

DRAFT – Subject  
to Approval by  
Board of Trustees



ROCHESTER ZEN CENTER  
A BUDDHIST COMMUNITY

## Minutes of the Forty-Eighth Annual Corporate Meeting of Members May 24, 2014

- ◆ 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 Susan Culpepper or Sensei Gerardo Gally 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 then reported that the Board of Trustees had re-elected Scott McDonald to a three-year term as Trustee. The Center's other continuing Trustees are Kathy Collina, Cecily Fuhr, Tom Kowal, and Chris Pulleyn. 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. The Board's current Chair is Tom Kowal. Finally, Roshi reported that the Board had recently elected the following as the Center's corporate officers for the coming year: President – Bodhin Kjolhede; Vice President – Jeanette Prince-Cherry; Secretary – Scott Jennings; and Treasurer – Colleen O'Brien.
- ◆ Chris Pulleyn, who serves both as a Zen Center Trustee and as Chair of the Development and Outreach Committee, reported to the meeting on behalf of the Committee. Although no major fundraising initiatives have been undertaken since completion of the project to make the Center more accessible to the handicapped, the Committee continues to encourage members to remember the Center when planning their estates.

Chris emphasized that in a very real sense the Center is its members. Chris encouraged any members who have suggestions or concerns about the Center's fundraising mailings or other development initiatives to contact her directly.

Chris reported on the possibility of constructing a memorial garden at Chapin Mill where urns containing ashes of the deceased could be placed in a columbarium. The Board recently appointed a Columbarium Task Force whose initial members are Chris, Roshi, and Eryl Kubicka. Eryl has already 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. The likely location for the project is a glade above, and to the east of,

the Chapin Mill pond. The glade is easily accessible from the parking area behind the barn and slopes down to a beautiful spot on the shore of the pond near a grove of beech trees and Todd McGrain's sculpture "Spinning Still."

- ◆ Ven. Wayman Kubicka, who serves as Chapin Mill Caretaker, and Eryl Kubicka, who serves as Chapin Mill Rental Coordinator, reported regarding Chapin Mill. Wayman noted that having additional staff members at Chapin Mill has been of real benefit. Among the major projects planned for the foreseeable future are replacement of the roof on the Phase I portion of the Retreat Center and partial replacement of the fire-sprinkler system in the Phase II portion of the building. The asphalt shingles used in Phase I proved to be defective and have deteriorated severely. (The Center has already received a warranty settlement from the manufacturer of the shingles.) Madison Sangha member Rick Smith, who has worked as a professional roofer, plans to join the Center's staff next year and will work on the project. Since most of the roof's replacement cost is labor expense, the total cost of the project will depend on how much of the work is done by Zen Center staff and volunteers and how much is done by a professional roofing contractor.

Both the Phase II and the Phase III portions of the Retreat Center have automatic fire-sprinkler systems. 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 Trustees recently authorized replacement of the Phase II sprinklers with a dry-pendant system at a cost of approximately \$10,000.

Roshi mentioned that the Chapin Mill pond is slowly shrinking due to the accumulation of silt and the concomitant encroachment of cattails. Although spring-fed ponds – such as the one at Chapin Mill – do not accumulate silt nearly as quickly as stream-fed ponds, at some point we will still need to dredge the pond in order to prevent its slowly turning into a marsh. The cost of a complete dredging will likely be upwards of \$100,000, and this project would be very suitable for a major targeted donation.

Wayman reported that Center staff members Dan Esler and Catherine Kana have, with the help of other volunteers, planted a vegetable garden at Chapin Mill. Also, the extensive rehabilitation of the Chapin Mill guest cottage is almost finished. Among other projects on the Chapin Mill "to-do" list are painting the barn, repairs to the Farm House, and replacement of some 30 sections of ranch-style fencing on the grounds. In conclusion, Wayman and Eryl invited Sangha members to volunteer at Chapin Mill whenever their schedules permit; any extra help would be greatly appreciated. Roshi added that the Chapin Mill Retreat Center is quite a remarkable facility compared to similar places in

America and Europe. Indeed, while visiting Vienna, a European Sangha member recently came upon a brochure advertising a renter's event at Chapin Mill.

- ◆ 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 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 percent, rather than our target of five percent.

