

DRAFT – Subject  
to Approval by  
Board of Trustees



ROCHESTER ZEN CENTER  
A BUDDHIST COMMUNITY

## Minutes of the Forty-Seventh Annual Corporate Meeting of Members May 25, 2013

- ◆ Notice of the meeting having previously been given as required by law, the Center's Abbot and President, Roshi Bodhin Kjolhede, called the meeting to order. The polls were then opened for the election of Cecily Fuhr or Colleen O'Brien to a three-year term as Trustee. It was announced that the polls would remain open for at least one hour, as required by law. Roshi announced that he had re-appointed Chris Pulleyn to a three-year term as Trustee. The other continuing Trustees are Kathy Collina, Susan Culpepper, Tom Kowal, and Scott McDonald. Roshi noted that under the Center's by-laws, the Board of Trustees, which administers the Center's financial affairs, consists of six members: three elected by the Center's members, two elected by the Board of Trustees, and one appointed by the Abbot. Roshi reported that the Board had recently elected Tom Kowal to a one-year term as its Chairman.
- ◆ The Center's Business Manager and Corporate Secretary, Scott Jennings, announced that copies of the Board of Trustees' annual financial report required under section 519 of the New York Not-for-Profit Corporation Law were available to all members of the Center. That report is filed as Appendix A to these minutes. Scott then presented a summary of the report to the meeting on behalf of the Board, including the information filed with these minutes as Appendix B. The Center's full annual financial reports are available in the "Meetings and Finances" section of the Center's website ([www.rzc.org/communications/meeting-minutes](http://www.rzc.org/communications/meeting-minutes)).

Scott reported that after incurring operating deficits in 2008 and 2009, the Center ended 2010, 2011, and 2012 with modest operating surpluses. Although total 2012 membership contributions of \$180,040 were higher than in 2010 and 2011, they were still somewhat less than in 2008 and 2009. Net Chapin Mill rental income reached an all-time high of \$49,269 in 2012, and sesshin income reached a ten-year-plus high of \$63,715. Overall, the Center's 2012 operating revenues were \$387,041, which is 104 percent of the total budgeted. On the expense side, staff salary, medical, and retirement expenses were all higher than projected because of a substantial increase in the number of resident staff members. Kitchen spending was also pushed upward both by increased attendance at sesshin and by an increase in the number of resident staff members and trainees at the Center. On the other hand, utility costs both at Arnold Park and at Chapin Mill were lower than expected due to our energy conservation measures, a mild winter, and lower natural gas prices. Operating expenses for 2012 were \$422,366 which is 100 percent of the total budgeted. Accordingly, after including as operating income a five-percent operating draw of \$51,861 from investments, the Center

had an operating surplus of \$16,536 for 2012. Viewed alternatively, when this operating surplus is taken into account, the Center's actual operating draw from investments was only 3.4 percent for 2012, rather than the five percent that the Board has targeted as a maximum. The Center's Investment Fund performed well in 2012, increasing by \$126,178, or 12 percent, before subtracting the five-percent operating draw. In addition, a generous donor made a \$10,000 extraordinary contribution to the Investment Fund.

Reviewing historical data, Scott explained that the substantial decrease in the combined Operating and Investment Funds balance in 2005 (see Appendix B, page B4) represents the fundraising shortfall for Phase I of the Chapin Mill Retreat Center building project and that the further decrease in 2008 represents the combined effect of the Phase II fundraising shortfall and the decline in stock prices caused by the recession. The partial recovery in the combined balance since 2008 reflects the recovery in stock prices over the past four years, as well as several generous gifts to the Center's Investment Fund.

- ◆ Chris Pulleyn, who serves both as a Zen Center Trustee and as Chairman of the Development and Outreach Committee, reported to the meeting on behalf of the Committee. The project of making the exterior of the Center's Arnold Park buildings more accessible to the handicapped has been successfully completed, and Chris expressed gratitude to the many donors who made the project possible. The project also included revitalization of the landscaping around the Center's entryway in order to harmonize the project with the historic preservation district in which the Center is located. Although no major development projects are contemplated for the near future, the Committee continues to gather information and make initial plans for an eventual planned-giving campaign to encourage members to remember the Center when planning their estates. The purpose of this future campaign will be to restore the Center's Investment Fund, a substantial portion of which was used to fund the completion of the Chapin Mill Retreat Center.

Chris explained that the most important focus of the Committee is on the relationship between the Center and its members. Accordingly, Chris encouraged any members who have suggestions or concerns about the Center's fundraising mailings or other development initiatives to contact the Committee. As the past Chairman of the Center's Board of Trustees, Chris sent letters to the Center's major donors thanking them for their generous support and giving them a preview of the 2012 annual financial report. Chris has recommended that such a letter be sent annually as a way of thanking and recognizing our major donors.

Chris reported that for over a year the Center has been advertising using Google AdWords, a program whereby webmasters can create their own advertising campaigns aimed at users of the Google search engine. The Center's use of AdWords may be one of the reasons that the past year has seen a marked increase in the number of people contacting the Center regarding our residential training program. In addition, over the past several years attendance at sesshin and introductory workshops has increased, and the Center has also seen an increase in the number of resident staff members and trainees.

- ◆ Tom Kowal, who serves as Chairman of both the Board of Trustees and the Committee on Facilities and Sustainable Operations, reported on behalf of the Committee. Tom explained that a major focus of the Committee since its inception in 2010 has been finding ways to reduce the Center's energy consumption. The projects undertaken over the past several years have included replacement of the Center's old commercial freezer and walk-in refrigerator with four new energy-efficient convertible refrigerator-freezers, replacement of old lighting equipment with light-emitting diodes (LEDs) – controlled in some cases by motion sensors – and installation of high-efficiency spray-foam insulation in the attics of the 5 and 7 Arnold Park houses, as well as the Arnold Park garage dormitory. These measures have resulted in a substantial decrease in use of both electricity and natural gas at Arnold Park. In addition, the Center now purchases sustainably-generated electricity for both Arnold Park and Chapin Mill from Energy Cooperative of America at a price that is actually lower than we had been paying our previous suppliers for conventionally-generated electricity.

The Committee now plans to turn its attention to energy use in the Buddha Hall, which is drafty, under-insulated, and heated to a higher temperature than the Center's other buildings because of its rental by the Open Sky Yoga Center. The Committee is also investigating the feasibility of installing a solar-powered photovoltaic generating system at Chapin Mill and may re-examine the feasibility of geothermal heating as well. In addition, the Chapin Mill Caretaker, Ven. Wayman Kubicka, has been working with the Committee to install more energy-efficient windows and lighting, as well as to enhance the insulation of the buildings. Finally, Tom invited any Sangha members who have suggestions or questions regarding the Committee's work to contact him.

