

DRAFT – Subject
to Approval by
Board of Trustees



ROCHESTER ZEN CENTER
A BUDDHIST COMMUNITY

BOARD OF TRUSTEES MEETING

May 17-18, 2014

Minutes recorded by the Secretary.

Unless otherwise noted, all actions of the Board at this meeting were by unanimous vote.

The following were present at the meeting:

Trustees: Thomas Kowal (Chairman), Kathryn Collina, Susan Culpepper, Cecily Fuhr, Esq., Scott McDonald, M.D. (via teleconference), Chris Pulleyn

Officers: Roshi Bodhin Kjolhede, Abbot and President; Jeanette Prince-Cherry, Vice President; Scott Jennings, Esq., Secretary and Business Manager; Colleen O'Brien, current Treasurer; John W. Pulleyn III, Head of Zendo and past Treasurer

Others: Wayman Kubicka, Chapin Mill Caretaker; Eryl Kubicka, Chapin Mill Rental Coordinator and Chair of Workplace Safety Committee; Todd McGrain; Andy Stern

- ◆ The Board approved the Trustees' annual financial report for the year 2013, to be presented at the Center's annual corporate meeting of members on May 24, 2014. The Board authorized the Center's President and Treasurer to execute the report and to affix the Center's seal thereto. A copy of that report is filed with these minutes as Appendix A.

Scott Jennings reported that the Center's 2013 operating revenues were \$399,810, or 103 percent of the total budgeted. Operating expenses were \$456,637, or 98 percent of the total budgeted. Accordingly, after including as operating income a five-percent operating draw of \$54,795 from investments, the Center had an operating deficit of \$2,033 for 2013, rather than the \$21,000 deficit that had been predicted when the 2013 budget was approved. Scott noted that the actual deficit of \$2,033 represents less than one-half percent of 2013 operating expenses. Viewed alternatively, for 2013 the percentage operating draw from the Investment Fund required for no operating surplus or deficit was 5.2 per-

cent, rather than our target of five percent. From 2009 (the year we instituted our current accounting procedures) through 2013, the Center has accumulated an operating surplus of \$40,045, based on a 5% lagged-average operating draw from investments.

Although 2013 membership contributions (\$182,649) were higher than in 2012 (\$180,040) and 2011 (\$176,032), as well as higher than the average for the five years 2008-2012 (\$178,883), they were still slightly less than in 2008 (\$184,819). Turning to other revenue sources, net Chapin Mill net rental income reached an all-time high of \$58,507 in 2013, and session income reached a ten-year-plus high of \$65,447.

On the expense side, kitchen expenses were higher than anticipated both at Arnold Park and at Chapin Mill because of the increased number of young trainees and staff members. Utility expenses at Arnold Park were higher than expected largely because of electricity use in the first quarter of the year associated with the new snow-melting system installed under the walkway leading to the main entrance. We now use that system much more sparingly.

The Center's Investment Fund performed excellently in 2013, increasing by \$172,162, or 15 percent, before subtracting the \$54,795 operating draw. The Fund's net increase after subtracting the operating draw was \$117,368, or ten percent. In addition, two generous donors made extraordinary contributions to the Investment Fund totaling \$6,500.

- ◆ The Board approved the Business Manager's financial report for the first quarter of 2014, a copy of which is filed with these minutes as Appendix B. Scott reported that first-quarter income and expenses are generally as we expected. First-quarter membership contributions are about 12% higher than the average for 2009-2013, but session income is down somewhat. Utility expenses at both Arnold Park and Chapin Mill have been higher than expected because of the unusually long and cold winter. (Chapin Mill was less severely affected, since the Mill House, the Guest Cottage, and most of the Retreat Center are uninhabited for much of the winter.) During the first quarter the Investment Fund's annualized rate of return was substantially less than our 5% operating draw, due to the stock market's poor performance during the quarter.
- ◆ The Business Manager and the Treasurer reported on behalf of the Finance Committee. The Committee's members are Scott Jennings, Colleen O'Brien, and John Pulleyn. The Committee had recently met with the Center's Merrill Lynch investment advisor. One of the topics discussed at that meeting was the allocation of assets held in the Investment Fund. Those assets were allocated as follows on March 31, 2014: equity investments, 70 percent; fixed-income investments (including mortgage loans), 23 percent; cash and money market funds, 7 percent. The Committee's goal, as previously determined by the Board, is to have no more than 60 percent of the Fund's assets invested in equities. However, increases in the value of the Center's equity investments, coupled with the continuing payback of the mortgage loans held in the Fund, have resulted in equities' composing 70 percent of the Fund's assets. Nonetheless, because interest rates on fixed-income investments are currently very low, but are likely to increase in the future, the Committee is hesitant to make additional investments in

bonds at this time. Accordingly, after discussion with our investment advisor, the Committee decided not to make any substantial changes in the Center's investment portfolio at this time. The Committee will continue to meet periodically with our advisor in order to manage the Fund's assets in a manner that best reconciles our investment allocation goals with the current investment environment.

- ◆ The Board considered a proposal to amend the Center's Ethical Investment Guidelines by adding production of fossil fuels to the list of proscribed activities. Former Finance Committee member Andy Stern proposed this change as a way of supporting the campaign to persuade investors to take their money out of the fossil-fuel sector. A principal purpose of this campaign is to increase awareness of the dangers of climate change resulting from carbon dioxide emissions caused by excessive use of fossil fuels. According to information provided by the Center's investment advisor, such a change in the Center's investment guidelines would not necessarily result in a decreased return on the Center's equity investments, since optimized carbon-free portfolios have closely tracked the domestic equity market since 1988 and the global market since 1997. Considering both the importance of increasing awareness of the effects of climate change and the likelihood that the proposed amendment to the Guidelines would have a minimal effect on the Center's finances, the Board amended the Center's Ethical Investment Guidelines to read as follows: "The Center will avoid investing in businesses that substantially or primarily engage in (1) production of armaments, (2) production of alcohol or tobacco products, (3) slaughter of animals or their use in product testing, or (4) production of fossil fuels, such as oil, natural gas, and coal; however, the Center may invest in businesses that only minimally or incidentally engage in such activities."
- ◆ Roshi, Scott Jennings, and John Pulleyn reported to the Board regarding the possibility of increasing sesshin fees for the first time in 14 years. They first noted that the current rates of \$40 per day for members and \$55 per day for non-members were set in 2000; because of inflation, \$40 in 2000 is equivalent to \$55 today, and \$55 in 2000 is equivalent to \$75 today. The Center's bookkeeper, Cătălin Cârstea, conducted an informal survey of about 20 other American Zen centers and determined that the median sesshin fee for members is \$51 per day (the mean is higher because of several very expensive centers). The Board discussed the relative advantages and disadvantages of (1) adjusting sesshin fees frequently by small amounts or (2) adjusting fees infrequently by large amounts to compensate for inflation. The Board decided to increase sesshin fees to \$45 per day for members and \$65 per day for non-members and to review sesshin fees annually. Roshi emphasized that anyone who needs financial assistance in order to attend sesshin may ask him to provide help from the Abbot's Fund. [*Secretary's Note:* The new sesshin fees will go into effect starting with the October 2014 sesshin; however, those who have already paid for sesshin are not required to pay the increased rate.]
- ◆ The Business Manager reported to the Board regarding the project to update the cataloguing, valuation, and insurance of art works owned by the Center. The last complete inventory and valuation of the Center's art was conducted in 2000. We have nearly completed an updated inventory and have had several of the more important pieces re-appraised. Because of uncertainty regarding the prove-

nance and value of one major piece and the necessity of balancing risk against insurance cost for all of the art work, the Board appointed an Insurance Task Force comprising Roshi, John Pulleyn, Scott Jennings, Scott McDonald, and Cecily Fuhr. The Task Force was charged with making recommendations regarding appraisal, security, insurance, and retention of art works. Tom Kowal will work with the Task Force on security issues.

- ◆ The Chapin Mill Caretaker, Ven. Wayman Kubicka, reported to the Board regarding Chapin Mill. Several major repair-and-maintenance projects have been completed in the past six months, including rebuilding the bridge leading across the creek to the main entrance of the Mill House, repair and renovation of the bathroom on the second floor of the Mill House, and removal of a dangerously deteriorated bridge to a small island near the pond. Wayman noted that since the Phase I portion of the Retreat Center has now been in use for more than a decade, various of the building's components and systems are likely to require repair or replacement. In order to improve fire safety, we have arranged for the Retreat Center's fire alarm system to use Andris Chapin's telephone land line as a backup in case a power failure or internet outage should disable our own internet-based telephone lines. Wayman also noted that the report of the Committee on Facilities and Sustainable Operations (a copy of which is filed with these minutes as Appendix F) addresses a number of issues relating to repairs, maintenance, and security at Chapin Mill.
- ◆ Eryl Kubicka, who serves as Chapin Mill Rental Coordinator, presented her report on the Chapin Mill rental program. A copy of that report is filed with these minutes as Appendix C. Eryl reported that seven different groups are scheduled to rent the Retreat Center in 2014 and that 50 rental days, our target for the year, have already been booked. Eryl also reported that she had consulted with Sangha members Andy Stern and Kit Miller, who have been helping to decide upon rental rates for the Retreat Center. Rates have now been raised by \$100 per day – to \$1,100 for member-affiliated groups and \$1,300 for others.
- ◆ Eryl also reported to the Board in her capacity as Chair of the Workplace Safety Committee, which comprises Eryl, Ananta Brückner, Wayman Kubicka, and John Pulleyn. A copy of the Committee's report is filed with these minutes as Appendix D. The one injury requiring treatment during the past six months occurred when a member of the Center's youth group stepped on a nail protruding from a discarded board. In response to this incident Chapin Mill staff were instructed to remove or clip off any nails found protruding from pieces of wood.
- ◆ Sculptor and Sangha member Todd McGrain – who created both the basalt centerpiece for the Founder's Garden at Arnold Park and the sculpture "Spinning Still," which is installed by the pond at Chapin Mill – presented a scale model of a major piece he plans to create for the Retreat Center courtyard. Both Todd and the Trustees expressed the hope that the finished work will be presented to the Sangha at the Center's fiftieth-anniversary celebrations in the summer of 2016.

- ◆ The Board discussed the possibility of constructing a memorial garden at Chapin Mill where urns containing ashes of the deceased could be placed in a columbarium. The Center's Development Committee has informally discussed this possibility, and Committee member Eryl Kubicka has discussed possible site-selection and design considerations with Sangha member Eric Higbee, a landscape architect with experience in designing public landscapes of various types and scales. In addition, Sangha member Helen Fuller, who has extensive professional design experience, has offered to help with the project. Eryl showed the Board two possible sites, focusing particularly on a glade above, and to the east of, the pond. The Board appointed a Columbarium Task Force comprising Eryl, Roshi, and Chris Pulleyn; the Task Force is authorized to add up to three additional members. The Board charged the Task Force with examining funding and financial considerations, as well as conducting research and making recommendations regarding the site and design for such a project.
- ◆ The Board approved the minutes of its October 26-27, 2013, meeting, as submitted by the Secretary on December 12, 2013.
- ◆ Having previously determined that the Auckland Zen Centre constitutes an "Approved Organization" within the meaning of the Rochester Zen Center's Guidelines for Funding Foreign Organizations, the Board confirmed and ratified its previous approval of the Business Manager's recommendation that \$3,792.15 be disbursed from the monies donated to the Rochester Zen Center for the support of approved Auckland Zen Centre projects and activities. Of the requested amount, \$132.15 was applied toward reimbursement for chant books, rakusu rings, and rakusu fabric. The remaining \$3,660 was disbursed to the Auckland Zen Centre to support residential Zen training at that Centre. In taking this action, the Board found that the requested disbursement fulfills the tax-exempt religious purposes of the Rochester Zen Center and satisfies the criteria set forth in the Guidelines. Accordingly, the Board accepted the Business Manager's recommendation that the disbursement be approved.
- ◆ The Business Manager reported to the Board regarding the effect on the Center of the New York Non-Profit Revitalization Act of 2013, which becomes effective on July 1, 2014, and amends the New York Not-for-Profit Corporation and Religious Corporations Laws. Among the Act's provisions affecting the Center are requirements regarding conflicts of interest, related-party transactions, and independent Board oversight over compensation. Scott Jennings and Cecily Fuhr will review the Center's by-laws, policies, and procedures in these areas and propose any necessary changes to the Board. In addition, the Act prohibits any employee of a not-for-profit corporation from serving as chair of the corporation's board. Accordingly, the Board amended the final sentence of Article III(A)(1) of the Center's by-laws to read as follows: "The Board shall elect a Chairman from among its members; however in accordance with section 713(f) of the Not-for-Profit Corporation Law no employee of the Center shall serve as Chairman of the Board."
- ◆ At its October 2013 meeting, the Board directed the Business Manager, in consultation with the Treasurer, to examine whether the description of the Treasurer's duties in the Center's by-laws should be changed or updated. In response to this directive, Scott Jennings proposed two by-law amend-

ments intended to bring the by-laws into conformity with existing Zen Center practice. The Board thereupon amended Article IV(B)(4) [*The Treasurer; Finance Committee*] by striking the final two sentences thereof and replaced the final sentence of Article III(A)(3) [*Business Manager*] with the following two sentences: “The Business Manager shall, under the oversight of the Treasurer, assist the Board in the preparation and presentation of the report that the Board must submit to the annual corporate meeting of Members pursuant to section 519 of the Not-for-Profit Corporation Law. In addition, the Business Manager shall, under the oversight of the Treasurer, submit quarterly written financial reports to the Board containing at least the information required to be included in the Board’s report to the annual corporate meeting.”

