordinator honorarium          | 305.00           | 150.00           | 155.00           | 103.3%        |
| Online fees                     | 450.00           | 350.00           | 100.00           | 28.6%         |
| Publicity                       | 10.00            | 0.00             | 10.00            | 100.0%        |
| Supplies, food, flowers         | 1,037.27         | 2,347.16         | -1,309.89        | -55.8%        |
| Teacher honoraria               | 1,910.00         | 3,568.00         | -1,658.00        | -46.5%        |
| Teacher gifts                   | -15.00           | 91.24            | -106.24          | -116.4%       |
| Teacher Household & Meals       | 0.00             | 105.94           | -105.94          | -100.0%       |
| Teacher travel                  | 495.84           | 1,120.00         | -624.16          | -55.7%        |
| Program Expenses - Other        | 210.07           | 0.00             | 210.07           | 100.0%        |
| <b>Total Program Expenses</b>   | <b>4,403.18</b>  | <b>7,732.34</b>  | <b>-3,329.16</b> | <b>-43.1%</b> |
| <b>Total Programs</b>           | <b>4,964.42</b>  | <b>7,732.34</b>  | <b>-2,767.92</b> | <b>-35.8%</b> |
| <b>Total Expense</b>            | <b>25,539.50</b> | <b>25,606.66</b> | <b>-67.16</b>    | <b>-0.3%</b>  |
| <b>Net Ordinary Income</b>      | <b>-383.91</b>   | <b>-2,593.19</b> | <b>2,209.28</b>  | <b>85.2%</b>  |
| <b>Net Income</b>               | <b>-383.91</b>   | <b>-2,593.19</b> | <b>2,209.28</b>  | <b>85.2%</b>  |



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Cash Basis

# SHAMBHALA CENTER OF LEXINGTON

## Balance Sheet Prev Year Comparison

As of March 31, 2016

|                                 | Mar 31, 16 | Mar 31, 15 | \$ Change  | % Change |
|---------------------------------|------------|------------|------------|----------|
| <b>ASSETS</b>                   |            |            |            |          |
| Current Assets                  |            |            |            |          |
| Checking/Savings                |            |            |            |          |
| Traditional Bank                | 11,582.24  | 9,214.72   | 2,367.52   | 25.7%    |
| Expansion Checking Account      | 23,863.37  | 28,843.99  | -4,980.62  | -17.3%   |
| Raymond James                   | 26.42      | 0.00       | 26.42      | 100.0%   |
| Central Bank                    | 8,226.69   | 10,712.39  | -2,485.70  | -23.2%   |
| Kroger Gift Card                | 285.57     | 285.57     | 0.00       | 0.0%     |
| Paypal                          | 207.25     | 480.00     | -272.75    | -56.8%   |
| Total Checking/Savings          | 44,191.54  | 49,536.67  | -5,345.13  | -10.8%   |
| Total Current Assets            | 44,191.54  | 49,536.67  | -5,345.13  | -10.8%   |
| Fixed Assets                    |            |            |            |          |
| Land Improvements               |            |            |            |          |
| Landscaping 2013                | 1,080.84   | 1,080.84   | 0.00       | 0.0%     |
| Total Land Improvements         | 1,080.84   | 1,080.84   | 0.00       | 0.0%     |
| Buildings & Land                |            |            |            |          |
| Land - 385 South Mill St.       | 37,500.00  | 37,500.00  | 0.00       | 0.0%     |
| Building - 385 South Mill St.   | 337,500.00 | 337,500.00 | 0.00       | 0.0%     |
| Land - 315 W Maxwell            | 38,000.00  | 38,000.00  | 0.00       | 0.0%     |
| Maxwell St                      |            |            |            |          |
| Improvements                    |            |            |            |          |
| Cottage roof 2015               | 2,000.00   | 0.00       | 2,000.00   | 100.0%   |
| Shrine Room Renovation 2013     | 1,391.33   | 1,391.33   | 0.00       | 0.0%     |
| Upstairs Bath Renovation 2012   | 6,626.97   | 6,626.97   | 0.00       | 0.0%     |
| Bath Renovations 2011           | 3,659.05   | 3,659.05   | 0.00       | 0.0%     |
| Building Signs-2011             | 2,250.00   | 2,250.00   | 0.00       | 0.0%     |
| Roof Replacement 2010           | 7,422.00   | 7,422.00   | 0.00       | 0.0%     |
| Electric Upgrade 2010           | 3,400.00   | 3,400.00   | 0.00       | 0.0%     |
| Painting Buildings 2010         | 11,564.00  | 11,564.00  | 0.00       | 0.0%     |
| Painting Buildings 2003         | 4,200.00   | 4,200.00   | 0.00       | 0.0%     |
| Roof Replacement 2002           | 7,485.00   | 7,485.00   | 0.00       | 0.0%     |
| Total Improvements              | 49,998.35  | 47,998.35  | 2,000.00   | 4.2%     |
| Total Buildings & Land          | 49,998.35  | 47,998.35  | 2,000.00   | 4.2%     |
| Buildings & Land - Other        | 100,000.00 | 100,000.00 | 0.00       | 0.0%     |
| Total Buildings & Land          | 562,998.35 | 560,998.35 | 2,000.00   | 0.4%     |
| Accumulated Depreciation        | -67,234.12 | -67,234.12 | 0.00       | 0.0%     |
| Total Fixed Assets              | 496,845.07 | 494,845.07 | 2,000.00   | 0.4%     |
| TOTAL ASSETS                    | 541,036.61 | 544,381.74 | -3,345.13  | -0.6%    |
| <b>LIABILITIES &amp; EQUITY</b> |            |            |            |          |
| Liabilities                     |            |            |            |          |
| Long Term Liabilities           |            |            |            |          |
| Mortgage Loan - Traditional Bk  | 313,341.46 | 323,520.99 | -10,179.53 | -3.2%    |
| Total Long Term Liabilities     | 313,341.46 | 323,520.99 | -10,179.53 | -3.2%    |