- ◆ Ven. Wayman Kubicka, who serves as Chapin Mill Caretaker, and Eryl Kubicka, who serves as Chapin Mill Rental Coordinator, reported regarding Chapin Mill. Eryl reported that the Chapin Mill rental program, which has been very successful, not only serves as a source of income for the Center, but also serves to promote the Dharma through the effect that Chapin Mill can have on those who attend events sponsored by organizations that rent the Retreat Center. Chris Pulleyn added that we are now renting the Retreat Center for close to 50 days per year, which is the approximate maximum consistent with the Center's use of the building for its own activities. Wayman reported that extensive rehabilitation of the Chapin Mill guest cottage is underway, which includes installation of spray-foam insulation and replacement of windows and interior walls. In the future the cottage will be suitable for use by those wishing to undertake individual retreats. Although – with only three staff members resident at Chapin Mill – there is a backlog of work to be done, staff members and trainees have been coming out from Arnold Park to help at Chapin Mill. It is also possible that additional staff members or trainees may become full-time Chapin Mill residents in the future. [In the weeks following the Annual Meeting, two additional Zen Center staff members became full-time Chapin Mill residents.]
- ◆ Roshi reported to the meeting regarding spiritual affairs. Roshi first thanked the many Sangha volunteers for all of their efforts over the past year. He also thanked the Center's trustees, officers, committee members and staff, with particular thanks to Chris Pulleyn and Tom

Kowal, the past and current chairmen of the Board of Trustees. Roshi noted that there has been a good deal of stability at the Center this past year. The total number of Center members has remained steady over the past few years at about 450, but with an increasing number of local members and a decreasing number of out-of-town members. In connection with membership, Roshi reiterated that the Center never drops members because of their limited financial circumstances, but only asks that members contribute what they're comfortably able to. Roshi reported that he has instituted a system of three rotating Head Cooks (Ven. Trueman Taylor, Keith Carpenter, and Cecily Fuhr) and has also been sending Arnold Park residents to work at Chapin Mill on a rotating basis. Sensei Gerardo Gally and Bill Lindenfelser have been working on the design and fabrication of a permanent altar for the Chapin Mill Retreat Center's zendo. In June Roshi will be leading a plenary meeting of the Three Jewels Order, which has both an ordained division and a lay division, in order to discuss the future direction of the Order. And at the end of June, the annual Ralph Chapin Memorial Work Retreat will take place, and we expect to see many returning participants from past years.

Roshi next reported regarding affiliates and sister Cloud-Water Centers. Our sole remaining formal Affiliate Center, the Madison Zen Center in Madison, Wisconsin, has a stable membership. Both the Berlin Zen Group in Berlin, Germany, which is led by Sensei Robert Goldmann, and the Zenbuddhistiska Samfundet (Zen Buddhist Association), which is headquartered in Sweden and is led by Sensei Sante Poromaa and Sensei Kanja Odland, are doing well. Casa Zen in Mexico City, which is led by Sensei Gerardo Gally, is also doing fine; Roshi attended sesshin there this past January.

Roshi introduced Sensei Amala Wrightson, who leads the Auckland Zen Centre in New Zealand and is currently visiting the United States. Amala-sensei is here in Rochester for the Buddha's Birthday celebrations, will go to Cleveland to lead Jukai at the Cleveland Zazen Group, will then lead a 6-day sesshin at Chapin Mill, and will finally lead a 4-day sesshin at the Madison Zen Center. Sensei reported that the Auckland Zen Centre will celebrate its tenth anniversary next year and now has a core group of experienced Zen practitioners among its members. The Auckland Centre currently meets in a leased facility, but is looking to buy a permanent home.

Finally, Roshi reported that a group of Sangha members (who do not constitute a formal Zen Center committee) has been meeting to discuss the threat of global climate change and possible actions to address this danger.

- ◆ The Center's Secretary announced that the polls, which had been open for more than one hour, were about to close and that any member as of the April 18, 2013, record date who had not yet turned in his or her ballot should do so.

The results of the election for Trustee were as follows:

Cecily Fuhr	72
Colleen O'Brien	51

*Total:* 123 members present and voting in person or by written proxy; 461 members eligible

to vote as of the record date.

*Quorum:* Under Article VII(E) of the Center's by-laws = lesser of 100 or one-tenth of the members eligible to vote = 47.

Accordingly, Roshi announced that Cecily Fuhr had been re-elected to a three-year term as Trustee.

Submitted to the Board of Trustees on July 6, 2013,  
by Scott Jennings, Secretary of the Center.

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ROCHESTER ZEN CENTER  
A BUDDHIST COMMUNITY

# Annual Report of Trustees

Pursuant to  
New York Not-for-Profit Corporation Law  
Section 519

Presented at the Forty-Seventh  
Annual Corporate Meeting  
May 25, 2013

The record date for the Center's 2013 Annual Meeting was April 18, 2013. As of that date, the Center had 461 members. The record date for the Center's 2012 Annual Meeting was April 26, 2012. As of that date, the Center had 467 members. Accordingly, the Center's membership has decreased by six during this period.

The names and places of residence of the Center's current members may be found in the records of the Center's Secretary.

ROCHESTER ZEN CENTER  
SUMMARY OF 2012 ANNUAL FINANCIAL RESULTS

	2012		2011	
	As of December 31, 2012	12/31/12 as % of 2012 Budget	As of December 31, 2011	12/31/11 as % of 2011 Budget
Year-to-Date Operating Revenue	\$387,041	104%	\$371,293	101%
Year-to Date Operating Expenses	<u>\$422,366</u>	100%	<u>\$402,225</u>	94%
YTD Revenue Less Expenses	(\$35,326)		(\$30,932)	
YTD Operating Draw from Investments (5%)	<u>\$51,861</u>		<u>\$50,347</u>	
<b>YTD Net Operating Surplus (Loss)</b>	<b>\$16,536</b>		<b>\$19,415</b>	
Percentage Operating Draw Required for No Operating Surplus or Loss	3.4%		3.0%	
Accumulated Operating Surplus (Loss) at 5% draw since 2009 Inception of Current System	\$42,078		\$25,543	
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YTD Investment Gain (Loss)	\$126,178		\$17,160	
YTD Operating Draw from Investments (5%)	<u>(\$51,861)</u>		<u>(\$50,347)</u>	
YTD Net Investment Gain (Loss)	\$74,317		(\$33,187)	
YTD Legacies and Special Donations	<u>\$10,000</u>		<u>\$0</u>	
<b>YTD Total Investment Fund Change</b>	<b>\$84,317</b>		<b>(\$33,187)</b>	