- ◆ In order to provide greater flexibility in administering the Center, the Board amended the Center’s by-laws to provide for the possibility of the Board’s electing more than one Vice President. Accordingly, the Board amended the first sentence of Article IV(A) to read as follows: “The Center shall have the following Officers: (1) a President, (2) one or more Vice-presidents, (3) a Secretary, and (4) a Treasurer; there shall also be such Assistant Officers as the Board of Trustees may find necessary.”
- ◆ Cecily reported regarding the status of the Cleveland Zazen Group, a sitting group largely composed of Rochester Zen Center members. Cecily recently spoke with the Group’s leader, Sangha member Susan Rakow. In order to address the concerns raised by the Board at its October 2013 meeting, the Cleveland Zazen Group is planning to incorporate and obtain liability insurance within the next six months.
- ◆ Roshi left the meeting, and the Compensation Committee, which comprises the Center’s other Officers and the Board Chair, discussed the Abbot’s salary. The Business Manager reported that the Abbot’s base salary of \$1,000 per month has not been increased for more than 17 years. The Committee accepted the Business Manager’s proposal that the Abbot’s base salary be increased to \$1,100 per month, effective May 2014. Acting in accordance with Article II(E) of the Center’s By-laws, the Board thereupon acquiesced in the proposed increase. The Board also modified the Abbot’s clergy housing allowance by designating \$13,350 of the Abbot’s annual salary as a clergy housing allowance. The Abbot’s total annual salary will now be \$14,550, comprising the following:

\$13,200	base salary
\$150	holiday bonus
<u>\$1,200</u>	applied toward health insurance for Roshi’s wife (Premium Conversion “Cafeteria” Plan)
\$14,550	total annual salary

In addition, the Center provides a car for the Abbot’s business and personal use, as well as long-term care insurance for the Abbot. The Abbot also receives the same medical and retirement benefits as other senior staff members.

Consistent with the increase in the Abbot’s salary, the Board transferred \$800 from the 2014 contingency expense budget to the staff salary budget.

- ◆ Roshi returned to the meeting and reported regarding spiritual affairs. The number of people in residential training at the Center remains high, and we now have three staff members serving as rotating head cooks at Arnold Park. However, Trueman Taylor remains responsible for the kitchen budget. The Center has begun participating in the Monroe County Adopt-a-Highway program and has pledged to keep a stretch of Interstate 490 west of Rochester litter-free. Center members and staff recently participated in a silent Earth Day vigil in downtown Rochester; the purpose of the vigil was to raise awareness of pollution in the Genesee River, which flows through the City. Long-time Center staff member Cynthia Seefeld retired earlier this year upon reaching age 65. Roshi remarked that Cynthia's perseverance and work ethic in the face of serious health problems were an inspiration to the rest of the Center's staff. Cynthia now resides at an assisted-living facility in her home town of Milwaukee, but will return to Rochester for a visit the weekend after Memorial Day.

Roshi next reported regarding affiliates and sister centers. Our sole remaining formal Affiliate Center, the Madison Zen Center in Madison, Wisconsin, remains on a steady course with a small but stable membership. The Auckland Zen Centre in Auckland, New Zealand, a sister center led by Sensei Amala Wrightson, has bought a building and is raising funds to remodel the space in order to make it suitable for that Centre's use. Roshi reported that our sister center in Germany, the Berlin Zen Group, lost the use of the facility it had been renting for sesshin and will henceforth be using a different facility. Finally, Sensei Kanja Odland, one of the two teachers at our Scandinavian sister center, the Zenbuddhistika Samfundet (Zen Buddhist Association), attended sesshin at Chapin Mill this past March.

Roshi informed the Board that, acting pursuant to Article II(B)(1) of the Center's By-laws, he has designated a successor to take office upon his retirement, resignation, or death. Roshi has placed the signed, dated, and notarized original of that designation in a safe to which the Center's Secretary has access. At the conclusion of Roshi's report, the Board adjourned for the day.

- ◆ The meeting resumed the next morning with the Board's meeting in executive session without the Center's Officers. Upon the Officers' return, the Board's Chair, Tom Kowal, reported that the Board had elected the following Officers to serve until the Board next elects Officers:

President, Roshi Bodhin Kjolhede
Vice President, Jeanette Prince-Cherry
Secretary, Scott Jennings
Treasurer, Colleen O'Brien

Acting pursuant to Article III(C)(1) of the Center's By-laws, the Board designated Scott Jennings as the Officer member of the Trustee Nominating Committee.

- ◆ Scott McDonald, whose term as a Board-elected Trustee ends on May 24, left the meeting, and the Board discussed the election of a Trustee to fill the vacancy. Acting pursuant to Article III(C)(2) of the Center's by-laws, the Board re-elected Scott to a three-year term ending in May 2017.

- ◆ Scott McDonald returned to the meeting, and the Chair of the Sangha Engagement Committee, Kathy Collina, reported on behalf of that Committee. The Committee's members are Kathy, Andy McClain, Devin Wiesner, and Deborah Zaretsky. Kathy's written report is filed with these minutes as Appendix E. The Committee sponsors a number of events, activities, and discussion groups. Among the Committee's continuing activities are the following: potluck dinners and board-game nights at the Center; a discussion and support group investigating old age, sickness and death from a Buddhist perspective; a discussion group devoted to seeing into and eliminating racism; a group that works with Asbury First United Methodist Church to prepare and serve meals for those in need; and an annual guest speaker series. The Committee has received very positive comments regarding this year's guest speaker, Dr. Anthony Cerulli, who is an Assistant Professor of Religious Studies at Hobart and William Smith Colleges. Dr. Cerulli previously served as the Center's 2012 guest speaker. The Committee also sponsored a cardiopulmonary resuscitation (CPR) class at the Center taught by staff members from Henrietta Volunteer Ambulance Service. In addition to arranging for the Center's participation in the Adopt-a-Highway Program previously mentioned by Roshi, the Committee is coordinating with the Special Events Committee in planning various activities to celebrate the Center's fiftieth anniversary in 2016.

- ◆ Cecily reported on behalf of the Task Force on Staff Medical and Dental Coverage, which comprises Cecily, Scott Jennings, and John Pulleyn. Cecily reported that New York State's implementation of the Affordable Care Act appears to have resulted in many of the Center's employees becoming eligible for Medicaid coverage. The Board authorized the Task Force to retain and consult with a lawyer having expertise in employee benefits and health insurance in order to explore how best to provide adequate medical and dental care for the Center's staff in the most cost-effective manner, while also complying with applicable legal and regulatory requirements.

- ◆ Tom Kowal, who serves as Chair of the Committee on Facilities and Sustainable Operations, reported to the Board on behalf of the Committee. The members of the Committee are Tom, Ananta Brückner, Wayman Kubicka, Bill Lindenfelser, Jeanette Prince-Cherry, John Pulleyn, and Devin Wiesner. Tom's written report is filed with these minutes as Appendix F. At Wayman's suggestion, the Committee recently considered problems with the fire-sprinkler system installed in the Phase II portion of the Chapin Mill Retreat Center. Phase II has a "wet-pendant" system designed for an above-freezing environment. However, the temperature of the Phase II attic space goes below freezing in the winter unless we keep the heat in Phase II turned up even when we are not using that part of the building. There has already been some damage to the system due to problems with temperature regulation. Although we saved about \$10,000 by installing a wet-pendant, rather than the originally-specified dry-pendant, system in Phase II, a dry-pendant system was subsequently installed in Phase III and has been free of trouble. The Board authorized replacement of the Phase II sprinklers with a dry-pendant system at a cost of approximately \$10,000 to \$11,000, which will be paid from the \$48,000 remaining in the earmarked Building Fund. Tom also reported that the Committee had determined that it is not currently feasible to install a photovoltaic generating system at Chapin Mill because of

contractual, regulatory, and tax concerns; however, the Committee will report to the Board if such a project becomes feasible in the future.

Tom next reported on the project to replace the deteriorating asphalt-shingle roof over Phase I of the Retreat Center. As previously reported to the Board, the Center submitted a warranty claim to the manufacturer of the defective shingles and received \$3,240 in settlement of the claim (the shingles cost us \$4,815 in 2000.) Since most of the roof's replacement cost is labor expense, the project will likely cost between \$12,000 and \$60,000, depending on how much of the work is done by Zen Center staff and volunteers and how much is done by a roofing contractor. Replacing the roof with a material other than asphalt shingles, such as metal or tile, would increase the cost quite substantially. (Members of the Board expressed a preference for re-roofing with asphalt shingles, and the Board directed that, in any event, no substantial changes be made to the roof without first consulting the design architect for the Retreat Center, Robert Leverich.)

Finally, Committee member Jeanette Prince-Cherry has been working with Chapin Mill staff on developing a MAPP (Maintenance and Preservation Program) book for Chapin Mill. Jeanette will also work with the Arnold Park Repair and Maintenance supervisor to update and revise the Arnold Park MAPP book and with the Center's Business Manager to document systems and procedures pertaining to the Center's financial affairs.

- ◆ The Chair of the Development and Outreach Committee, Chris Pulleyn, reported on behalf of the Committee. The Committee's members are Chris, Cecily Fuhr, Scott Jennings, Roshi, Donna Kowal, Eryl Kubicka, Debra McDaniel, John Pulleyn, and Devin Wiesner. Chris reported that Cecily Fuhr continues to manage the Center's social-media presence and has also been adjusting the Center's Google "AdWords" workshop and training-program campaigns as necessary. (Roshi noted that the Rochester Zen Center is one of fewer than ten American Zen centers and temples offering a residential training program.) Chris reported that the latest issue of *Buddhadharma* magazine features a discussion forum titled "Is Western Psychology Redefining Buddhism?", in which Roshi, Jack Kornfield, and Judy Lief examine the influence of Western psychology on Buddhism.

In order to recognize major donors, the Center's Board Chair has been sending such donors a letter in the spring summarizing the past year's financial results, and Roshi has been sending them a New Year's card. In order to encourage donors who may wish to contribute to specific projects, the Committee will work with the Facilities and Sustainable Operations Committee to revise and prioritize the Center's "wish list" of projects for which the Center expects to need funding during the next five years.

As the Center's fiftieth anniversary in 2016 approaches, the Committee has been exploring ways to raise the Center's public profile. In this regard, Dr. Anthony Cerulli has suggested making a documentary film about the Center. The Committee is actively exploring this possibility with the help of a professional documentary-maker, who is a friend of Chris.