Although 2013 membership contributions (\$182,649) were higher than the average for the five years 2008-2012, they were still slightly less than in 2008. Turning to other revenue sources, net Chapin Mill rental income reached an all-time high of \$58,507 in 2013, and sesshin 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.

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 a recessionary decline in stock prices. The partial recovery in the combined balance since 2008 reflects the recovery of the stock market over the past five years, as well as several generous gifts to the Center's Investment Fund.

Finally, Scott reported that at its recent meeting the Board of Trustees decided to increase sesshin fees

for the first time in 14 years. Fees will increase from \$40 to \$45 per day for members and from \$55 to \$65 per day for non-members. The Board will henceforth 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.]

- ◆ 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. 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, despite the fact that there are 19 other Buddhist centers and temples in Madison. Rick Smith is finishing his second three-year term as Affiliate Leader and will be moving to Rochester next spring. Starting July 1 Rick Stirr will begin serving as the Madison Affiliate Leader. Cleveland and Louisville sitting groups, both of which include Rochester Zen Center members, are doing well, as are our independent sister centers in Scandinavia and Mexico. Roshi recently attended sesshin at the Berlin Zen Group, our sister center in Berlin, which is led by Sensei Robert Goldmann. The Berlin Group lost use of the facility they had been renting for their semiannual sesshins, but recently found a new sesshin venue. Our sister center in New Zealand, the Auckland Zen Centre, has bought a building of its own and is in the process of raising money to renovate and remodel it. The Auckland Centre, which is led by Sensei Amala Wrightson, is flourishing.

In other news, the beautiful new altar in the Chapin Mill Retreat Center zendo is nearing completion after much donated labor by Sensei Gerardo Gally, Board Chair Tom Kowal, and Sangha member Bill Lindenfelser. With staff member Ven. Sudama Ngo's help, we've acquired a new Vietnamese Guanyin (Kannon) figure for the Retreat Center's Kannon Room. This figure will replace a metal figure that was starting to corrode from the ambient humidity at Chapin Mill. Roshi thanked staff member Ven. Trueman Taylor for overseeing the all-day sittings that we've been having regularly at Arnold Park. The Center very much wants to support the practice of Sangha members with families, and to this end Eryl Kubicka has helped make the Center's youth group quite a success among Sangha children. Center staff members Dan Esler and Catherine Kana, among others, have been helping out with the group. Finally, toward the end of June, the annual Ralph Chapin Memorial Work Retreat will take place. We've also added a spring and a fall Chapin Mill work day to the Center's schedule.

- ◆ Donna Kowal, who serves as Co-Chair of the Special Events Committee with Debra McDaniel, reported to the meeting on the Committee's behalf. The Committee has started planning for the Center's fiftieth anniversary celebrations in 2016. The Committee will work on a proposed schedule of events with the Sangha Engagement and the Development and Outreach Committees. This process started with a survey of the Sangha earlier this year and a "brainstorming" session at a Sangha meeting. The main celebration of the anniversary is scheduled for Independence Day weekend in 2016.

- ◆ Kathy Collina, who serves as Chair of the Sangha Engagement Committee, reported to the meeting on the Committee's behalf. 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 Center has also begun participating in the Monroe County Adopt-a-Highway program and has pledged to pick up litter along a stretch of Interstate 490 west of Rochester. In addition, a possible tour of historic Mt. Hope Cemetery is under consideration.

Sangha member Jim Thompson reported that the racism discussion group has been quite active and also commented on the importance of examining and discussing racial issues. In addition, Jim reported that an initiative to offer zazen for inmates at the Monroe County Correction Facility is in the planning stage. Wayman Kubicka added that he, Jim, and Sangha member Dwain Wilder have been working with a meditation group at New York State's Attica Correctional Facility. Wayman is also working with Buddhist detainees housed at Immigration and Customs Enforcement's Buffalo Federal Detention Facility, which is located in Batavia, New York.

Finally, Roshi reported that 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.

- ◆ Roshi introduced those Zen Center Trustees and Officers who were present at the meeting and mentioned that Sangha members who have questions or comments regarding the Center's finances or governance should always feel free to discuss such matters with any of the Center's Trustees or Officers.
- ◆ 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 23, 2014, 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:

Gerardo Gally	67
Susan Culpepper	40
Abstention	1

*Total:* 108 members present and voting in person or by written proxy; 447 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 = 45.