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Cash Basis

**SHAMBHALA CENTER OF LEXINGTON**  
**Balance Sheet Prev Year Comparison**  
 As of March 31, 2016

|                                       | Mar 31, 16        | Mar 31, 15        | \$ Change        | % Change     |
|---------------------------------------|-------------------|-------------------|------------------|--------------|
| Total Liabilities                     |                   |                   |                  |              |
| Equity                                | 313,341.46        | 323,520.99        | -10,179.53       | -3.2%        |
| Retained Earnings                     | 228,079.06        | 223,453.94        | 4,625.12         | 2.1%         |
| Net Income                            | -383.91           | -2,593.19         | 2,209.28         | 85.2%        |
| Total Equity                          | 227,695.15        | 220,860.75        | 6,834.40         | 3.1%         |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>541,036.61</b> | <b>544,381.74</b> | <b>-3,345.13</b> | <b>-0.6%</b> |

## Some of Craig's Financial Questions

### I. Revenue Goals

- a. Retire the deficit
  - i. Revenue increases: Paying more attention to the bottom line for programs
  - ii. Revenue increases: Scheduling a few more money-maker programs
  - iii. Spending cuts?
- b. Pay back monies borrowed from our expansion/enhancement account?
- c. Fundraising: Raise enough recurring money to be able to afford to take over the whole new building (i.e. take over the print shop half, and cover their rent and utilities)
- d. Fundraising: Renovating the new building
  - i. Downstairs
  - ii. Add a second story (one architect estimates about \$200 per square foot (or ~\$450K total), plus \$75,000 for an elevator (plus annual service contract)

### II. Questions:

- a. Planning Costs: We (Mary, Randy and I) had an architect, Maureen Peters of Pearson & Peters, walk through the new building with us, and she was charged to come up with an estimate for a model of what a renovated building might look like. The idea is if the sangha saw an architect's rendition on what the new building could look like, they might be more generous during our next fundraising drive. She (the architect) got back to us, and to proceed with her models and mock ups would cost \$3K. I'm a bit apprehensive on going forward with this \$3K expense for several reasons...
  - i. The initial plan wouldn't include a 2<sup>nd</sup> floor (due to the costs mentioned above), which gives several people pause. It seems a lot of people got on board with the new building because of a vision that included building a huge shrine room on a new 2<sup>nd</sup> story.
  - ii. Should we not be looking at more than one architect, if we're going this route? Several of us (e.g. Craig, Zaida, Donna) suggested also getting a walk through with Pohl, Rosa, Pohl, and Mary's going to contact them too.
  - iii. Are there cheaper alternatives than \$3K models, e.g. preliminary sketches, getting architect grad students to do some CAD? If we went the typical route of looking at multiple bids/options, that could get very pricey at \$3K per.
  - iv. If we can only afford to renovate the first floor of the new building, does it make financial sense to sell the old building to do so, with no increase in square footage, considering our old building is assessed for something like \$285K and the new building already cost \$410K (with renovations on top of that)?
- b. Are there differences in the projected maintenance costs for the two buildings that would favor retaining one building over the other if we had to sell one of them? One of my UK colleagues, who is a facilities manager, tells me that flat rooves need to be replaced every 20 years, and I don't know old is the current roof on the new building. We do have some roof leakage issues. Furnaces and ACs also have a roughly 20 year lifespan.
- c. Should we also consider selling both buildings and buying a new facility somewhere else?