- ◆ The Board discussed the written report of the Ethics and Advisory Committee in which the Committee's Chair, Tom Roberts, reported that Committee member Jean Schneller has asked that she be replaced by someone in closer contact with the local Rochester Sangha. Tom reported that the other members of the Committee would very much miss Jean's "clear, well-considered and conscientious insights and voice." The Committee recommended that the Board replace Jean with long-time local Sangha member Deborah Hall, who is a practicing clinical psychologist and has been an active member of the Center's Kannon Committee. The Board accepted the Committee's recommendation and, acting pursuant to Article X(A) of the Center's By-laws, appointed Deborah to the Ethics and Advisory Committee, which now comprises Tom, Deborah, Eryl Kubicka, and Scott McDonald.
- ◆ The Board reviewed the written report of the Special Events Committee, which is filed with these minutes as Appendix G. The Co-Chairs of the Committee are Donna Kowal and Debra McDaniel. The other six members are Margaret Lee Braun, Dan Esler, Scott McDonald, Shudo (Brian) Schroeder, Devin Wiesner, and Jane Xhilone. Currently, the Committee's main project is developing a proposal for the events to mark the Center's fiftieth anniversary. This process started with a survey of the Sangha earlier this year. The Committee will work on its proposal together with the Sangha Engagement and Development and Outreach Committees. The main celebration of the anniversary is scheduled for Independence Day weekend in 2016.
- ◆ Tom Kowal reported to the Board regarding his informal survey of former Center Trustees to solicit their views regarding which aspects of the Center's governance work well and which might be improved. There appeared to be a consensus that, in general, the Board and the Abbot have done a good job of managing the Center. One suggestion made by a number of former Trustees was to raise the visibility of the Center's Trustees and Officers so that Sangha members will always feel free to approach any of them with questions or concerns. This could be done, for example, by introducing any Trustees and Officers who are present at all Sangha meetings, rather than making such introductions only at the Annual Meeting each May.
- ◆ The Board determined that it will review strategic and long-term planning issues at its fall meeting. In preparation for that review, the Board directed that the Facilities and Sustainable Operations Committee, in conjunction with the Business manager, prepare a list of anticipated major capital projects, including likely cost ranges and time periods. Such projects include the replacement of the Phase I roof of the Chapin Mill Retreat Center, replacement of the last original portion of the slate roof on 5 Arnold Park, replacement of the Buddha Hall roof, construction of a memorial garden and columbarium at Chapin Mill, and eventual dredging of the Chapin Mill pond.
- ◆ The Board reviewed revisions to the Center's 2014 budgets and confirmed the following changes:
 - a) The Arnold Park capital purchases budget is increased by \$8,178.75 to pay for the previously-authorized purchase of a used 2005 Honda Odyssey mini-van.

- b) Consistent with the increase in the Abbot's salary, \$800 is transferred from the 2014 contingency expense budget to the staff salary budget.
 - c) An amount sufficient to pay the fees of an attorney to be consulted by Task Force on Staff Medical and Dental Coverage will be transferred from the 2014 contingency expense budget to the staff medical and dental expense budget.
 - d) The sprinklers in the Phase II portion of the Chapin Mill Retreat Center will be replaced with a dry-pendant system at a cost of approximately \$10,000 to \$11,000, which will be paid from the \$48,000 remaining in the earmarked Building Fund.
- ◆ The Board confirmed Saturday and Sunday, October 25 and 26, as the dates for its fall 2014 meeting. Also, the Board tentatively set Saturday and Sunday, May 16 and 17, as the dates for its spring 2015 meeting. The Board thereupon adjourned the meeting.

Submitted to the Board of Trustees on June 7, 2014

by Scott Jennings, Secretary of the Center.

Appendix A



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-Eighth
Annual Corporate Meeting
May 24, 2014

The record date for the Center's 2014 Annual Meeting was April 23, 2014. As of that date, the Center had 447 members. The record date for the Center's 2013 Annual Meeting was April 18, 2013. As of that date, the Center had 461 members. Accordingly, the Center's membership has decreased by 14 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 2013 ANNUAL FINANCIAL RESULTS

	2013		2012	
	As of December 31, 2013	12/31/13 as % of 2013 Budget	As of December 31, 2012	12/31/12 as % of 2012 Budget
Year-to-Date Operating Revenue	\$399,810	103%	\$387,041	104%
Year-to Date Operating Expenses	<u>\$456,637</u>	98%	<u>\$422,366</u>	100%
YTD Revenue Less Expenses	(\$56,827)		(\$35,326)	
YTD Operating Draw from Investments (5%)	<u>\$54,795</u>		<u>\$51,861</u>	
YTD Net Operating Surplus (Loss)	(\$2,033)		\$16,536	
Membership Contributions	\$182,649	104%	\$180,040	105%
Accumulated Operating Surplus (Loss) at 5% draw since 2009 Inception of Current System	\$40,045		\$42,078	
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YTD Investment Gain (Loss)	\$172,162		\$126,178	
YTD Operating Draw from Investments (5%)	<u>(\$54,795)</u>		<u>(\$51,861)</u>	
YTD Net Investment Gain (Loss)	\$117,368		\$74,317	
YTD Legacies and Special Donations	<u>\$6,500</u>		<u>\$10,000</u>	
YTD Total Investment Fund Change	\$123,868		\$84,317	

ROCHESTER ZEN CENTER BALANCE SHEET – December 31, 2013

	Operating Fund	Investment Fund	Held for Others	Building Fund	Realty and Art (Carried at Cost)	Total
ASSETS						
CURRENT ASSETS						
Cash & Money Market	90,222.34	37,493.32	9,898.51	47,512.79	0.00	185,126.96
Inventories	5,983.29	0.00	0.00	0.00	0.00	5,983.29
Accounts Receivable	1,543.23	0.00	0.00	0.00	0.00	1,543.23
Prepaid Expenses	12,735.35	0.00	0.00	0.00	0.00	12,735.35
Earmarked Donations (Contra)	(4,325.63)	0.00	0.00	0.00	0.00	(4,325.63)
<i>Total Current Assets</i>	<i>106,158.58</i>	<i>37,493.32</i>	<i>9,898.51</i>	<i>47,512.79</i>	<i>0.00</i>	<i>201,063.20</i>
NON-CURRENT ASSETS						
Non-Equity Investments (At Book)	0.00	220,330.56	0.00	0.00	0.00	220,330.56
Equity Investments (At Market)	0.00	890,613.27	0.00	0.00	0.00	890,613.27
Mortgage Loans Outstanding	0.00	95,768.01	0.00	0.00	0.00	95,768.01
Depreciable Fixed Assets (Net)	253,098.22	0.00	0.00	0.00	0.00	253,098.22
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>253,098.22</i>	<i>1,206,711.84</i>	<i>0.00</i>	<i>0.00</i>	<i>5,482,999.28</i>	<i>6,942,809.34</i>
TOTAL ASSETS	359,256.80	1,244,205.16	9,898.51	47,512.79	5,482,999.28	7,143,872.54
LIABILITIES & EQUITY						
CURRENT LIABILITIES						
Taxes, Medicare, SS Payable	1,578.72	0.00	0.00	0.00	0.00	1,578.72
Other Current Liabilities	13,805.82	0.00	0.00	0.00	0.00	13,805.82
<i>Total Current Liabilities</i>	<i>15,384.54</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>15,384.54</i>
LONG-TERM LIABILITIES						
Accrued Staff Departure Fund	0.00	0.00	332.90	0.00	0.00	332.90
Auckland Zen Centre Fund	0.00	0.00	5.55	0.00	0.00	5.55
Abbot's Scholarship Fund	0.00	0.00	9,560.06	0.00	0.00	9,560.06
<i>Total Long-Term Liabilities</i>	<i>0.00</i>	<i>0.00</i>	<i>9,898.51</i>	<i>0.00</i>	<i>0.00</i>	<i>9,898.51</i>
EQUITY						
»»Year-to-Date Revenues	399,809.86	172,162.46	0.00	3,261.67	0.00	575,233.99
»»(Less Year-to-Date Expenses)	456,637.25	0.00	0.00	2,924.53	0.00	459,561.78
»YTD Revenues Less Expenses	(56,827.39)	172,162.46	0.00	337.14	0.00	115,672.21
»YTD Investment Draw (5% per annum)	54,794.83	(54,794.83)	0.00	0.00	0.00	0.00
Year-to-Date Net Surplus (Loss)	(2,032.56)	117,367.63	0.00	337.14	0.00	115,672.21
Extraordinary Income & Expenses	0.00	6,500.00	0.00	0.00	0.00	6,500.00
Capitalized from Building Fund	0.00	0.00	0.00	0.00	0.00	0.00
Interfund Transfers In (Out)	0.00	0.00	0.00	0.00	0.00	0.00
Previous Year-End Fund Balances	345,904.82	1,120,337.53	0.00	47,175.65	5,482,999.28	6,996,417.28
<i>Total Equity (Current Fund Balances)</i>	<i>343,872.26</i>	<i>1,244,205.16</i>	<i>0.00</i>	<i>47,512.79</i>	<i>5,482,999.28</i>	<i>7,118,589.49</i>
TOTAL LIABILITIES & EQUITY	359,256.80	1,244,205.16	9,898.51	47,512.79	5,482,999.28	7,143,872.54

ROCHESTER ZEN CENTER
Income and Expense Statement for the Quarter Ended December 31, 2013

Account	4Q2013 Actual	2013 Budget	% of Budget	4Q2012 Actual	
GENERAL OPERATING FUND - INCOME ACCOUNTS					
	Net Item Sales Income	\$821	\$1,000	82%	\$1,251
	Net Special Events Income	\$601	\$0		\$316
40143G	Royalty Income	\$7,323	\$6,500	113%	\$5,662
40150G	Zen Bow Income	\$377	\$800	47%	\$627
40151G	Membership Contributions	\$182,649	\$176,000	104%	\$180,040
4C151G	CM Operating Donations	\$38,800	\$45,000	86%	\$39,141
40152G	Workshop Income	\$13,213	\$15,000	88%	\$16,145
40153G	Training Program Income	\$5,280	\$5,000	106%	\$4,605
4C153G	CM Training Program Income	\$0	\$500	0%	\$300
40159G	Buddha Hall Rental Income	\$13,544	\$13,500	100%	\$12,941
4C159G	Net CM Rental Income	\$58,507	\$48,000	122%	\$49,269
40160/2G	Misc. Income & Contributions	\$12,448	\$12,500	100%	\$12,930
4C160G	CM Miscellaneous Income	\$800	\$0		\$100
40161G	Sesshin Income	\$65,447	\$63,000	104%	\$63,715
	Total Operating Revenue	\$399,810	\$386,800	103%	\$387,041
GENERAL OPERATING FUND - EXPENSE ACCOUNTS					
60170G	Charity Expenses	\$719	\$500	144%	\$0
60171G	Zen Bow Expenses	\$6,368	\$6,000	106%	\$4,452
60172G	Teaching Expenses	\$4,059	\$3,000	135%	\$2,071
6C172G	CM Teaching Expenses	\$137	\$200	68%	\$153
60175G	Medical & Health Insurance	\$78,102	\$84,100	93%	\$66,426
6C175G	CM Medical & Health Insurance	\$13,153	\$13,700	96%	\$13,725
60176G	Staff Salary Expense	\$63,210	\$65,700	96%	\$55,481
6C176G	CM Staff Salary Expense	\$12,732	\$9,900	129%	\$9,931
60177G	Kitchen Expenses	\$43,424	\$38,500	113%	\$38,401
6C177G	CM Kitchen Expenses	\$8,754	\$7,100	123%	\$5,906
60178G	Housekeeping Expenses	\$4,896	\$6,500	75%	\$6,853
6C178G	CM Housekeeping Expenses	\$1,372	\$3,000	46%	\$2,585
60179G	To Staff Departure Fund	\$21,629	\$21,700	100%	\$17,081
6C179G	CM Staff Departure Fund	\$5,324	\$5,400	99%	\$3,549
60180G	Misc Administrative Expenses	\$1,471	\$2,000	74%	\$1,206
6C180G	CM Misc Administrative Expense	\$155	\$100	155%	\$0
60181G	Office Expenses	\$3,012	\$7,000	43%	\$5,638
6C181G	CM Office Expenses	\$14	\$500	3%	\$371
60182G	Telecommunications Expenses	\$6,733	\$5,300	127%	\$5,233
6C182G	CM Telecommunications Expenses	\$3,479	\$3,600	97%	\$3,731
60183G	Gas & Electricity Expenses	\$8,901	\$7,000	127%	\$6,414
6C183G	CM Utility Expenses	\$13,621	\$14,000	97%	\$12,207
60184G	Repair & Maintenance Expenses	\$21,294	\$25,000	85%	\$27,527
6C184G	CM Rep & Maintenance Expenses	\$18,386	\$17,000	108%	\$16,969
60186G	Insurance Expenses	\$28,387	\$31,500	90%	\$31,112
6C186G	CM Insurance Expenses	\$16,405	\$18,400	89%	\$17,873
60187G	Fundraising & Advertising Exp.	\$1,589	\$2,000	79%	\$1,400
6C187G	CM Fundraising & Adv Expenses	\$0	\$0		\$0
60188G	Garden & Grounds Expenses	\$2,586	\$2,700	96%	\$2,941
6C188G	CM Garden & Grounds Expenses	\$5,675	\$6,500	87%	\$6,298
60189G	Library Expenses	\$142	\$400	35%	\$0
60190G	Automobile Expenses	\$16,004	\$14,000	114%	\$14,152
6C190G	CM Automobile Expenses	\$2,956	\$3,000	99%	\$2,351
60191G	Taxes & Municipal Fees	\$6,649	\$6,600	101%	\$6,645
6C191G	CM Tax & User Fee Expenses	\$4,946	\$4,400	112%	\$4,296
60192G	Computer Expenses	\$2,512	\$2,500	100%	\$2,697