Accordingly, Roshi announced that Sensei Gerardo Gally had been elected to a three-year term as Trustee.

Submitted to the Board of Trustees on July 23, 2014,  
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-Eighth  
Annual Corporate Meeting  
May 24, 2014

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

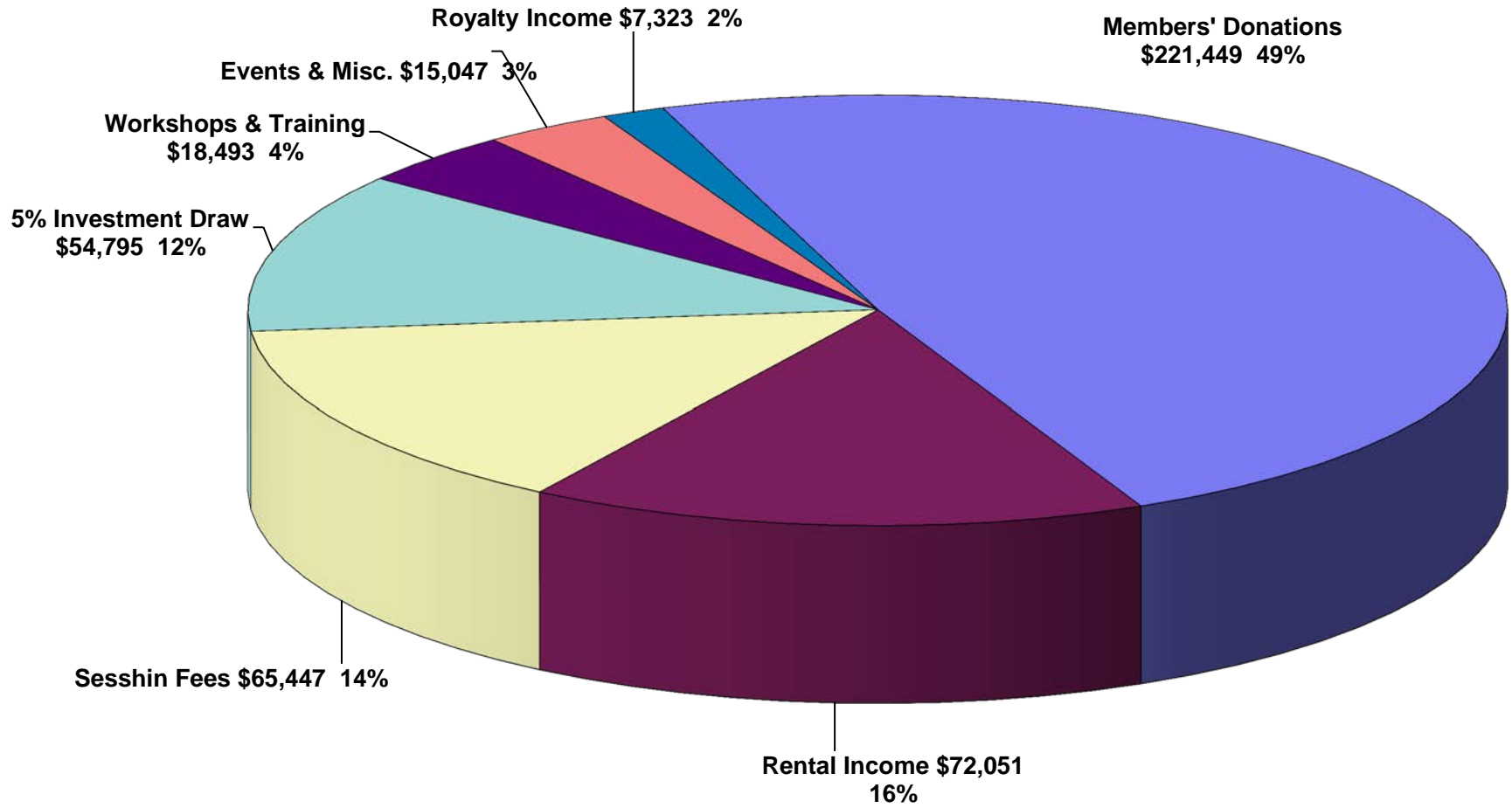
State of New York     )  
  ) ss.  
County of Monroe     )

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.