ROCHESTER ZEN CENTER BALANCE SHEET – December 31, 2012

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	Operating Fund	Investment Fund	Held for Others	Building Fund	Realty and Art (Carried at Cost)	Total
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash & Money Market	63,339.10	66,636.43	5,964.36	47,175.65	0.00	183,115.54
Inventories	6,383.02	0.00	0.00	0.00	0.00	6,383.02
Accounts Receivable	1,090.56	0.00	0.00	0.00	0.00	1,090.56
Prepaid Expenses	20,553.39	0.00	0.00	0.00	0.00	20,553.39
Earmarked Donations (Contra)	(5,872.25)	0.00	0.00	0.00	0.00	(5,872.25)
<i>Total Current Assets</i>	<i>85,493.82</i>	<i>66,636.43</i>	<i>5,964.36</i>	<i>47,175.65</i>	<i>0.00</i>	<i>205,270.26</i>
<b>NON-CURRENT ASSETS</b>						
Non-Equity Investments (At Book)	0.00	176,311.43	0.00	0.00	0.00	176,311.43
Equity Investments (At Market)	0.00	766,237.55	0.00	0.00	0.00	766,237.55
Mortgage Loans Outstanding	0.00	111,152.12	0.00	0.00	0.00	111,152.12
Depreciable Fixed Assets (Net)	262,725.95	0.00	0.00	0.00	0.00	262,725.95
Buildings & Land (At Cost)	0.00	0.00	0.00	0.00	5,366,162.27	5,366,162.27
Buddhist Art & Implements (At Cost)	0.00	0.00	0.00	0.00	116,837.01	116,837.01
<i>Total Non-Current Assets</i>	<i>262,725.95</i>	<i>1,053,701.10</i>	<i>0.00</i>	<i>0.00</i>	<i>5,482,999.28</i>	<i>6,799,426.33</i>
<b>TOTAL ASSETS</b>	<b>348,219.77</b>	<b>1,120,337.53</b>	<b>5,964.36</b>	<b>47,175.65</b>	<b>5,482,999.28</b>	<b>7,004,696.59</b>
<b>LIABILITIES &amp; EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Taxes, Medicare, SS Payable	1,289.95	0.00	0.00	0.00	0.00	1,289.95
Other Current Liabilities	1,025.00	0.00	0.00	0.00	0.00	1,025.00
<i>Total Current Liabilities</i>	<i>2,314.95</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>2,314.95</i>
<b>LONG-TERM LIABILITIES</b>						
Auckland Zen Centre Fund	0.00	0.00	4,145.13	0.00	0.00	4,145.13
Abbot's Scholarship Fund	0.00	0.00	1,819.23	0.00	0.00	1,819.23
<i>Total Long-Term Liabilities</i>	<i>0.00</i>	<i>0.00</i>	<i>5,964.36</i>	<i>0.00</i>	<i>0.00</i>	<i>5,964.36</i>
<b>EQUITY</b>						
»»Year-to-Date Revenues	387,040.73	126,178.26	0.00	43,090.00	0.00	556,308.99
»»(Less Year-to-Date Expenses)	422,366.40	0.00	0.00	15,935.84	0.00	438,302.24
»YTD Revenues Less Expenses	(35,325.67)	126,178.26	0.00	27,154.16	0.00	118,006.75
»YTD Investment Draw (5% per annum)	51,861.39	(51,861.39)	0.00	0.00	0.00	0.00
Year-to-Date Net Surplus (Loss)	16,535.72	74,316.87	0.00	27,154.16	0.00	118,006.75
Extraordinary Income & Expenses	0.00	10,000.00	0.00	0.00	0.00	10,000.00
Capitalized from Building Fund	0.00	0.00	0.00	0.00	14,389.67	14,389.67
Interfund Transfers In (Out)	0.00	0.00	0.00	0.00	0.00	0.00
Previous Year-End Fund Balances	329,369.10	1,036,020.66	0.00	20,021.49	5,468,609.61	6,854,020.86
<i>Total Equity (Current Fund Balances)</i>	<i>345,904.82</i>	<i>1,120,337.53</i>	<i>0.00</i>	<i>47,175.65</i>	<i>5,482,999.28</i>	<i>6,996,417.28</i>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>348,219.77</b>	<b>1,120,337.53</b>	<b>5,964.36</b>	<b>47,175.65</b>	<b>5,482,999.28</b>	<b>7,004,696.59</b>

ROCHESTER ZEN CENTER  
Income and Expense Statement for the Quarter Ended December 31, 2012

Account	2012 Actual	2012 Budget	% of Budget	2011 Actual	
<b>GENERAL OPERATING FUND - INCOME ACCOUNTS</b>					
	Net Item Sales Income	\$1,251	\$1,000	125%	\$2,035
	Net Special Events Income	\$316	\$0		(\$5,551)
40143G	Royalty Income	\$5,662	\$6,500	87%	\$7,189
40150G	Zen Bow Income	\$627	\$500	125%	\$277
40151G	Membership Contributions	\$180,040	\$172,000	105%	\$176,032
4C151G	CM Operating Donations	\$39,141	\$45,000	87%	\$40,514
40152G	Workshop Income	\$16,145	\$15,000	108%	\$16,150
40153G	Training Program Income	\$4,605	\$4,000	115%	\$3,825
4C153G	CM Training Program Income	\$300	\$0		\$15
40159G	Buddha Hall Rental Income	\$12,941	\$13,000	100%	\$12,912
4C159G	Net CM Rental Income	\$49,269	\$45,000	109%	\$40,490
40160/2G	Misc. Income & Contributions	\$12,930	\$12,500	103%	\$13,745
4C160G	CM Miscellaneous Income	\$100	\$0		\$0
40161G	Sesshin Income	\$63,715	\$57,000	112%	\$63,659
	<b>Total Operating Revenue</b>	<b>\$387,041</b>	<b>\$371,500</b>	<b>104%</b>	<b>\$371,293</b>
<b>GENERAL OPERATING FUND - EXPENSE ACCOUNTS</b>					
60170G	Charity Expenses	\$0	\$500	0%	\$442
60171G	Zen Bow Expenses	\$4,452	\$7,600	59%	\$9,561
60172G	Teaching Expenses	\$2,071	\$3,100	67%	\$1,924
6C172G	CM Teaching Expenses	\$153	\$200	77%	\$292
60175G	Medical & Health Insurance	\$66,426	\$60,000	111%	\$52,654
6C175G	CM Medical & Health Insurance	\$13,725	\$15,100	91%	\$13,189
60176G	Staff Salary Expense	\$55,481	\$50,600	110%	\$51,688
6C176G	CM Staff Salary Expense	\$9,931	\$9,900	100%	\$9,388
60177G	Kitchen Expenses	\$38,401	\$32,000	120%	\$33,349
6C177G	CM Kitchen Expenses	\$5,906	\$6,000	98%	\$6,705
60178G	Housekeeping Expenses	\$6,853	\$6,500	105%	\$3,605
6C178G	CM Housekeeping Expenses	\$2,585	\$3,000	86%	\$1,936
60179G	To Staff Departure Fund	\$17,081	\$13,000	131%	\$13,070
6C179G	CM Staff Departure Fund	\$3,549	\$5,400	66%	\$4,548
60180G	Misc Administrative Expenses	\$1,206	\$2,000	60%	\$1,212
6C180G	CM Misc Administrative Expense	\$0	\$100	0%	\$100
60181G	Office Expenses	\$5,638	\$7,000	81%	\$5,447
6C181G	CM Office Expenses	\$371	\$500	74%	\$238
60182G	Telecommunications Expenses	\$5,233	\$5,000	105%	\$4,786
6C182G	CM Telecommunications Expenses	\$3,731	\$3,500	107%	\$3,842
60183G	Gas & Electricity Expenses	\$6,414	\$10,000	64%	\$10,460
6C183G	CM Utility Expenses	\$12,207	\$16,000	76%	\$16,641
60184G	Repair & Maintenance Expenses	\$27,527	\$25,000	110%	\$24,482
6C184G	CM Rep & Maintenance Expenses	\$16,969	\$15,000	113%	\$16,919
60186G	Insurance Expenses	\$31,112	\$34,600	90%	\$32,743
6C186G	CM Insurance Expenses	\$17,873	\$20,500	87%	\$21,456
60187G	Fundraising & Advertising Exp.	\$1,400	\$2,000	70%	\$1,060
6C187G	CM Fundraising & Adv Expenses	\$0	\$0		\$0
60188G	Garden & Grounds Expenses	\$2,941	\$2,700	109%	\$7,256
6C188G	CM Garden & Grounds Expenses	\$6,298	\$5,000	126%	\$2,851
60189G	Library Expenses	\$0	\$400	0%	\$0
60190G	Automobile Expenses	\$14,152	\$14,000	101%	\$13,921
6C190G	CM Automobile Expenses	\$2,351	\$3,000	78%	\$2,492
60191G	Taxes & Municipal Fees	\$6,645	\$6,700	99%	\$6,690
6C191G	CM Tax & User Fee Expenses	\$4,296	\$4,200	102%	\$4,137
60192G	Computer Expenses	\$2,697	\$2,500	108%	\$944