ROCHESTER ZEN CENTER
Income and Expense Statement for the Quarter Ended December 31, 2013

Account	4Q2013 Actual	2013 Budget	% of Budget	4Q2012 Actual
6C192G CM Computer Expenses	\$446	\$500	89%	\$338
60300G Bad Debt Expense	\$385	\$0		\$163
60389G Depreciation Expense	\$19,190	\$16,400	117%	\$17,008
6C389G CM Depreciation Expense	\$7,820	\$8,500	92%	\$9,183
60500G Contingency (Budget Use Only)		\$0		
Total Operating Expenses	\$456,637	\$464,200	98%	\$422,366
Operating Revenue Less Expenses	(\$56,827)	(\$77,400)		(\$35,326)
40168G Operating Draw from Investments	\$54,795	\$56,400	97%	\$51,861
Total Net Operating Surplus (Loss)	(\$2,033)	(\$21,000)		\$16,536
Extraordinary Income & Expenses	\$0			\$0
CAPITAL EXPENDITURES				
15000G Furniture and Fixtures	\$938			\$61,746
15100G Equipment and Computers	\$746			\$5,209
15200G Motor Vehicles	\$3,684			\$0
Non-CM Capital Expenditures	\$5,369	\$13,235	41%	\$66,955
1C500G CM Capital Expenditures	\$6,963	\$10,000	70%	\$32,831
Total Capital Expenditures	\$12,332	\$23,235	53%	\$99,786
INVESTMENT FUND				
40167I ML Equity YTD Gain (Loss)	\$164,376			\$112,076
40168I Interest Income (IF)	\$7,772			\$13,941
40170I Other Income (IF)	\$14			\$87
40181I W&R YTD Gain (Loss)	\$0			\$73
Gross Investment Income	\$172,162			\$126,178
60168I Operating Draw from Investments	(\$54,795)			(\$51,861)
Investment Income Less Draw	\$117,368			\$74,317
40155I Legacies & Special Donations	\$6,500			\$10,000
Total Net Investment Fund Gain (Loss)	\$123,868			\$84,317

ROCHESTER ZEN CENTER
Past-Year Comparison – December 31, 2013

	31-Dec-13	Average 2008-2012	31-Dec-12	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	
GENERAL OPERATING FUND – INCOME								
	Net Item Sales Income	821	1,441	1,251	2,035	878	1,401	1,640
	Net Special Events Income	601	(26)	316	(5,551)	(7,148)	3,288	8,965
40143G	Royalty Income	7,323	6,856	5,662	7,189	8,348	6,715	6,365
40150G	Zen Bow Income	377	671	627	277	835	603	1,013
40151G	Membership Contributions	182,649	178,883	180,040	176,032	171,554	181,969	184,819
4C151G	CM Operating Donations	38,800	42,565	39,141	40,514	43,835	43,318	46,016
40152G	Workshop Income	13,213	14,214	16,145	16,150	14,590	10,647	13,539
40153G	Training Program Income	5,280	3,733	4,605	3,825	3,690	3,360	3,184
4C153G	CM Training Program Income	0	119	300	15	15	70	193
40159G	Buddha Hall Rental Income	13,544	12,650	12,941	12,912	12,681	12,420	12,297
	Net CM Rental Income	58,507	34,486	49,269	40,490	42,290	25,355	15,024
40160/2G	Misc. Income & Contributions	12,448	13,199	12,930	13,745	13,904	12,868	12,547
4C160G	CM Miscellaneous Income	800	20	100	0	0	0	0
40161G	Sesshin Income	65,447	58,760	63,715	63,659	59,049	48,685	58,693
	Total YTD Operating Income	399,810	367,569	387,041	371,293	364,520	350,698	364,294
GENERAL OPERATING FUND – EXPENSES								
60170G	Charity Expenses	719	528	0	442	1,321	500	379
60171G	Zen Bow Expenses	6,368	6,146	4,452	9,561	3,939	6,314	6,462
60172G	Teaching Expenses	4,059	6,077	2,071	1,924	11,768	9,617	5,004
6C172G	CM Teaching Expenses	137	178	153	292	80	31	332
60175G	Medical & Health Insurance	78,102	61,154	66,426	52,654	53,878	69,021	63,791
6C175G	CM Medical & Health Insurance	13,153	13,895	13,725	13,189	11,323	13,219	18,018
60176G	Staff Salary Expense	63,210	54,257	55,481	51,688	52,896	56,209	55,014
6C176G	CM Staff Salary Expense	12,732	9,730	9,931	9,388	9,007	8,308	12,016
60177G	Kitchen Expenses	43,424	33,414	38,401	33,349	31,125	31,820	32,375
6C177G	CM Kitchen Expenses	8,754	6,167	5,906	6,705	5,611	5,831	6,782
60178G	Housekeeping Expenses	4,896	5,922	6,853	3,605	5,639	6,934	6,579
6C178G	CM Housekeeping Expenses	1,372	2,030	2,585	1,936	2,004	2,175	1,450
60179G	To Staff Departure Fund	21,629	15,181	17,081	13,070	12,866	14,634	18,255
6C179G	CM Staff Departure Fund	5,324	3,483	3,549	4,548	3,993	2,884	2,440
60180G	Misc Administrative Expenses	1,471	1,775	1,206	1,212	3,366	1,726	1,368
6C180G	CM Misc Administrative Expense	155	85	0	100	100	100	124
60181G	Office Expenses	3,012	5,779	5,638	5,447	4,929	6,132	6,746
6C181G	CM Office Expenses	14	334	371	238	387	168	505
60182G	Telecommunications Expenses	6,733	4,947	5,233	4,786	4,946	4,889	4,883
6C182G	CM Telecommunications Expenses	3,479	3,742	3,731	3,842	3,462	4,246	3,431
60183G	Gas & Electricity Expenses	8,901	11,030	6,414	10,460	11,627	10,875	15,774
6C183G	CM Utility Expenses	13,621	18,997	12,207	16,641	18,993	20,945	26,201
60184G	Repair & Maintenance Expenses	21,294	21,415	27,527	24,482	26,712	12,142	16,213
6C184G	CM Rep & Maintenance Expenses	18,386	14,124	16,969	16,919	9,097	15,060	12,575
60185G	Kapleau-roshi Expenses	0	0	0	0	0	0	0
60186G	Insurance Expenses	28,387	29,449	31,112	32,743	26,322	26,776	30,292
6C186G	CM Insurance Expenses	16,405	17,405	17,873	21,456	14,988	15,009	17,701
60187G	Fundraising & Advertising Exp.	1,589	660	1,400	1,060	225	425	188
6C187G	CM Fundraising & Adv Expenses	0	25	0	0	90	0	33
60188G	Garden & Grounds Expenses	2,586	3,288	2,941	7,256	2,610	1,615	2,018
6C188G	CM Garden & Grounds Expenses	5,675	4,215	6,298	2,851	5,409	2,405	4,114
60189G	Library Expenses	142	103	0	0	256	(20)	278
60190G	Automobile Expenses	16,004	16,538	14,152	13,921	19,584	14,008	21,028
6C190G	CM Automobile Expenses	2,956	3,282	2,351	2,492	3,626	3,340	4,603
60191G	Taxes & Municipal Fees	6,649	6,672	6,645	6,690	6,620	6,711	6,694
6C191G	CM Tax & User Fee Expenses	4,946	3,294	4,296	4,137	2,871	2,934	2,234
60192G	Computer Expenses	2,512	1,850	2,697	944	1,861	2,083	1,663
6C192G	CM Computer Expenses	446	269	338	89	200	345	371
60300G	Bad Debt Expense	385	33	163	0	0	0	0
60389G	Depreciation Expense	19,190	14,207	17,008	13,996	13,018	13,122	13,890
6C389G	CM Depreciation Expense	7,820	9,058	9,183	8,111	7,784	10,166	10,047
	Total YTD Operating Expenses	456,637	410,737	422,366	402,225	394,531	402,696	431,868
	YTD Operating Income Less Expenses	(56,827)	(43,168)	(35,326)	(30,932)	(30,011)	(51,998)	(67,574)
40168G	Operating Draw from Investments	54,795	46,401	51,861	50,347	46,336	41,801	41,662
	Total Net Operating Surplus (Loss)	(2,033)	3,233	16,536	19,415	16,324	(10,197)	(25,912)
	Extraordinary Income & Expenses	0	1,450	0	10,000	0	0	(2,748)

ROCHESTER ZEN CENTER
Past-Year Comparison – December 31, 2013

	31-Dec-13	Average 2008-2012	31-Dec-12	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08
CAPITAL EXPENDITURES							
15000G Furniture and Fixtures	938	27,015	61,746	4,111	49,575	1,064	18,577
15100G Equipment and Computers	746	6,015	5,209	9,589	1,068	2,065	12,145
15200G Motor Vehicles	3,684	768	0	0	3,838	0	0
1C500G CM Capital Expenditures	6,963	10,918	32,831	7,436	6,178	4,551	3,597
Total YTD Capital Expenditures	12,332	44,716	99,786	21,136	60,659	7,680	34,320
INVESTMENT FUND							
40167I ML Equity YTD Gain (Loss)	164,376	13,403	112,076	2,726	77,784	143,138	(268,709)
40168I Interest Income (IF)	7,772		13,941	14,369	16,582	14,942	
40170I Other Income (IF)	14		87	46	77	0	
40181I W&R YTD Gain (Loss)	0		73	18	252	202	
Gross YTD Investment Fund Income	172,162		126,178	17,160	94,694	158,282	
60168I Operating Draw from Investments	(54,795)	(46,401)	(51,861)	(50,347)	(46,336)	(41,801)	(41,662)
Net Investment Fund Gain (Loss)	117,368		74,317	(33,187)	48,359	116,481	
40155I Legacies and Special Donations	6,500	14,213	10,000	0	46,113	14,950	0
Total YTD Investment Fund Change	123,868		84,317	(33,187)	94,472	131,431	

