

Financial Report for Shambhala International

November 2002

This is the 2001 financial report for Shambhala International. Shambhala International includes all of the Shambhala Centres, Practice Centres, Land Centres, Nalanda groups and the Head Office in Halifax. Next year the goal is to have the reports and analysis for 2002 available on the web before the summer of 2003.

Financial Reports for 2001

This report includes an Income Statement and Balance Sheet for Vajradhatu Buddhist Church (see Appendix A) and Nalanda Foundation (see Appendix B) and Income Statements for Shambhala Europe (see Appendix C), the 2001 Consecration of the Stupa of Dharmakaya at Shambhala Mountain Centre (see Appendix D) and the 2001 Tibet trip (see Appendix E).

This fall, responsibility for developing the 2001 consolidated financial reporting for the Centres in the US was transferred to the Head Office. These used to be done by Michael Greenleaf and the accounting staff at Karne Choling. The firm of Lyle Tilley Davidson will perform a financial review of the consolidated US financial statements. This work will be completed by the end of February 2003 and the information will be added to the website at that time.

In 2002, Shambhala International Head Office contracted Lyle Tilley Davidson, to perform a financial review of the 2001 financial statements for the Vajradhatu Buddhist Church Canada. This review was performed in accordance with generally accepted standards for review engagements. The review was completed last summer and did not include Nalanda Foundation.

What makes up Shambhala International?

There are four legal corporations that comprise Shambhala International:

1) **Vajradhatu Buddhist Church**

This is a Canadian legal entity including:

- Archives / Publications / Recordings
- Council of Warriors
- Dorje Denma Ling
- Gampo Abbey
- Halifax Shambhala Centre
- Kalapa Shambhala Society
- Otso Shingsa Retreat Centre
- Shambhala Centres and Groups in Canada (20)
- Shambhala International Head Office

2) **Nalanda Foundation**

This is a Canadian legal entity including:

- Nalanda Translation
- Shambhala Institute of Authentic Leadership
- Shambhala Sun
- Shambhala Training at Shambhala Centres in Canada
- Shambhala Training International

3) **Shambhala International (Vajradhatu)**

This is a US legal entity including:

Boulder Shambhala Centre
Dorje Kyung Dzong Retreat Center
Karme Choling
Marpa House
Samadhi Cushions
Shambhala Centres and Groups in the United States (80)
Centres(55)
Shambhala Trust
The Great Stupa of Dharmakaya
Vajravairochana Translation Committee

Shambhala GGmbH (means Inc. for charitable organizations in Germany) - Includes Dechen Choling, Shambhala Europe Head Office and European Shambhala

4) **Shambhala / Nalanda Foundation**

This is a US legal entity including.

Shambhala Training at Shambhala Centres in the USA

The official name for the Practice Centre in Colorado is now "**Shambhala Mountain Center.**" Shambhala Mountain Center is a Colorado non-profit corporation and an educational charity exempt from federal taxation. There is a 90-year lease between Shambhala International (Vajradhatu) and Shambhala Mountain Center whereby Shambhala International (Vajradhatu) leases out the land underlying the operational portion. At the end of the lease, the entire property, including the improvements, reverts to Shambhala International (Vajradhatu). This lease excludes Marpa Point and beyond, the Stupa site, and the Dorje Kasung land which still belong to Shambhala International (Vajradhatu). The Amakulo / Red Feather land is titled in Shambhala Mountain Center's name.

What makes up Shambhala International Head Office?

The Head Office for Shambhala International is comprised of Office of the Sakyong, Privy Purse, Office of Practice and Education (including Shambhala Training International), Dorje Kasung, International Affairs, Shambhala Centre Affairs, Office of the Executive Director, Media and Communications, Development, Finance, Legal Affairs and General Administration (including Information Technology). Media and Communications is a newly formed department that includes Publications, Recordings, Archives and a communications team.

Who is on the Finance Team?

Jim Torbert, Director of Administration is responsible for the Finance Department. Terry Rudderham is the Comptroller. Thomas Ahrens, Elizabeth McDowell and Tim Goetz provide general accounting and bookkeeping services.

Head Office Planning and Budgeting Process for 2003

Where we will be by the end of 2002

To meet cashflow needs through the end of December, all members of the Executive Council paid by Shambhala International will have a two-week pay deferral. The budget approved for 2002 included salary reductions and pay deferrals and in September it became clear that some of these would need to be implemented.

Next steps for 2003

Over the past several years we have been in a phase of rapid expansion, in terms of both magnitude and complexity of our work. We now need to realign our activities to the Sakyong's vision by looking accurately and realistically at how to accomplish this direction.

We need to take a fresh start. The way to do that is using a planning and budgeting process similar to a zero based review. In this process nothing is taken as a given. All activities are reviewed starting from a base of zero. This approach gives us an opportunity to explore on a fundamental level what we are doing, why, for whom and how these activities can be accomplished within identified financial parameters. A zero based review process is a potent management tool for reassigning resources that is both creative and challenging. It is a way to 'think outside the box.'