ROCHESTER ZEN CENTER  
Income and Expense Statement for the Quarter Ended December 31, 2012

Account	2012 Actual	2012 Budget	% of Budget	2011 Actual	
6C192G	CM Computer Expenses	\$338	\$500	68%	\$89
60300G	Bad Debt Expense	\$163	\$0		\$0
60389G	Depreciation Expense	\$17,008	\$16,100	106%	\$13,996
6C389G	CM Depreciation Expense	\$9,183	\$8,800	104%	\$8,111
60500G	Contingency (Budget Use Only)		\$5,000		
	<b>Total Operating Expenses</b>	<b>\$422,366</b>	<b>\$423,000</b>	<b>100%</b>	<b>\$402,225</b>
	<b>Operating Revenue Less Expenses</b>	<b>(\$35,326)</b>	<b>(\$51,500)</b>		<b>(\$30,932)</b>
40168G	Operating Draw from Investments	\$51,861	\$51,500	101%	\$50,347
	<b>Total Net Operating Surplus (Loss)</b>	<b>\$16,536</b>	<b>\$0</b>		<b>\$19,415</b>
	<b>Extraordinary Income &amp; Expenses</b>	<b>\$0</b>			<b>\$0</b>
	<b>CAPITAL EXPENDITURES</b>				
15000G	Furniture and Fixtures	\$61,746			\$4,111
15100G	Equipment and Computers	\$5,209			\$9,589
15200G	Motor Vehicles	\$0			\$0
	Non-CM Capital Expenditures	\$66,955	\$67,952	99%	\$13,700
1C500G	CM Capital Expenditures	\$32,831	\$34,000	97%	\$7,436
	<b>Total Capital Expenditures</b>	<b>\$99,786</b>	<b>\$101,952</b>	<b>98%</b>	<b>\$21,136</b>
	<b>INVESTMENT FUND</b>				
40167I	ML Equity YTD Gain (Loss)	\$112,076			\$2,726
40168I	Interest Income (IF)	\$13,941			\$14,369
40170I	Other Income (IF)	\$87			\$46
40181I	W&R YTD Gain (Loss)	\$73			\$18
	Gross Investment Income	\$126,178			\$17,160
60168I	Operating Draw from Investments	(\$51,861)			(\$50,347)
	Investment Income Less Draw	\$74,317			(\$33,187)
40155I	Legacies & Special Donations	\$10,000			\$0
	<b>Total Net Investment Fund Gain (Loss)</b>	<b>\$84,317</b>			<b>(\$33,187)</b>