ROCHESTER ZEN CENTER INVESTMENT FUND – December 31, 2013

<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>
	Equity Investments*	<i>At Market</i>						
14052I	Merrill Lynch Equities Account	\$890,613		\$890,613	\$367,231	\$523,383		
	IF Equities	\$890,613	72%	\$890,613	\$367,231	\$523,383		
	Cash & Money Market						<i>Current Int Rate</i>	
10006I	IF Share of Money Market Funds & Cash	\$37,493		\$37,493	\$37,493		0.10%	\$37
	IF Cash & Money Market	\$37,493	3%	\$37,493	\$37,493		0.10%	\$37
	Fixed-Income Investments	<i>Cost Basis</i>					<i>Crrnt Rtrn on Basis</i>	
13200I	Merrill Lynch Fixed-Income Account	\$220,331		\$228,680	\$220,331	\$8,349	4.16%	\$9,166
	Total Fixed-Income Investments	\$220,331	18%	\$228,680	\$220,331	\$8,349	4.16%	\$9,166
	Loans	<i>Outstanding</i>			<i>Original</i>		<i>Loan Rate</i>	
14100I	Zengården Mtg Loan (variable %) 3/31/25	\$82,943			\$135,637		2.92%	\$2,353
14106I	Mdsn ZC Mtg Loan 5.08% 7/31/18	\$12,825			\$35,739		5.08%	\$593
	Total Loans	\$95,768	8%		\$171,376			\$2,946
	Investment Fund Total	\$1,244,205	100%					\$12,149

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

Cumulative Building Fund Phase II Income and Expenses
as of 12/31/2013

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total as of 31-Dec-13
BUILDING FUND PHASE II INCOME														
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	\$200	\$1,504,521
Post-2005 Phase I donations						\$21,738	\$275	\$2,375				\$120	\$600	\$25,108
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
TOTAL PHASE II INCOME	\$100,000	\$19,419	\$4,831	\$18,460	\$212,511	\$490,171	\$127,092	\$286,027	\$179,587	\$43,298	\$4,608	\$4,750	\$800	\$1,491,553
RETREAT CENTER PHASE II BUILDING EXPENSES														
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
TOTAL RC PHASE II CAPITAL EXPENSES	\$0	\$13,520	\$13,994	\$34,722	\$8,208	\$776,025	\$761,123	\$123,920	\$23,474	\$9,685	\$9,700	\$0	\$0	\$1,774,372
OTHER BUILDING FUND PHASE II EXPENSES														
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
TOTAL OTHER PHASE II EXPENSES	\$0	\$0	\$0	\$0	\$2,248	\$9,688	\$16,923	\$25,970	\$3,897	\$1,204	\$0	\$539	\$0	\$60,468
TOTAL PHASE II EXPENSE	\$0	\$13,520	\$13,994	\$34,722	\$10,456	\$785,713	\$778,045	\$149,890	\$27,372	\$10,889	\$9,700	\$539	\$0	\$1,834,840
BUILDING FUND PHASE II SURPLUS (DEFECIT)	\$100,000	\$105,899	\$96,735	\$80,473	\$282,528	(\$13,014)	(\$663,967)	(\$527,829)	(\$375,614)	(\$343,206)	(\$348,298)	(\$344,087)	(\$343,287)	(\$343,287)
(Budget = \$1.69M + \$151,372 special donations & pledges= \$1,841,372)														
12/31/05 transfer from Endowment Fund in excess of final Phase I deficit														
12/31/08 projected final Phase II deficit transferred from Endowment Fund														
Total budget	\$1,841,372													\$31,007
(Less total expense to date)	\$1,834,840													\$320,655
Current remaining Phase II budget	\$6,532													\$8,375
Phase II Pledges outstanding (less likely defaults)														
YTD net income (expense)	\$800													\$1,955
Phase II current balance + outstanding pledges														
														\$10,331
Current remaining Phase II budget														
														\$6,532
Projected final Phase II balance														
														\$3,798

Cumulative Building Fund Phase III Income and Expenses
as of 12/31/2013

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

	2006	2007	2008	2009	2010	2011	2012	2013	Total as of 31-Dec-13
BUILDING FUND PHASE III INCOME									
Phase III donations	\$25,000			\$400,000	\$138,921	\$9,569	\$38,340	\$2,462	\$614,291
2006 donation transferred to 7AP accessibility project				(\$18,200)					(\$18,200)
TOTAL PHASE III INCOME	\$25,000	\$0	\$0	\$381,800	\$138,921	\$9,569	\$38,340	\$2,462	\$596,091
RETREAT CENTER PHASE III BUILDING EXPENSES									
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
TOTAL RC PHASE III CAPITAL EXPENSES	\$0	\$0	\$0	\$0	\$398,627	\$119,404	\$14,390	\$0	\$532,421
OTHER BUILDING FUND PHASE III EXPENSES									
Non-capital expenses									\$0
Furniture, fixtures & equipment					\$813	\$19,788	\$1,007	\$2,925	\$24,533
Buddhist art & implements									\$0
Fundraising & advertising									\$0
TOTAL OTHER PHASE III EXPENSES	\$0	\$0	\$0	\$0	\$813	\$19,788	\$1,007	\$2,925	\$24,533
TOTAL PHASE III EXPENSE	\$0	\$0	\$0	\$0	\$399,440	\$139,192	\$15,397	\$2,925	\$556,954
BUILDING FUND PHASE III CURRENT BALANCE	\$25,000	\$25,000	\$25,000	\$406,800	\$146,281	\$16,657	\$39,600	\$39,138	\$39,138
Phase III Budget = Total Income + Pledges Outstanding				\$597,091					\$39,138
(Less total Phase III expense to date)				\$556,954					\$1,000
Current remaining Phase III budget				\$40,138					\$40,138
YTD net Phase III income (expense)				(\$463)					\$47,513
									Building Fund Phase II + Phase III Total Current Balance

Peter (Bodhin) Kjolhede
President, Rochester Zen Center

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

On the day of May in the year 2014, 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.

Colleen O'Brien
Treasurer, Rochester Zen Center

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

On the day of May in the year 2014, before me personally came Colleen O'Brien, to me known, who, being by me duly sworn, did depose and say that she resides at 115 Edgerton Street, Rochester, NY 14607; that she is the Treasurer of the Rochester Zen Center, the corporation described in and which executed the above instrument; that she 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 she signed her name thereto by like order.

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



ROCHESTER ZEN CENTER
A BUDDHIST COMMUNITY

Financial Report

First Quarter 2014

ROCHESTER ZEN CENTER
SUMMARY OF FIRST QUARTER 2014 FINANCIAL RESULTS

	First Quarter 2014		First Quarter 2013	
	As of March 31, 2014	3/31/14 as % of 2014 Budget	As of March 31, 2013	3/31/13 as % of 2013 Budget
Year-to-Date Operating Revenue	\$82,996	21%	\$78,733	20%
Year-to Date Operating Expenses	<u>\$111,636</u>	24%	<u>\$121,862</u>	26%
YTD Revenue Less Expenses	(\$28,640)		(\$43,128)	
YTD Operating Draw from Investments (5%)	<u>\$14,096</u>		<u>\$13,416</u>	
YTD Net Operating Surplus (Loss)	(\$14,544)		(\$29,712)	
Membership Contributions	\$46,445	25%	\$42,565	24%
<hr/>				
YTD Investment Gain (Loss)	\$6,486		\$37,906	
YTD Operating Draw from Investments (5%)	<u>(\$14,096)</u>		<u>(\$13,416)</u>	
YTD Net Investment Gain (Loss)	(\$7,610)		\$24,490	
YTD Legacies and Special Donations	<u>\$0</u>		<u>\$0</u>	
YTD Total Investment Fund Change	(\$7,610)		\$24,490	

	Operating Fund	Investment Fund	Held for Others	Realty and Art (Carried at Cost)	Total
ASSETS					
CURRENT ASSETS					
Cash & Money Market	121,874.21	26,379.07	13,343.09	0.00	161,596.37
Inventories	6,086.40	0.00	0.00	0.00	6,086.40
Accounts Receivable	739.51	0.00	0.00	0.00	739.51
Prepaid Expenses	7,655.47	0.00	0.00	0.00	7,655.47
Earmarked Donations (Contra)	(4,370.75)	0.00	0.00	0.00	(4,370.75)
Earmarked Bldg Fund (Contra)	(47,746.93)	0.00	0.00	0.00	(47,746.93)
<i>Total Current Assets</i>	<i>84,237.91</i>	<i>26,379.07</i>	<i>13,343.09</i>	<i>0.00</i>	<i>123,960.07</i>
NON-CURRENT ASSETS					
Non-Equity Investments (At Book)	0.00	221,206.31	0.00	0.00	221,206.31
Equity Investments (At Market)	0.00	895,430.53	0.00	0.00	895,430.53
Mortgage Loans Outstanding	0.00	93,579.08	0.00	0.00	93,579.08
Depreciable Fixed Assets (Net)	248,457.20	0.00	0.00	0.00	248,457.20
Buildings & Land (At Cost)	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	116,837.01	116,837.01
<i>Total Non-Current Assets</i>	<i>248,457.20</i>	<i>1,210,215.92</i>	<i>0.00</i>	<i>5,482,999.28</i>	<i>6,941,672.40</i>
TOTAL ASSETS	332,695.11	1,236,594.99	13,343.09	5,482,999.28	7,065,632.47
LIABILITIES & EQUITY					
CURRENT LIABILITIES					
Taxes, Medicare, SS Payable	1,801.88	0.00	0.00	0.00	1,801.88
Other Current Liabilities	1,565.00	0.00	0.00	0.00	1,565.00
<i>Total Current Liabilities</i>	<i>3,366.88</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>3,366.88</i>
LONG-TERM LIABILITIES					
Auckland Zen Centre Fund	0.00	0.00	2,255.57	0.00	2,255.57
Abbot's Scholarship Fund	0.00	0.00	11,087.52	0.00	11,087.52
<i>Total Long-Term Liabilities</i>	<i>0.00</i>	<i>0.00</i>	<i>13,343.09</i>	<i>0.00</i>	<i>13,343.09</i>
EQUITY					
»» Year-to-Date Revenues	82,995.65	6,485.74	0.00	0.00	89,481.39
»»(Less Year-to-Date Expenses)	111,635.59	0.00	0.00	0.00	111,635.59
»YTD Revenues Less Expenses	(28,639.94)	6,485.74	0.00	0.00	(22,154.20)
»YTD Investment Draw (5% per annum)	14,095.91	(14,095.91)	0.00	0.00	0.00
Year-to-Date Net Surplus (Loss)	(14,544.03)	(7,610.17)	0.00	0.00	(22,154.20)
Extraordinary Income & Expenses	0.00	0.00	0.00	0.00	0.00
Interfund Transfers In (Out)	0.00	0.00	0.00	0.00	0.00
Previous Year-End Fund Balances	343,872.26	1,244,205.16	0.00	5,482,999.28	7,071,076.70
<i>Total Equity (Current Fund Balances)</i>	<i>329,328.23</i>	<i>1,236,594.99</i>	<i>0.00</i>	<i>5,482,999.28</i>	<i>7,048,922.50</i>
TOTAL LIABILITIES & EQUITY	332,695.11	1,236,594.99	13,343.09	5,482,999.28	7,065,632.47

ROCHESTER ZEN CENTER
Income and Expense Statement for the Quarter Ended March 31, 2014