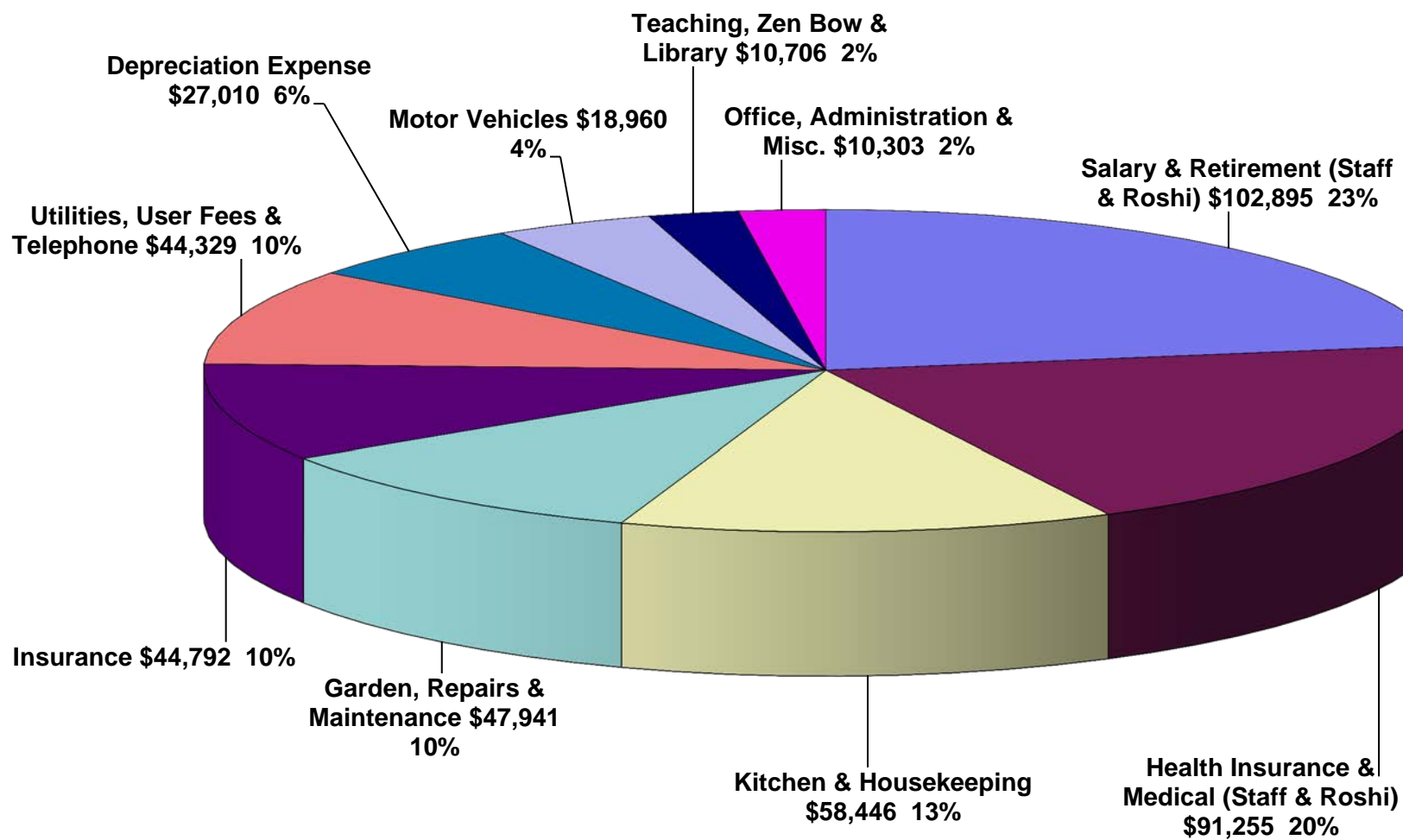
In Witness Whereof, I have hereunto set my hand and affixed my official seal.