ROCHESTER ZEN CENTER  
Past-Year Comparison – December 31, 2012

	31-Dec-12	Average 2007-2011	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07	
<b>GENERAL OPERATING FUND – INCOME</b>								
	Net Item Sales Income	1,251	1,643	2,035	878	1,401	1,640	2,260
	Net Special Events Income	316	2,507	(5,551)	(7,148)	3,288	8,965	12,979
40143G	Royalty Income	5,662	6,968	7,189	8,348	6,715	6,365	6,225
40150G	Zen Bow Income	627	626	277	835	603	1,013	400
40151G	Membership Contributions	180,040	174,426	176,032	171,554	181,969	184,819	157,754
4C151G	CM Operating Donations	39,141	43,772	40,514	43,835	43,318	46,016	45,178
40152G	Workshop Income	16,145	13,245	16,150	14,590	10,647	13,539	11,300
40153G	Training Program Income	4,605	3,197	3,825	3,690	3,360	3,184	1,924
4C153G	CM Training Program Income	300	59	15	15	70	193	0
40159G	Buddha Hall Rental Income	12,941	12,452	12,912	12,681	12,420	12,297	11,949
	Net CM Rental Income	49,269	26,318	40,490	42,290	25,355	15,024	8,430
40160/2G	Misc. Income & Contributions	12,930	13,124	13,745	13,904	12,868	12,547	12,554
4C160G	CM Miscellaneous Income	100	0	0	0	0	0	0
40161G	Sesshin Income	63,715	56,763	63,659	59,049	48,685	58,693	53,731
	<b>Total YTD Operating Income</b>	<b>387,041</b>	<b>355,098</b>	<b>371,293</b>	<b>364,520</b>	<b>350,698</b>	<b>364,294</b>	<b>324,683</b>
<b>GENERAL OPERATING FUND – EXPENSES</b>								
60170G	Charity Expenses	0	609	442	1,321	500	379	403
60171G	Zen Bow Expenses	4,452	5,940	9,561	3,939	6,314	6,462	3,422
60172G	Teaching Expenses	2,071	6,047	1,924	11,768	9,617	5,004	1,922
6C172G	CM Teaching Expenses	153	305	292	80	31	332	791
60175G	Medical & Health Insurance	66,426	59,512	52,654	53,878	69,021	63,791	58,214
6C175G	CM Medical & Health Insurance	13,725	12,953	13,189	11,323	13,219	18,018	9,017
60176G	Staff Salary Expense	55,481	53,593	51,688	52,896	56,209	55,014	52,157
6C176G	CM Staff Salary Expense	9,931	9,571	9,388	9,007	8,308	12,016	9,138
60177G	Kitchen Expenses	38,401	31,328	33,349	31,125	31,820	32,375	27,972
6C177G	CM Kitchen Expenses	5,906	6,504	6,705	5,611	5,831	6,782	7,589
60178G	Housekeeping Expenses	6,853	5,893	3,605	5,639	6,934	6,579	6,707
6C178G	CM Housekeeping Expenses	2,585	1,977	1,936	2,004	2,175	1,450	2,319
60179G	To Staff Departure Fund	17,081	15,219	13,070	12,866	14,634	18,255	17,270
6C179G	CM Staff Departure Fund	3,549	3,017	4,548	3,993	2,884	2,440	1,220
60180G	Misc Administrative Expenses	1,206	1,944	1,212	3,366	1,726	1,368	2,051
6C180G	CM Misc Administrative Expense	0	117	100	100	100	124	160
60181G	Office Expenses	5,638	6,620	5,447	4,929	6,132	6,746	9,847
6C181G	CM Office Expenses	371	279	238	387	168	505	99
60182G	Telecommunications Expenses	5,233	4,944	4,786	4,946	4,889	4,883	5,215
6C182G	CM Telecommunications Expenses	3,731	3,708	3,842	3,462	4,246	3,431	3,558
60183G	Gas & Electricity Expenses	6,414	12,672	10,460	11,627	10,875	15,774	14,624
6C183G	CM Utility Expenses	12,207	20,569	16,641	18,993	20,945	26,201	20,067
60184G	Repair & Maintenance Expenses	27,527	20,736	24,482	26,712	12,142	16,213	24,133
6C184G	CM Rep & Maintenance Expenses	16,969	15,143	16,919	9,097	15,060	12,575	22,063
60185G	Kapleau-roshi Expenses	0	4	0	0	0	0	20
60186G	Insurance Expenses	31,112	26,937	32,743	26,322	26,776	30,292	18,552
6C186G	CM Insurance Expenses	17,873	16,304	21,456	14,988	15,009	17,701	12,368
60187G	Fundraising & Advertising Exp.	1,400	396	1,060	225	425	188	80
6C187G	CM Fundraising & Adv Expenses	0	25	0	90	0	33	0
60188G	Garden & Grounds Expenses	2,941	3,024	7,256	2,610	1,615	2,018	1,620
6C188G	CM Garden & Grounds Expenses	6,298	3,866	2,851	5,409	2,405	4,114	4,553
60189G	Library Expenses	0	241	0	256	(20)	278	691
60190G	Automobile Expenses	14,152	16,246	13,921	19,584	14,008	21,028	12,690
6C190G	CM Automobile Expenses	2,351	3,934	2,492	3,626	3,340	4,603	5,607
60191G	Taxes & Municipal Fees	6,645	6,608	6,690	6,620	6,711	6,694	6,324
6C191G	CM Tax & User Fee Expenses	4,296	2,858	4,137	2,871	2,934	2,234	2,113
60192G	Computer Expenses	2,697	1,758	944	1,861	2,083	1,663	2,237
6C192G	CM Computer Expenses	338	301	89	200	345	371	500
60300G	Bad Debt Expense	163	(6)	0	0	0	0	(30)
60389G	Depreciation Expense	17,008	13,899	13,996	13,018	13,122	13,890	15,470
6C389G	CM Depreciation Expense	9,183	9,301	8,111	7,784	10,166	10,047	10,396
	<b>Total YTD Operating Expenses</b>	<b>422,366</b>	<b>404,894</b>	<b>402,225</b>	<b>394,531</b>	<b>402,696</b>	<b>431,868</b>	<b>393,152</b>
	<b>YTD Operating Income Less Expenses</b>	<b>(35,326)</b>	<b>(49,797)</b>	<b>(30,932)</b>	<b>(30,011)</b>	<b>(51,998)</b>	<b>(67,574)</b>	<b>(68,469)</b>
40168G	Operating Draw from Investments	51,861	50,341	50,347	46,336	41,801	41,662	71,558
	<b>Total Net Operating Surplus (Loss)</b>	<b>16,536</b>	<b>544</b>	<b>19,415</b>	<b>16,324</b>	<b>(10,197)</b>	<b>(25,912)</b>	<b>3,089</b>
	<b>Extraordinary Income &amp; Expenses</b>	<b>0</b>	<b>1,325</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>(2,748)</b>	<b>(629)</b>

ROCHESTER ZEN CENTER  
Past-Year Comparison – December 31, 2012

	31-Dec-12	Average 2007-2011	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07	
<b>CAPITAL EXPENDITURES</b>								
15000G	Furniture and Fixtures	61,746	15,887	4,111	49,575	1,064	18,577	6,107
15100G	Equipment and Computers	5,209	5,371	9,589	1,068	2,065	12,145	1,986
15200G	Motor Vehicles	0	768	0	3,838	0	0	0
1C500G	CM Capital Expenditures	32,831	6,067	7,436	6,178	4,551	3,597	8,574
	<b>Total YTD Capital Expenditures</b>	<b>99,786</b>	<b>28,092</b>	<b>21,136</b>	<b>60,659</b>	<b>7,680</b>	<b>34,320</b>	<b>16,667</b>
<b>INVESTMENT FUND</b>								
40167I	ML Equity YTD Gain (Loss)	112,076	11,145	2,726	77,784	143,138	(268,709)	100,786
40168I	Interest Income (IF)	13,941		14,369	16,582	14,942		
40170I	Other Income (IF)	87		46	77	0		
40181I	W&R YTD Gain (Loss)	73		18	252	202		
	<b>Gross YTD Investment Fund Income</b>	<b>126,178</b>		<b>17,160</b>	<b>94,694</b>	<b>158,282</b>		
60168I	Operating Draw from Investments	(51,861)	(50,341)	(50,347)	(46,336)	(41,801)	(41,662)	(71,558)
	<b>Net Investment Fund Gain (Loss)</b>	<b>74,317</b>		<b>(33,187)</b>	<b>48,359</b>	<b>116,481</b>		
40155I	Legacies and Special Donations	10,000	12,729	0	46,113	14,950	0	2,581
	<b>Total YTD Investment Fund Change</b>	<b>84,317</b>		<b>(33,187)</b>	<b>94,472</b>	<b>131,431</b>		

## ROCHESTER ZEN CENTER INVESTMENT FUND – December 31, 2012

<i>Account</i>	<i>Instrument</i>	<i>As Carried on Balance Sheet</i>		<i>Market Value</i>	<i>Cost Basis</i>	<i>Gain (Loss)</i>	<i>Annual Return on Basis</i>	<i>Est. Annual Fixed Income</i>
	<b>Equity Investments*</b>	<i>At Market</i>						
14052I	Merrill Lynch Equities Account	\$766,238		\$766,238	\$407,231	\$359,007		
	IF Equities	\$766,238	68%	\$766,238	\$407,231	\$359,007		
	<b>Cash &amp; Money Market</b>						<i>Current Int Rate</i>	
10006I	IF Share of Money Market Funds & Cash	\$66,636		\$66,636	\$66,636		0.13%	\$87
	IF Cash & Money Market	\$66,636	6%	\$66,636	\$66,636		0.13%	\$87
	<b>Fixed-Income Investments</b>	<i>Cost Basis</i>					<i>Crrnt Rtrn on Basis</i>	
13200I	Merrill Lynch Fixed-Income Account	\$176,311		\$188,918	\$176,311	\$12,606	5.48%	\$9,667
	Total Fixed-Income Investments	\$176,311	16%	\$188,918	\$176,311	\$12,606	5.48%	\$9,667
	<b>Loans</b>	<i>Outstanding</i>			<i>Original</i>		<i>Loan Rate</i>	
14100I	Zengården Mtg Loan (variable %) 3/31/25	\$89,320			\$135,637		4.17%	\$2,815
14106I	Mdsn ZC Mtg Loan 5.08% 7/31/18	\$15,248			\$35,739		5.08%	\$719
14107I	Mt Gate Mtg Loan 5.5% 4/30/13	\$6,584			\$125,000		5.50%	\$91
	Total Loans	\$111,152	10%		\$296,376			\$3,625
	<b>Investment Fund Total</b>	<b>\$1,120,338</b>	<b>100%</b>					<b>\$13,378</b>