Account	1Q2014 Actual	2014 Budget	% of Budget	1Q2013 Actual	
GENERAL OPERATING FUND - INCOME ACCOUNTS					
	Net Item Sales Income	\$221	\$1,000	22%	\$159
	Net Special Events Income	\$0	\$0		\$0
40143G	Royalty Income	\$0	\$6,500	0%	\$0
40150G	Zen Bow Income	\$40	\$800	5%	\$177
40151G	Membership Contributions	\$46,445	\$183,000	25%	\$42,565
4C151G	CM Operating Donations	\$65	\$45,000	0%	\$50
40152G	Workshop Income	\$3,640	\$15,000	24%	\$4,395
40153G	Training Program Income	\$1,713	\$5,000	34%	\$1,304
4C153G	CM Training Program Income	\$0	\$500	0%	\$0
40159G	Buddha Hall Rental Income	\$3,396	\$13,500	25%	\$3,336
4C159G	Net CM Rental Income	\$12,273	\$50,000	25%	\$8,332
40160/2G	Misc. Income & Contributions	\$2,674	\$12,500	21%	\$3,011
4C160G	CM Miscellaneous Income	\$0	\$0		\$0
40161G	Sesshin Income	\$12,530	\$63,000	20%	\$15,404
	Total Operating Revenue	\$82,996	\$395,800	21%	\$78,733
GENERAL OPERATING FUND - EXPENSE ACCOUNTS					
60170G	Charity Expenses	\$0	\$500	0%	\$0
60171G	Zen Bow Expenses	\$2,231	\$6,000	37%	\$1,825
60172G	Teaching Expenses	\$956	\$5,600	17%	\$435
6C172G	CM Teaching Expenses	\$0	\$200	0%	\$0
60175G	Medical & Health Insurance	\$17,280	\$71,100	24%	\$24,896
6C175G	CM Medical & Health Insurance	\$4,741	\$22,900	21%	\$2,562
60176G	Staff Salary Expense	\$14,425	\$60,100	24%	\$15,357
6C176G	CM Staff Salary Expense	\$3,379	\$15,000	23%	\$2,360
60177G	Kitchen Expenses	\$11,806	\$40,000	30%	\$12,721
6C177G	CM Kitchen Expenses	\$1,830	\$10,000	18%	\$2,355
60178G	Housekeeping Expenses	\$840	\$6,500	13%	\$1,135
6C178G	CM Housekeeping Expenses	\$492	\$3,000	16%	\$510
60179G	To Staff Departure Fund	\$4,880	\$19,300	25%	\$6,655
6C179G	CM Staff Departure Fund	\$1,331	\$5,400	25%	\$0
60180G	Misc Administrative Expenses	\$179	\$2,000	9%	\$55
6C180G	CM Misc Administrative Expense	\$0	\$100	0%	\$55
60181G	Office Expenses	\$1,924	\$5,500	35%	\$1,169
6C181G	CM Office Expenses	\$30	\$500	6%	\$14
60182G	Telecommunications Expenses	\$1,220	\$5,300	23%	\$1,988
6C182G	CM Telecommunications Expenses	\$1,411	\$3,600	39%	\$755
60183G	Gas & Electricity Expenses	\$5,167	\$8,500	61%	\$3,947
6C183G	CM Utility Expenses	\$5,811	\$14,000	42%	\$4,346
60184G	Repair & Maintenance Expenses	\$2,135	\$22,000	10%	\$3,418
6C184G	CM Rep & Maintenance Expenses	\$1,641	\$17,000	10%	\$4,813
60186G	Insurance Expenses	\$8,039	\$32,200	25%	\$7,725
6C186G	CM Insurance Expenses	\$4,727	\$19,000	25%	\$4,527
60187G	Fundraising & Advertising Exp.	\$230	\$2,000	12%	\$434
6C187G	CM Fundraising & Adv Expenses	\$0	\$0		\$0
60188G	Garden & Grounds Expenses	\$852	\$2,700	32%	\$0
6C188G	CM Garden & Grounds Expenses	\$0	\$6,000	0%	\$406
60189G	Library Expenses	\$0	\$300	0%	\$40
60190G	Automobile Expenses	\$937	\$10,000	9%	\$4,243
6C190G	CM Automobile Expenses	\$901	\$5,000	18%	\$367
60191G	Taxes & Municipal Fees	\$2,659	\$6,800	39%	\$2,640
6C191G	CM Tax & User Fee Expenses	\$1,756	\$4,000	44%	\$1,696
60192G	Computer Expenses	\$1,003	\$3,000	33%	\$1,125

ROCHESTER ZEN CENTER
Income and Expense Statement for the Quarter Ended March 31, 2014

Account	1Q2014 Actual	2014 Budget	% of Budget	1Q2013 Actual	
6C192G	CM Computer Expenses	\$0		\$396	
60300G	Bad Debt Expense	\$0		\$0	
60389G	Depreciation Expense	\$4,891	25%	\$4,889	
6C389G	CM Depreciation Expense	\$1,931	25%	\$2,000	
60500G	Contingency (Budget Use Only)			\$5,000	
	Total Operating Expenses	\$111,636	\$468,000	24%	\$121,862
	Operating Revenue Less Expenses	(\$28,640)	(\$72,200)		(\$43,128)
40168G	Operating Draw from Investments	\$14,096	\$56,400	25%	\$13,416
	Total Net Operating Surplus (Loss)	(\$14,544)	(\$15,800)		(\$29,712)
	Extraordinary Income & Expenses	\$0			\$0
	CAPITAL EXPENDITURES				
15000G	Furniture and Fixtures	\$0			
15100G	Equipment and Computers	\$953			
15200G	Motor Vehicles	\$0			
	Non-CM Capital Expenditures	\$953	\$5,000	19%	\$0
1C500G	CM Capital Expenditures	\$1,229	\$5,000	25%	
	Total Capital Expenditures	\$2,182	\$10,000	22%	\$0
	INVESTMENT FUND				
40167I	ML Equity YTD Gain (Loss)	\$4,817			\$36,233
40168I	Interest Income (IF)	\$1,668			\$1,659
40170I	Other Income (IF)	\$0			\$14
40181I	W&R YTD Gain (Loss)	\$0			\$0
	Gross Investment Income	\$6,486			\$37,906
60168I	Operating Draw from Investments	(\$14,096)			(\$13,416)
	Investment Income Less Draw	(\$7,610)			\$24,490
40155I	Legacies & Special Donations	\$0			\$0
	Total Net Investment Fund Gain (Loss)	(\$7,610)			\$24,490

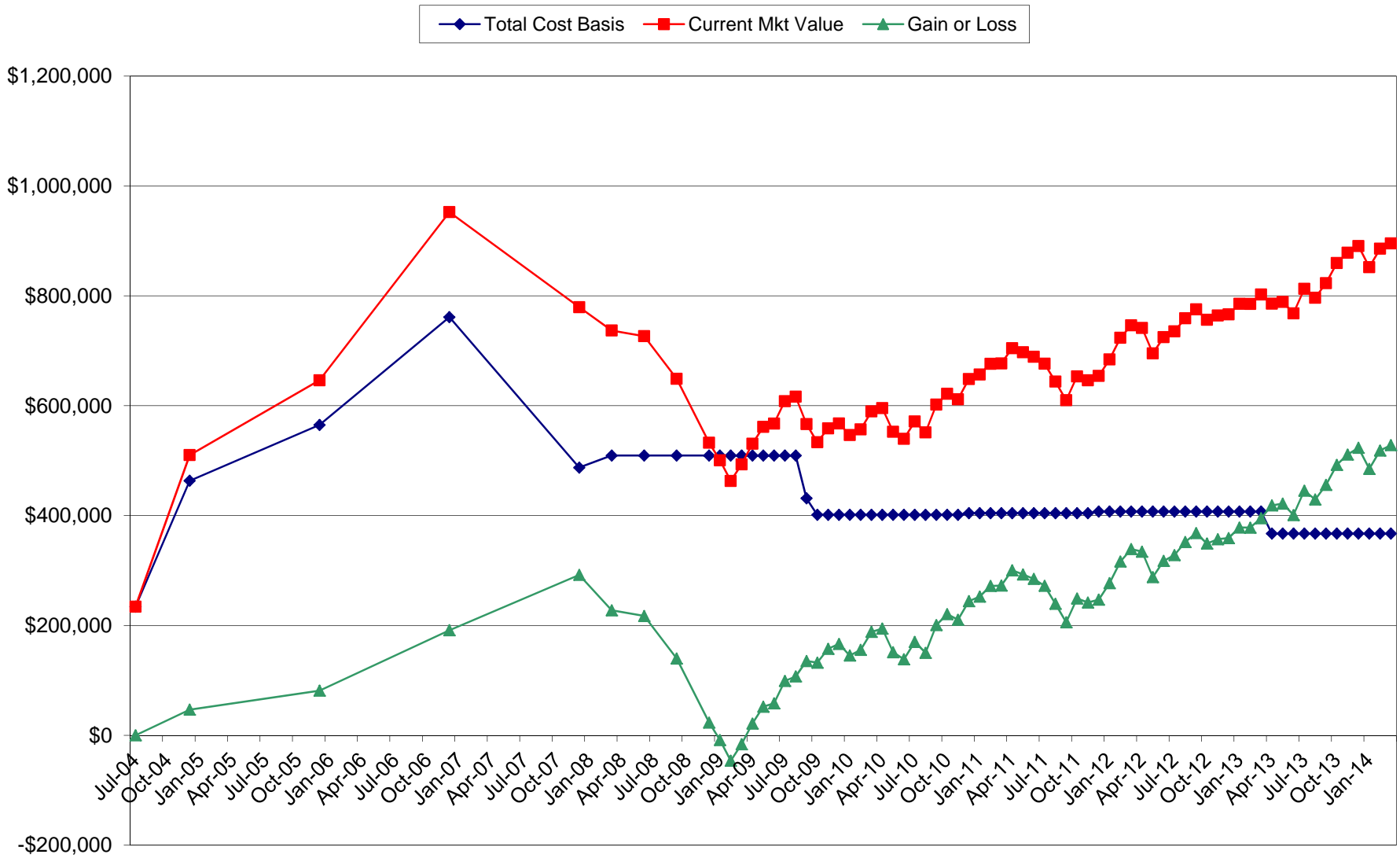
ROCHESTER ZEN CENTER
Past-Year Comparison – March 31, 2014