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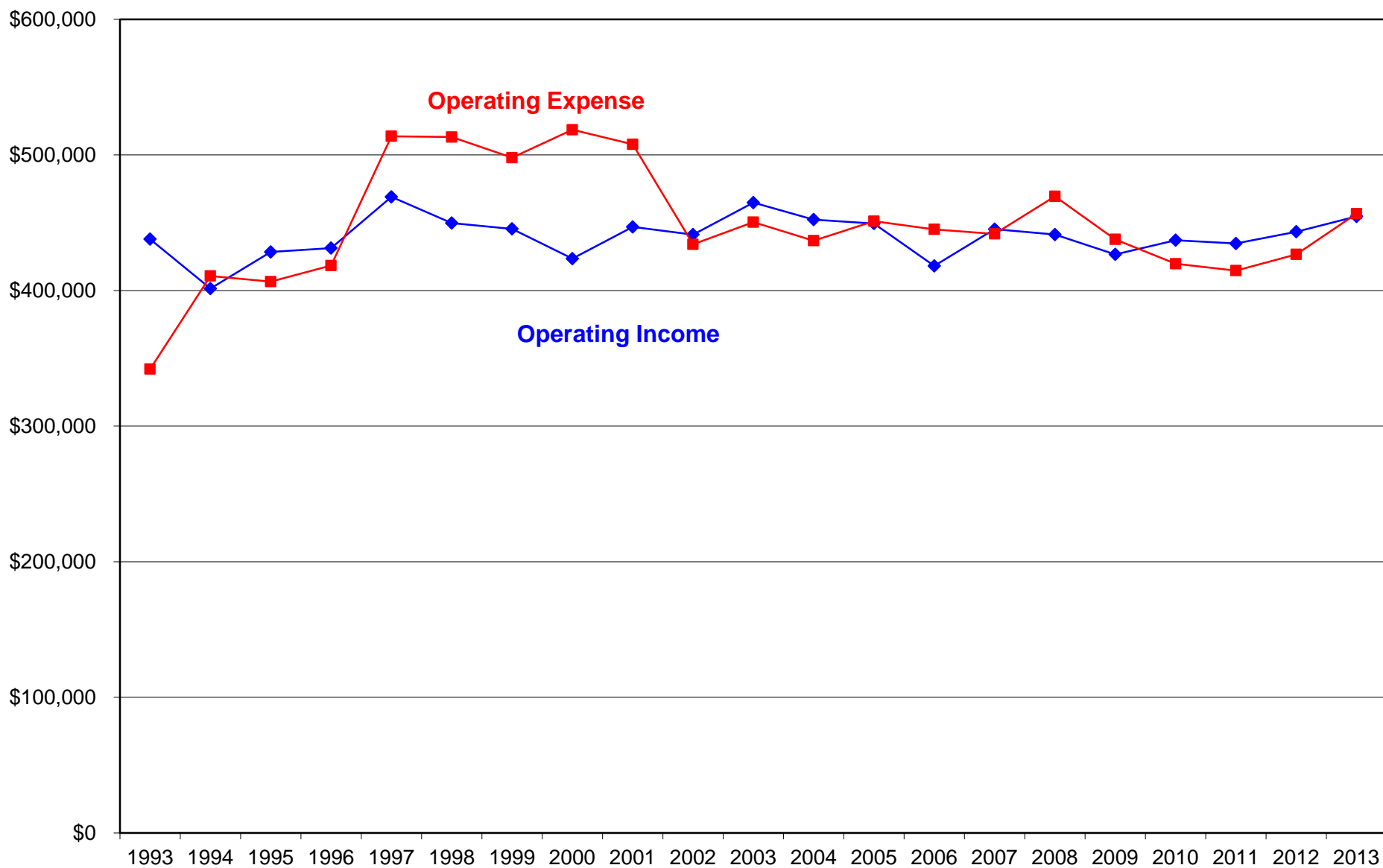
**ROCHESTER ZEN CENTER  
2013 Operating Revenue  
(\$454,605 Total)**



**ROCHESTER ZEN CENTER  
2013 Operating Expenses  
(\$456,637 Total)**



**ROCHESTER ZEN CENTER**  
**Total Operating Income and Expense 1993-2013**  
**(All Amounts Are Stated in Constant 2013 Dollars)**



**ROCHESTER ZEN CENTER**  
**Combined Operating and Investment Funds 1995-2013**  
**(All Amounts Are Stated in Constant 2013 Dollars)**