\* Donated equities that do not meet the Center's ethical investment criteria must be sold by the Center's Treasurer within one year

Cumulative Building Fund Phase II Income and Expenses  
as of 12/31/2012

ROCHESTER ZEN CENTER  
Chapin Mill Retreat Center – Building Project Phase II

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total as of 31-Dec-12
<b>BUILDING FUND PHASE II INCOME</b>													
Zendo Project donations	\$100,000	\$4,000		\$13,284	\$208,226	\$492,734	\$153,241	\$300,713	\$179,587	\$43,298	\$4,608	\$4,630	\$1,504,321
Post-2005 Phase I donations						\$21,738	\$275	\$2,375				\$120	\$24,508
Previously booked Phase I donation converted to Phase II pledge						(\$45,554)	(\$10,508)						(\$56,063)
Interest & capital gains		\$15,419	\$4,831	\$5,176	\$4,285	\$21,253	(\$15,915)	(\$17,061)					\$17,987
<b>TOTAL PHASE II INCOME</b>	<b>\$100,000</b>	<b>\$19,419</b>	<b>\$4,831</b>	<b>\$18,460</b>	<b>\$212,511</b>	<b>\$490,171</b>	<b>\$127,092</b>	<b>\$286,027</b>	<b>\$179,587</b>	<b>\$43,298</b>	<b>\$4,608</b>	<b>\$4,750</b>	<b>\$1,490,753</b>
<b>RETREAT CENTER PHASE II BUILDING EXPENSES</b>													
Post-2005 Phase I capital expenses						\$24,600	\$4,160	\$4,731	\$19,958				\$53,449
Permits & regulatory approvals													\$0
Site preparation					\$91	\$4,278		\$2,370					\$6,739
Building design		\$13,520	\$13,994	\$34,722	\$5,108	\$65,007	\$10,554	\$95					\$143,000
Building construction						\$667,268	\$742,739	\$109,810	\$1,887	\$9,685	\$9,700		\$1,541,090
Landscaping						\$3,487	\$3,387	\$6,914	\$1,630				\$15,418
Bridge Project					\$3,009	\$11,386	\$282	\$0					\$14,676
<b>TOTAL RC PHASE II CAPITAL EXPENSES</b>	<b>\$0</b>	<b>\$13,520</b>	<b>\$13,994</b>	<b>\$34,722</b>	<b>\$8,208</b>	<b>\$776,025</b>	<b>\$761,123</b>	<b>\$123,920</b>	<b>\$23,474</b>	<b>\$9,685</b>	<b>\$9,700</b>	<b>\$0</b>	<b>\$1,774,372</b>
<b>OTHER BUILDING FUND PHASE II EXPENSES</b>													
Non-capital expenses													\$0
Land acquisition expenses													\$0
Furniture, fixtures & equipment							\$16,776	\$25,970	\$3,863	\$1,204		\$539	\$48,351
Post-2005 Phase I furniture, fixtures & equipment						\$9,168			\$34				\$9,202
Buddhist art & implements													\$0
Fundraising & advertising					\$2,248	\$520	\$147						\$2,915
<b>TOTAL OTHER PHASE II EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,248</b>	<b>\$9,688</b>	<b>\$16,923</b>	<b>\$25,970</b>	<b>\$3,897</b>	<b>\$1,204</b>	<b>\$0</b>	<b>\$539</b>	<b>\$60,468</b>
<b>TOTAL PHASE II EXPENSE</b>	<b>\$0</b>	<b>\$13,520</b>	<b>\$13,994</b>	<b>\$34,722</b>	<b>\$10,456</b>	<b>\$785,713</b>	<b>\$778,045</b>	<b>\$149,890</b>	<b>\$27,372</b>	<b>\$10,889</b>	<b>\$9,700</b>	<b>\$539</b>	<b>\$1,834,840</b>
<b>BUILDING FUND PHASE II SURPLUS (DEFECIT)</b>	<b>\$100,000</b>	<b>\$105,899</b>	<b>\$96,735</b>	<b>\$80,473</b>	<b>\$282,528</b>	<b>(\$13,014)</b>	<b>(\$663,967)</b>	<b>(\$527,829)</b>	<b>(\$375,614)</b>	<b>(\$343,206)</b>	<b>(\$348,298)</b>	<b>(\$344,087)</b>	<b>(\$344,087)</b>
(Budget = \$1.69M + \$151,372 special donations & pledges= \$1,841,372)													\$31,007
													\$320,655
Total budget	\$1,841,372												\$7,575
(Less total expense to date)	\$1,834,840												
Current remaining Phase II budget	\$6,532												\$2,075
													\$9,650
YTD net income (expense)	\$4,211												\$6,532
													\$3,118

Cumulative Building Fund Phase III Income and Expenses  
as of 12/31/2012

ROCHESTER ZEN CENTER  
Chapin Mill Retreat Center – Building Project Phase III

	2006	2007	2008	2009	2010	2011	2012	Total as of 31-Dec-12
<b>BUILDING FUND PHASE III INCOME</b>								
Phase III donations	\$25,000			\$400,000	\$138,921	\$9,569	\$38,340	\$611,830
2006 donation transferred to 7AP accessibility project				(\$18,200)				(\$18,200)
<b>TOTAL PHASE III INCOME</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$381,800</b>	<b>\$138,921</b>	<b>\$9,569</b>	<b>\$38,340</b>	<b>\$593,630</b>
<b>RETREAT CENTER PHASE III BUILDING EXPENSES</b>								
Permits & regulatory approvals								\$0
Site preparation						\$1,475		\$1,475
Building design					\$4,786			\$4,786
Building construction					\$393,841	\$117,929	\$14,390	\$526,160
Landscaping								\$0
<b>TOTAL RC PHASE III CAPITAL EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$398,627</b>	<b>\$119,404</b>	<b>\$14,390</b>	<b>\$532,421</b>
<b>OTHER BUILDING FUND PHASE III EXPENSES</b>								
Non-capital expenses								\$0
Furniture, fixtures & equipment					\$813	\$19,788	\$1,007	\$21,609
Buddhist art & implements								\$0
Fundraising & advertising								\$0
<b>TOTAL OTHER PHASE III EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$813</b>	<b>\$19,788</b>	<b>\$1,007</b>	<b>\$21,609</b>
<b>TOTAL PHASE III EXPENSE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$399,440</b>	<b>\$139,192</b>	<b>\$15,397</b>	<b>\$554,029</b>
<b>BUILDING FUND PHASE III CURRENT BALANCE</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$406,800</b>	<b>\$146,281</b>	<b>\$16,657</b>	<b>\$39,600</b>	<b>\$39,600</b>
Phase III Budget = Total Income + Pledges Outstanding				\$596,636	Building Fund Phase III current balance			\$39,600
(Less total Phase III expense to date)				\$554,029	Phase III Pledges outstanding			\$3,007
Current remaining Phase III budget				\$42,607	Phase III current balance + outstanding pledges			\$42,607
YTD net Phase III income (expense)				\$22,943	Building Fund Phase II + Phase III Total Current Balance			\$47,176