	31-Mar-14	Average 2009-2013	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	
GENERAL OPERATING FUND – INCOME								
	Net Item Sales Income	221	349	159	421	377	424	366
	Net Special Events Income	0	(816)	0	231	0	(4,311)	0
40143G	Royalty Income	0	189	0	0	0	944	0
40150G	Zen Bow Income	40	220	177	392	60	180	290
40151G	Membership Contributions	46,445	41,538	42,565	42,619	41,402	34,656	46,447
4C151G	CM Operating Donations	65	65	50	25	49	31	170
40152G	Workshop Income	3,640	4,161	4,395	5,149	5,000	3,870	2,390
40153G	Training Program Income	1,713	1,189	1,304	1,220	1,775	1,128	520
4C153G	CM Training Program Income	0	14	0	0	0	0	70
40159G	Buddha Hall Rental Income	3,396	3,196	3,336	3,240	3,192	3,105	3,105
	Net CM Rental Income	12,273	3,613	8,332	798	956	5,971	2,009
40160/2G	Misc. Income & Contributions	2,674	2,748	3,011	3,511	2,009	2,418	2,792
4C160G	CM Miscellaneous Income	0	0	0	0	0	0	0
40161G	Sesshin Income	12,530	13,286	15,404	12,379	14,380	12,312	11,954
	Total YTD Operating Income	82,996	69,836	78,733	69,985	69,620	60,728	70,113
GENERAL OPERATING FUND – EXPENSES								
60170G	Charity Expenses	0	148	0	0	0	740	0
60171G	Zen Bow Expenses	2,231	2,113	1,825	1,429	3,308	1,605	2,398
60172G	Teaching Expenses	956	2,582	435	2,800	139	8,192	1,346
6C172G	CM Teaching Expenses	0	31	0	153	0	0	0
60175G	Medical & Health Insurance	17,280	16,154	24,896	12,388	15,557	11,122	16,805
6C175G	CM Medical & Health Insurance	4,741	2,729	2,562	3,480	2,199	2,289	3,115
60176G	Staff Salary Expense	14,425	13,433	15,357	11,902	13,340	12,829	13,739
6C176G	CM Staff Salary Expense	3,379	2,136	2,360	2,360	2,127	2,127	1,708
60177G	Kitchen Expenses	11,806	9,162	12,721	10,668	7,367	7,589	7,464
6C177G	CM Kitchen Expenses	1,830	1,754	2,355	1,592	2,248	1,335	1,239
60178G	Housekeeping Expenses	840	1,473	1,135	1,984	893	1,435	1,920
6C178G	CM Housekeeping Expenses	492	500	510	555	341	364	728
60179G	To Staff Departure Fund	4,880	4,370	6,655	2,995	4,104	4,104	3,993
6C179G	CM Staff Departure Fund	1,331	466	0	1,331	665	0	333
60180G	Misc Administrative Expenses	179	200	55	332	245	235	132
6C180G	CM Misc Administrative Expense	0	11	55	0	0	0	0
60181G	Office Expenses	1,924	1,730	1,169	2,069	1,946	1,935	1,530
6C181G	CM Office Expenses	30	77	14	137	30	157	45
60182G	Telecommunications Expenses	1,220	1,363	2,068	1,184	1,220	1,181	1,163
6C182G	CM Telecommunications Expenses	1,411	922	755	925	929	775	1,224
60183G	Gas & Electricity Expenses	5,167	4,732	3,947	2,808	5,633	5,559	5,713
6C183G	CM Utility Expenses	5,811	5,889	4,346	3,656	5,793	6,788	8,861
60184G	Repair & Maintenance Expenses	2,135	5,577	3,418	3,769	12,554	4,977	3,165
6C184G	CM Rep & Maintenance Expenses	1,641	4,209	4,813	5,643	6,361	2,179	2,049
60186G	Insurance Expenses	8,039	7,451	7,725	8,649	7,847	6,681	6,353
6C186G	CM Insurance Expenses	4,727	4,229	4,527	5,133	3,903	3,792	3,792
60187G	Fundraising & Advertising Exp.	230	304	434	888	0	0	200
60188G	Garden & Grounds Expenses	852	294	0	267	944	230	27
6C188G	CM Garden & Grounds Expenses	0	461	406	234	132	1,276	257
60189G	Library Expenses	0	8	40	0	0	0	0
60190G	Automobile Expenses	937	5,330	4,243	7,516	3,875	8,256	2,761
6C190G	CM Automobile Expenses	901	599	367	666	654	904	403
60191G	Taxes & Municipal Fees	2,659	2,665	2,640	2,628	2,657	2,666	2,736
6C191G	CM Tax & User Fee Expenses	1,756	1,447	1,696	1,532	1,289	1,116	1,600
60192G	Computer Expenses	1,003	1,074	1,125	893	767	1,349	1,234
6C192G	CM Computer Expenses	0	148	396	0	0	0	345
60300G	Bad Debt Expense	0	0	0	0	0	0	0
60389G	Depreciation Expense	4,891	3,758	4,889	3,910	3,612	3,054	3,325
6C389G	CM Depreciation Expense	1,931	2,173	2,000	2,234	1,959	2,135	2,538
	Total YTD Operating Expenses	111,636	111,702	121,941	108,712	114,639	108,975	104,241
	YTD Operating Income Less Expenses	(28,640)	(41,866)	(43,208)	(38,727)	(45,019)	(48,247)	(34,128)
40168G	Operating Draw from Investments	14,096	11,990	13,416	12,726	12,422	11,413	9,972
	Total Net Operating Surplus (Loss)	(14,544)	(29,876)	(29,792)	(26,001)	(32,597)	(36,835)	(24,156)
	Extraordinary Income & Expenses	0	0	0	0	0	0	0

ROCHESTER ZEN CENTER
Past-Year Comparison – March 31, 2014

	31-Mar-14	Average 2009-2013	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
CAPITAL EXPENDITURES							
15000G Furniture and Fixtures	0	473	0	870	617	0	880
15100G Equipment and Computers	953	711	0	0	1,488	0	2,065
15200G Motor Vehicles	0	0	0	0	0	0	0
1C500G CM Capital Expenditures	1,229	3,148	0	13,697	0	2,041	0
Total YTD Capital Expenditures	2,182	4,332	0	14,567	2,106	2,041	2,945
INVESTMENT FUND							
40167I ML Equity YTD Gain (Loss)	4,817	27,823	36,233	92,051	28,320	21,890	(39,378)
40168I Interest Income (IF)	1,668		1,659	1,982	400	3,886	
40170I Other Income (IF)	0		14	58	0	0	
40181I W&R YTD Gain (Loss)	0		0	73	129	87	
Gross YTD Investment Fund Income	6,486		37,906	94,165	28,849	25,863	
60168I Operating Draw from Investments	(14,096)	(11,990)	(13,416)	(12,726)	(12,422)	(11,413)	(9,972)
Net Investment Fund Gain (Loss)	(7,610)		24,490	81,439	16,427	14,450	
40155I Legacies and Special Donations	0	0	0	0	0	0	0
Total YTD Investment Fund Change	(7,610)		24,490	81,439	16,427	14,450	

Merrill Lynch Equity Account



ROCHESTER ZEN CENTER INVESTMENT FUND – March 31, 2014

<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>
	Equity Investments*	<i>At Market</i>						
14052I	Merrill Lynch Equities Account	\$895,431		\$895,431	\$367,231	\$528,200		
	IF Equities	\$895,431	72%	\$895,431	\$367,231	\$528,200		
	Cash & Money Market						<i>Current Int Rate</i>	
10006I	IF Share of Money Market Funds & Cash	\$26,379		\$26,379	\$26,379		0.15%	\$40
	IF Cash & Money Market	\$26,379	2%	\$26,379	\$26,379		0.15%	\$40
	Fixed-Income Investments	<i>Cost Basis</i>					<i>Crrnt Rtrn on Basis</i>	
13200I	Merrill Lynch Fixed-Income Account	\$221,206		\$229,826	\$221,206	\$8,620	4.12%	\$9,124
	Total Fixed-Income Investments	\$221,206	18%	\$229,826	\$221,206	\$8,620	4.12%	\$9,124
	Loans	<i>Outstanding</i>			<i>Original</i>		<i>Loan Rate</i>	
14100I	Zengården Mtg Loan (variable %) 3/31/25	\$81,380			\$135,637		2.92%	\$2,307
14106I	Mdsn ZC Mtg Loan 5.08% 7/31/18	\$12,199			\$35,739		5.08%	\$560
	Total Loans	\$93,579	8%		\$171,376			\$2,867
	Investment Fund Total	\$1,236,595	100%					\$12,031

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

Rochester Zen Center – Investment Fund Asset Allocation and Cash Position as of March 31, 2014

<i>Investment Fund Asset Allocation</i>	As Stated on Balance Sheet		Adjusted for Uninvested Cash Held with Equities and Fixed-Income Investments	
Equity Investments	\$895,431	72%	\$864,745	70%
Fixed-Income Investments (Including Mortgage Loans)	\$314,785	25%	\$289,407	23%
Cash (Money Market)	\$26,379	2%	\$82,443	7%
Total	<u>\$1,236,595</u>	100%	<u>\$1,236,595</u>	100%

The available cash (money market) holdings of the Center's other funds:

General Operating Fund (Adjusted for Uncleared Checks)	\$121,874
Funds Held for Others	<u>\$13,343</u>
	\$135,217
Investment Fund Available Cash	\$82,443
Other Funds' Available Cash	+ <u>\$135,217</u>
<i>Total available cash (money market) held by Center as of 3/31/14:</i>	<u>\$217,660</u>

Abbot's Scholarship Fund
Summary for Fourth Quarter 2013 and First Quarter 2014

Beginning balance 10/1/13		\$7,133
Contributions to Fund	\$5,451	
Interest income	<u>\$23</u>	
Total fund income	\$5,474	\$5,474
Training fees		\$0
Sesshin fees	<u>\$1,520</u>	
Total fund disbursements	\$1,520	(\$1,520)
Ending balance 3/31/14		\$11,088

Auckland Zen Centre Fund
Summary for Fourth Quarter 2013 and First Quarter 2014

Beginning balance 10/1/13		\$3,305
Contributions to Fund	\$3,150	
Interest income	\$4	
Total fund income	<u>\$3,154</u>	\$3,154
Travel by Amala-sensei's assistant between USA and New Zealand	\$411	
Disbursement to Auckland Zen Centre toward purchase of building	\$3,660	
Chant books and rakusu rings	\$132	
Total fund disbursements	<u>\$4,203</u>	(\$4,203)
Ending balance 3/31/14		<u><u>\$2,256</u></u>

Appendix C Chapin Mill Rental Program Report

In 2014 we are renting to seven different groups with a total of 50 days scheduled. (Our target is 50 days annually, but we do try to accommodate new groups as a hedge against cancellations or loss of existing renters.)

The following groups have rented with us for four years, and plan to continue into 2015. However it is likely that the University of Rochester (U of R) will cut back to one group in 2015:

- *Satipanna Insight Meditation Toronto*, led by Jim Bedard and Randy Baker: four times a year for two 7-day retreats and two 4-day retreats. They pay a member rate of \$1,000/day, increasing this year to \$1,100/day. Their 7-day retreat this April was canceled two weeks before the scheduled start due to low enrolment. Apparently two other Mindfulness groups in Toronto were holding retreats the same week. Since SIMT canceled only two weeks before the retreat was due to start, they paid a \$1,000 cancellation fee. They are repeat renters and usually reliable so we did not request the full amount, and we picked up a new group for later in the year, minimizing the loss.
- *U of R Mindfulness in Medical Education* retreats. These are led by Mick Krasner and Ron Epstein: Two 3-day retreats. \$1,200/day, increasing next year to \$1,300/day.
- *University of California at San Diego: Mindfulness Center*. They offer *Mindfulness Based Stress Reduction* retreats directed by Dr Steve Hickman. In 2014 they have scheduled two 5-day retreats. UCSD rents at \$1,300/day
- Two 1-day retreats led by Mick Krasner. \$1,000/day
- 5-day *Heartwork institute* retreat led by Dale Goldstein, RZC member. \$1,100/day

Other New Groups:

- *Mankind Project: Hollow Bones Mondo Zen*: 2-day retreat scheduled for the end of September.
- *Centre of Gravity Toronto*, a yoga/Zen group led by Michael Stone: 7-days scheduled in June, 2014, \$1,300/day, and a 4-day retreat over the New Year 2014-15, at \$1,300 per day.

Notes:

1. *Orange Glory* caters for Physician, TM and University groups. Gretchen Targee cooks for SIMT and *Centre of Gravity*. Other groups bring their own cooks. Groups make independent financial arrangements with caterers.
2. The cost of transport from Rochester and Buffalo airports to and from Chapin Mill is a serious financial consideration for groups. Some arrange for a shuttle service and require participants to use Rochester Airport. Others arrange taxi service from either Buffalo or Rochester. A current one-way trip by taxi is \$100 (plus tip) from Rochester, and \$120 (plus tip) from Buffalo. Some drive here or rent a car. We keep this expense in mind when establishing daily rates.
3. Generally speaking, we have had only minor rental damage. Any damage is covered by the security deposit.
4. We charge a linen usage fee for use of CM linens. This is currently \$5 but will increase next year.

Rental Committee:

The Rental Committee, composed of Eryl Kubicka, Kit Miller and Andrew Stern, met recently to discuss rental fees. It was decided to raise the daily rate by \$100 per day starting in 2014, and the daily member rate by \$100 per day to \$1,100. Since we are meeting our target goal of 50 days of rental per year, there has not been a need to discuss per-person rates for smaller groups, although the Committee may decide to open up this option. Cecily Fuhr did some research for us, and found out that *Notre Dame* (a similar facility) charges \$95/person/day. This fee covers 3 meals and unlimited coffee and tea. Further comparisons will be done this year.

We will continue to evaluate pricing, particularly for University-sponsored professional groups. The U of R has a budget-neutral policy; they charge participants according to the expense incurred for food and lodging. For these groups we are probably on the low end and plan to explore a reasonable increase beyond the \$100 per day already planned for 2014. These groups do take more support and use more resources.

To be determined are per person rates for individual retreats should we decide to offer those, and also the appropriate rental fee for the newly renovated Guest House. The donation for overnight stays is currently \$15 for members and \$35 for non-members, without meals. For comparison, *Springwater Center* charges \$55 per day to non-members for individual stays. It isn't clear whether

meals are included. They also offer rental of space (see www.springwatercenter.org) and are used by smaller groups.