\_\_\_\_\_  
Peter (Bodhin) Kjolhede  
President, Rochester Zen Center

State of New York     )  
  ) ss.  
County of Monroe     )

On the     day of May in the year 2013, before me personally came Peter (Bodhin) Kjolhede, to me known, who, being by me duly sworn, did depose and say that he resides at 308 San Gabriel Dr., Rochester, NY 14610; that he is the President of the Rochester Zen Center, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Trustees of said corporation, and that he signed his name thereto by like order.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

\_\_\_\_\_

\_\_\_\_\_  
John W. Pulleyn III  
Treasurer, Rochester Zen Center

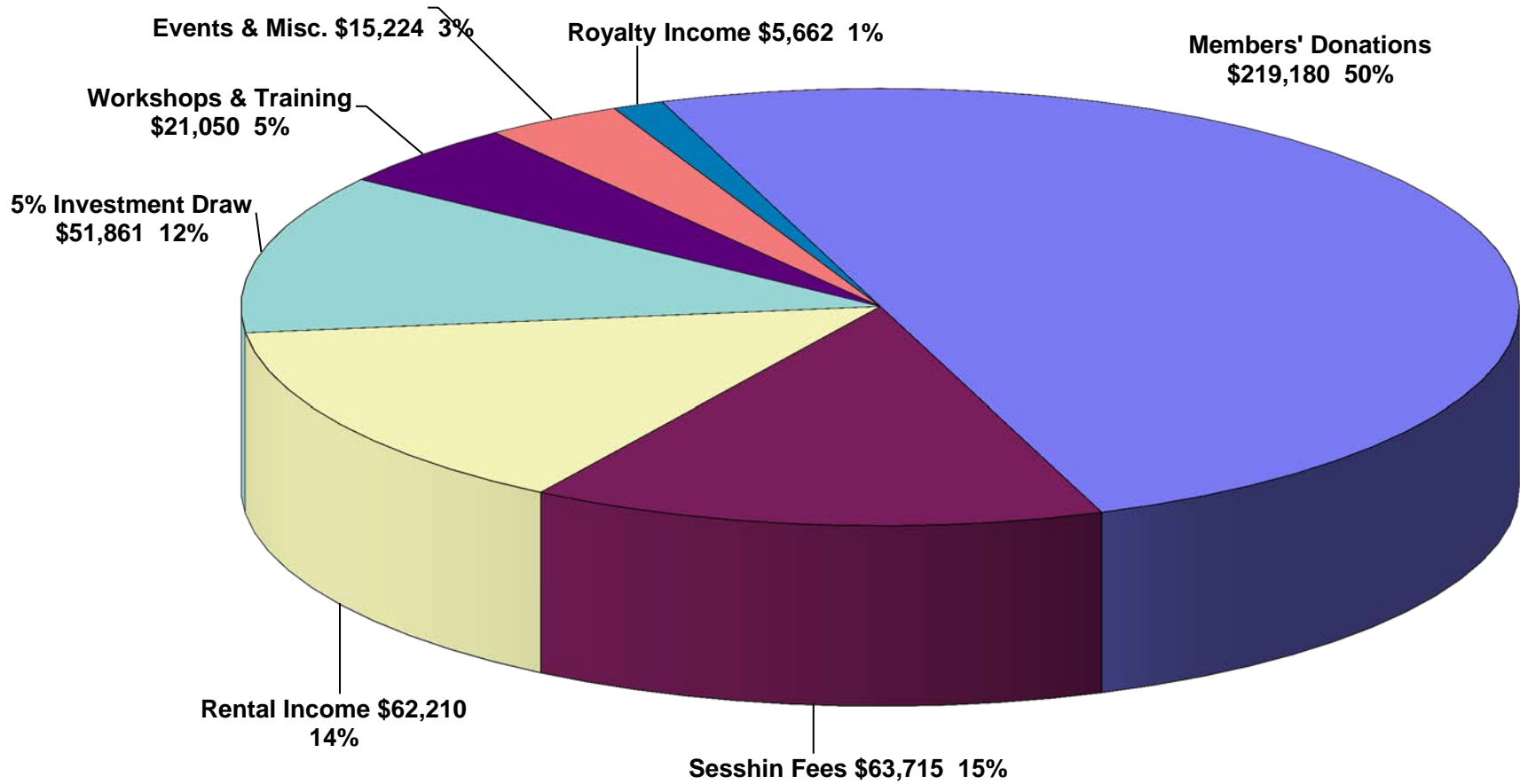
State of New York     )  
  ) ss.  
County of Monroe     )

On the     day of May in the year 2013, before me personally came John W. Pulleyn III, to me known, who, being by me duly sworn, did depose and say that he resides at 215 East Brook Road, Pittsford, NY 14534; that he is the Treasurer of the Rochester Zen Center, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Trustees of said corporation, and that he signed his name thereto by like order.