Weddings are currently limited to RZC members, and the 2013 charge was \$1,000, increasing to \$1,100 in 2014. Typically, weddings are very time intensive for Chapin Mill staff. For example a wedding couple may request overnight stays for guests, extra time for rehearsals, delivery of chairs, catering equipment and supplies, altar set-up and dining room set-up, as well as use of the kitchen and cold room. This seems a reasonable service for members, but too disruptive for non-members.

Comments from guests are very favorable concerning the building, the surroundings, and the experience of Chapin Mill. People frequently say they are “blown away” by the general beauty of the building and the quiet. Personal transformations in many participants are observable over the days spent here! The U of R physician groups are drawing participants from all over the world; there were 55 physicians in their May retreat.

Respectfully submitted,

Eryl Kubicka
Rental Coordinator

Appendix D

Safety Committee Report

Members: Eryl Kubicka, Chair; Wayman Kubicka, Chapin Mill; Ananta Brückner, Arnold Park; John Pulleyn, Arnold Park

Work Place Safety Training and Supervision:

We are still looking for a suitable *short* course on work place safety. *Genesee Community College* offers an OSHA course once a year and OSEA out of Buffalo has some job-specific courses, but these are expensive at \$180 per person. Most of these courses are more suited for industrial use, and not so appropriate for our situation. In the meantime Wayman trains new staff on safe tool use and Ananta does the same at Arnold Park. Volunteers and staff are oriented to safety issues prior to Chapin Mill work days. Any incidents, including near misses are expected to be reported to assigned supervisors.

At Arnold Park Ananta and John provide instruction on use of table saw, rip saw, power washer, ladder safety, and working around construction and painting areas. Everyone using tools is expected to use appropriate protective gear at both locations.

Safety officers do spot checks during work periods. For example a supervisor might see someone at Chapin Mill using a chain saw without a hard hat and protective eye wear, or someone not wearing work gloves or closed shoes, and occasionally there are those who want to harden their feet by walking barefoot!

Reported Injuries and Near Misses:

There was one treatable injury reported in this period, when a member of the Youth Group stepped on a nail poking out from a discarded board. After removing the board from his foot and administering first aid, the boy's mother took him to urgent care for a tetanus shot. He recovered quickly and there has been no adverse aftereffect. At the time the group was walking on a path with parents and a staff member, and Elijah stepped off the path. After this incident at the next staff meeting, Wayman instructed staff to check all boards or pieces of wood for nails and to either remove nails or clip off the points. The boards were old ones from repair to the Mill House bridge.

During a recent staff work day at Chapin Mill two of the chains came off the saws while the saws were running and one of them might have caused an injury. This has never happened before, so Wayman made some calls to our chain saw maintenance experts and learned that this can happen when cutting small brush. Bits of brush get under the chain and cause the chain to come off the bar. So from here on we will not do any brush cutting with chain saws!

Fire Safety:

1. Fire extinguishers are checked annually and several were refilled by *Churchville Fire Safety*. The kitchen hood fire protection system is checked twice a year, and the recent check revealed that the large canister needs to be replaced. This will be done before the end of May, 2014.
2. In the past both of our telephone lines were connected through *Time Warner*, and if the internet went out, we lost our telephone service. Wayman, Eryl and Ed carry cell phones and receive notification from the monitoring service when the alarm goes off, but Wayman thought it important that we have one landline as a back-up. He was able to connect through an older land line that Andris Chapin has to the Mill House. This resolves the problem without an expensive installation of a separate line to the Retreat Center.

Seven Springs Country Club Gates:

This past year *Seven Springs Country Club*, our closest neighbors, have had some problems with renters allegedly dealing drugs. This has brought undesirable people in close proximity to Chapin Mill and increased our safety concerns, especially when late-night visitors exit the Country Club property using the back gates that open on to our road. In response, Wayman met with the President of Seven Springs Country Club to discuss closure of these gates. The president asked that we leave the gates open in winter because emergency response vehicles sometimes have problems in winter getting up the Country Club road from Seven Springs Road. It was decided to leave the gates open in winter but closed during the summer. Meantime *Country Club* is working with the sheriff's department to catch the drug dealers in action.

Vehicle Safety:

The Honda needed replacement of brake calipers. Winter tires were used from October through middle of April.

Submitted by
Eryl Kubicka
May, 2014

Appendix E

Sangha Engagement Committee Report

Background

In the summer of 2011, a survey was taken to gauge the interest of Sangha members in participating in and leading various group activities. The response to the survey was very strong: 136 responses were received. The results of this and subsequent surveys informed the mandate of the Sangha Engagement Committee.

The mission of the Sangha Engagement Committee is to enhance the membership experience of the Sangha. The Committee does this through programs that enrich, and add dimension to, practice “off the mat.” We believe that practice “off the mat” supports and strengthens formal practice, particularly for beginning practitioners. Programming ideas fall under three broad categories, all of which are practice-related and practice-enhancing:

1. *Learning about Buddhism*: lecture series, classes, and field trips
2. *Community service*: volunteering at food banks and homeless shelters; activities designed to strengthen our sense of compassion and develop the crucial link between the zendo and the world
3. *Strengthening the Sangha*: social activities (such as hiking or potluck dinners) that are designed to strengthen the sense of Sangha and to help people feel more connected to each other. We believe that if people feel connected to other Center members, they will feel more connected to the Center itself, thus enhancing the membership experience and contributing to the retention of members.

Committee Membership

Kathy Collina (chair), Devin Wiesner, Andy McClain, Deborah Zaretsky

Sangha Engagement Activities to Date

The Sangha Engagement Committee is involved in a number of one-time and continuing Sangha activities. The members of the Committee do not directly lead all of these activities; some are led by other Sangha members. For those led by others, the Committee tries to coordinate with the group leader and help solve any problems that arise.

Past and current activities and events include the following:

Old Age, Sickness, and Death: The Buddha’s Journey – a discussion and support group that meets periodically and at member request. About 5-8 people regularly attend the group, which is

currently facilitated by Wayman Kubicka.

Scholar-in-Residence Lecture Series – This year we saw the return of Dr. Anthony Cerulli, Assistant Professor of Religious Studies and Asian Studies at Hobart and William Smith Colleges. His three lectures were titled “The Four Noble Truths in Context,” “Buddhist Teaching, Buddhist Experience,” and “Buddhism after the Buddha: Cultures of Buddhism in Asia and Elsewhere.”

Seeing Through Racism – a discussion group led by Jim Thompson that meets regularly with the goal of minimizing our separation from others. Since racism is one of the most insidious sources of dukkha in our culture, we strive to gain personal insight into it. We seek to abandon it on an individual level, to dismantle it on an institutional level, and to uproot it in our Sangha. The group sponsors discussions, chanting, videos and other activities.

Quarterly Potluck Dinners – The dinners are open to members, guests, and recent workshop participants. Evenings of board games are often scheduled to follow the dinners.

Serving Meals to the Hungry – Andy McClain leads a group of 10-15 volunteers at the Asbury Caring and Dining Center. The volunteers prepare and plate meals and also give full table service to 60-120 guests. The following Sundays are scheduled for the remainder of this year: May 18, July 20, September 21 and November 23. Our shifts begin at 11:00 AM and run until about 1:45.

Possible 2014 Sangha Field Trip (in development) – The Committee is considering a possible group trip to Sonnenberg Gardens or a docent-led tour of Mt. Hope Cemetery.

Budget

We require a modest budget for our programming. We believe that the Zen Center should fund this Committee because of its positive impact on the membership experience and retention of members. Many of the Zen Center’s efforts have rightly been focused on the recruitment of new members, but what those members experience once they have joined the Center is equally important, if we are to retain them.

If we are correct that our activities will have a positive effect on member retention, our budgetary expenses will be “budget neutral,” since the retained members’ contributions will offset expenses for our events. The Committee requests \$600 for the 2015 guest lecture series.

Appendix F

Report of Committee on Facilities and Sustainable Operations

The Committee will be meeting at Chapin Mill on May 15, just before the Trustees' meeting, so that Jeanette can join us in person to see the roof and sprinkler system first hand during the discussions.

CM Retreat Center Roof

The Committee has begun considering the options for replacing the roof on Phase I of the Retreat Center and may have more detail to report after our next meeting. It has been confirmed that Sangha member, and Madison group leader, Rick Smith will be moving to Rochester next spring, and is willing to oversee the roofing project. Rick used to have a roofing company and is confident that he could lead a group of trainees/volunteers to perform the work, thus saving a significant amount of labor costs. With this in mind, we are considering all options for roofing materials and hope to have some accurate numbers in the coming weeks. My ballpark estimate for the range of roofing material options is \$12,000-\$55,000 (asphalt shingles - slate or tile). The cost to pay someone to install those same materials would likely be \$55,000-\$250,000 (including materials). We should be able to provide accurate visual representations of the materials and expected lifespans for the Trustees to consider.

CM Security

Last fall we purchased a motion-triggered camera that is designed to be used by hunters tracking animals. It has a night vision capability and video, and can fit up to 30,000 images on the memory card. We were hoping for it to be used for catching license plates of vehicles that may be scoping out the property. Due to the way the sensor works, it probably won't work for this purpose, but could be used in a way that it could at least see vehicles during the day or people snooping around the barn. It was one of the cheapest options (\$85) so it is possible that a more expensive one may work better, but we will experiment more with this one.

Wayman reports that there hasn't been any more police activity related to the drug-dealing rental house in the Seven Springs Club. He has been in contact with the Club President, and they are continuing to monitor the property because there still seems to be activity. They have agreed to keep their gate along our driveway closed during the warmer months, which has seemed to keep the "customers" from making their way on to our property. They need to have the gate open during the winter for emergency vehicles to access some of the houses.

Property Maintenance (MAPP) Books

Jeanette has been working on developing a book for Chapin Mill similar to the one we have for Arnold Park. Over the past several months, every time she visits for sesshin, she will arrive a few days ahead and work with Wayman to identify different systems or processes to cover. Once we have the book done for CM, we can focus on updating the one for AP.

Retreat Center Phase II Sprinkler System

The Committee will discuss this issue at our meeting and should have an oral report for the Trustee meeting. The gist of the situation is that Phase II has a sprinkler system that was designed to be used in a non-freezing environment, but the attic space of the building gets below freezing in the winter unless we keep the heat turned up when we aren't using Phase II. There has been damage to some spray heads (pendants) which required replacement.

The factors that need to be considered are:

- Cost of changing the “wet” pendant system to a “dry” system and the ongoing maintenance costs related to doing so.
- Financial and ethical costs of keeping the heat up to the necessary level when not in use.
- Upgrading the insulation in those spaces.

Appendix G

Report of Special Events Committee

Since the last Trustees' meeting, the Special Events Committee

- increased its membership to 8 members: Margaret Braun, Dan Esler, Donna Kowal (co-chair), Deb McDaniel (co-chair), Scott McDonald, Shudo (Brian) Schroeder, Devin Wiesner, and Jane Xhilone.
- coordinated one local community outreach event: a special screening of *Free the Mind* at the Little Theatre on February 9, 2014. The film featured a story about the healing benefits of meditation for soldiers with post-traumatic stress disorder (PTSD) and children with attention deficit disorder (ADD) or anxiety disorders. A discussion led by Roshi and Mick Krasner immediately followed the screening. The event was "sold out" with over 50 people waiting in line, so a second screening was held (although without Roshi and Mick due to scheduling conflicts).
- implemented a Sangha survey in March 2014 aimed at generating input on event-planning for the Center's fiftieth anniversary in 2016, as well as general events offered throughout the year. Over 86 respondents participated. The Committee recently shared the results with the Sangha and is currently in the process of analyzing them. In the coming weeks, the Committee will formulate a proposal for the fiftieth anniversary and share it with the Sangha Engagement and Development and Outreach Committees for their input before finalizing it. The main celebration for the fiftieth anniversary will take place the weekend of July 1-3, 2016.