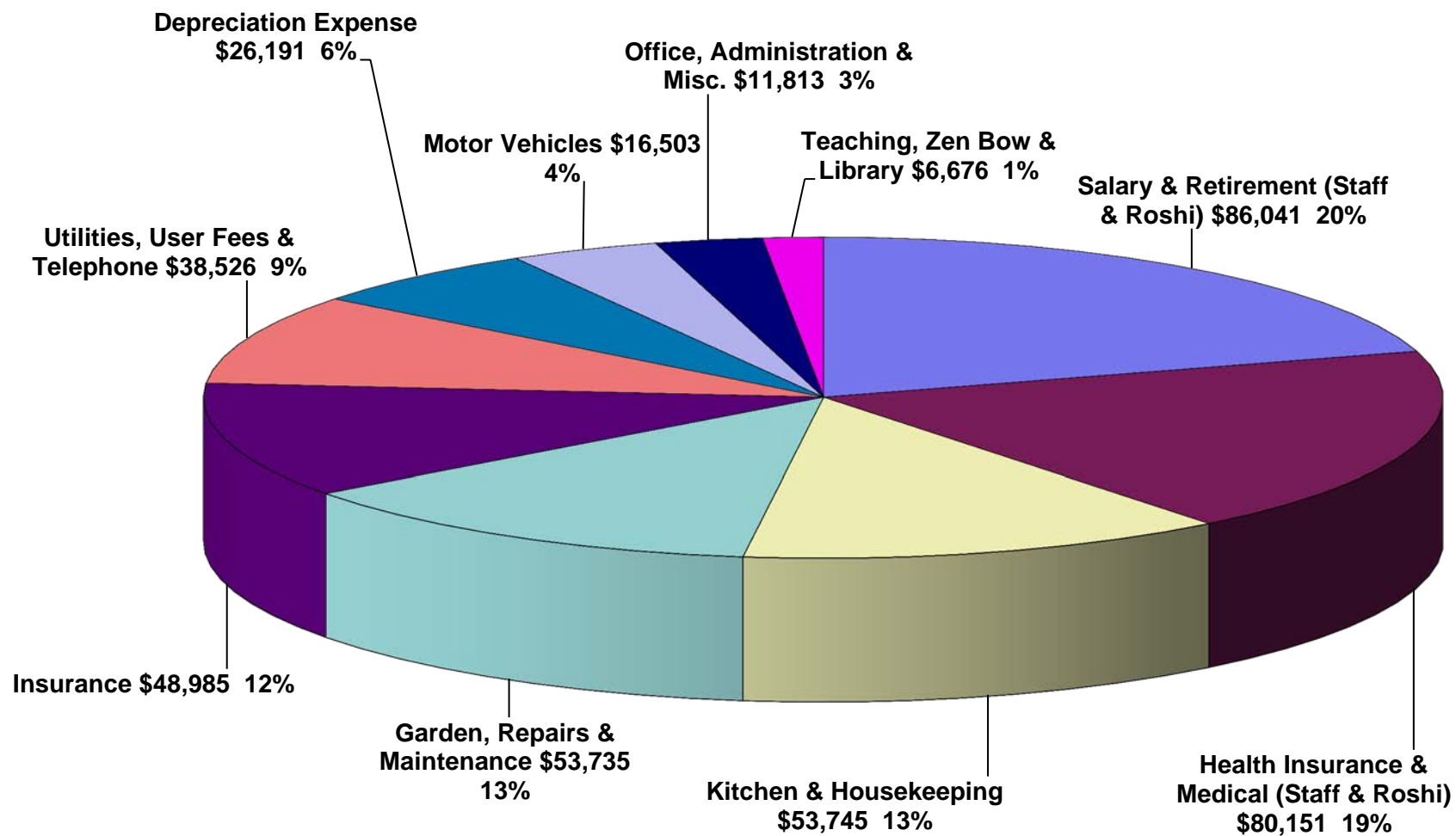
In Witness Whereof, I have hereunto set my hand and affixed my official seal.

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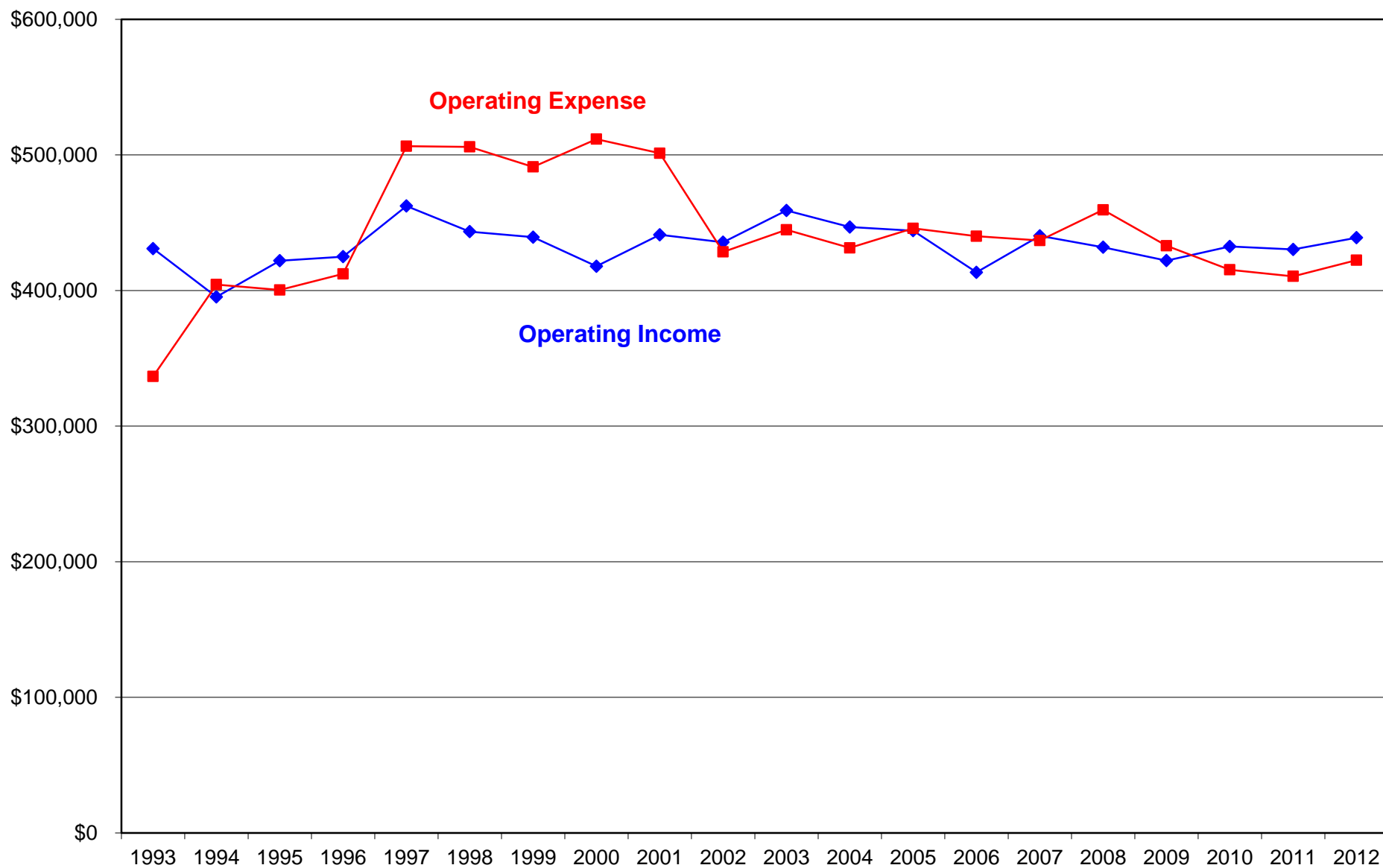
### ROCHESTER ZEN CENTER 2012 Operating Income (\$438,902 Total)



**ROCHESTER ZEN CENTER  
2012 Operating Expenses  
(\$422,366 Total)**



**ROCHESTER ZEN CENTER**  
**Total Operating Income and Expense 1993-2012**  
**(All Amounts Are Stated in Constant 2012 Dollars)**



**ROCHESTER ZEN CENTER  
 Combined Operating and Investment Funds 1995-2012  
 (All Amounts Are Stated in Constant 2012 Dollars)**