This review will impact how we work together. During this process many areas and processes will be reviewed, such as job descriptions, current initiatives, debt reduction, expenditures and increasing revenues etc. For example, areas of responsibilities and projects may change for existing staff. Staying with this process is challenging. We will have to give up assumptions about what we are doing and we will need to use our practice minds to remain open, focused and fearless.

How to do this

The group responsible for implementing the review is the Executive Council. The Shambhala International staff and others (e.g. representatives from the Board, Shambhala Centres and Practice Centres) will be participating in the planning phase. A core working team will be responsible for developing the budget. We have good historical financial information to help facilitate these discussions. The plan / budget options and recommendations will be presented to the President for a final decision. This plan and budget for 2003 will be implemented by the end of February 2003.

The members of the Executive Council include: Sara Levinson (Executive Director), John Rockwell (Ashe Acharya), David Brown (Executive Secretary to the Sakyong), Christie Cashman (Executive Director of Shambhala Training International), Diana Evans (Director of Practice and Study), David Mann (Executive Officer of the Dorje Kasung), Cheryl Campbell (Director Media and Communications), Peter Volz (Director of International Affairs), Scott Perkins (Director of Development), Jim Torbert (Director of Administration), Richard Peisinger (Managing Director of the Council of Warriors), Chris Tamjidi (Co-Director of Shambhala Europe – Chris becomes Director of Shambhala Europe on Shambhala Day), David Schneider (Co-Director of Shambhala Europe – David will be retiring on Shambhala Day 2003), Tom Bell (Director of Karne Choling – representing the Practice Centres) and Jane Arthur (Director of the Boulder Shambhala Center).

Questions and Feedback

If you have any questions about the report, the financial information related to an entity or suggestions regarding the format etc. please contact Jim Torbert by email at jtorbert@shambhala.org or by mail at Shambhala International 1084 Tower Road, Halifax, Nova Scotia B3H 2Y5.

Appendices

Definitions

The **Income Statement** is the financial document showing income and expenses over a given period such as one fiscal year, which in this case is from January to December 2001.

The **Balance Sheet** is the document detailing assets and liabilities as of a particular time. The assets and liabilities have to "balance" or equal each other. Assets must equal the sum of liabilities and equity. **Assets** are possessions having value. **Equity** is the portion of the assets that is owned.

To assist with understanding the financial statements, we have provided the following descriptions of the categories included in the Balance Sheet and Income Statements:

Balance Sheet

Assets:

Accounts Receivable – monies owed that have not been collected by year-end
Inventory – a list of physical items such as computers, artwork, desks, gomdens etc.
Prepaid Expenses – expenses paid for a year in advance such as insurance.
Capital Assets – buildings, equipment, vehicles, patents, copywrites etc.
Investments – stocks, bonds etc.
Note Receivable – monies owed as a loan

Liabilities:

Bank Indebtedness – lines of credit and bank loans
Accounts Payable – monies owed that have not been paid by year-end
Deferred Revenue – restricted funds about to be paid out
Current Portion of Long Term Debt – what is left to be paid on long-term loans or mortgages
Deferred Contributions Related to Capital Assets – capital assets that cannot be sold
Long Term Debt – loans and mortgages
Net Assets Unrestricted – previous years amortization etc.

Income Statement

Revenue:

Donations – recurring and one-time unrestricted donations
Programs Fees, Sales and Royalties – income from Shambhala International programs, royalties from books, sales of pins and brochures etc.
Related Business Income – sales etc.
Foreign Subsidy – transfer of revenue (donations, program fees, Practice Center contributions) from the US to Canada
Investment Income - interest from investments etc.

Expenses:

Administrative and office – costs for legal services, computers, fax, postage, phone, printing, heat, electricity etc.
Amortization – spreading out of the original cost over the estimated life of the fixed asset such as buildings and equipment.
Fundraising Costs – costs for the Shambhala News, postage and printing of fundraising appeals etc.
Interest – costs of interest paid on lines of credit, loans etc.
Other – miscellaneous costs.

Programs and Operations – costs for Acharyas, shared costs with the Halifax Shambhala Centre, travel, conferences etc.

Rent – costs paid to landlords or for storage etc.

Salaries and Benefits – costs for full and part time staff, payroll taxes and costs for staff benefits such as health insurance.

Unrestricted Assets - these are assets that have no restrictions.

Appendix A
Balance Sheet and Income Statement for Vajradhatu Buddhist Church

VAJRADHATU BUDDHIST CHURCH
 UNAUDITED BALANCE SHEET
 as at December 31, 2001
 In Canadian Dollars

	Head Office St	Halifax Centre	Gampo Abbey	Shambhala Centres	Archives	Publications & Recordings	Kalapa Shambhala Society	Demma Ling	Council of Warriors	Total
CURRENT ASSETS										
Cash	\$107,148	\$36,492	\$157,484	\$81,782	\$40,969	\$26,051	\$13,369	\$6,552	\$6,087	\$475,934
Accounts Receivable	\$26,108	\$4,584	\$78,999	\$6,525	\$16,334	\$76,302	\$0	\$13,326	\$2,860	\$225,037
Inventory	\$0	\$0	\$8,533	\$971	\$0	\$129,111	\$0	\$0	\$0	\$138,615
Prepaid expenses	\$19,538	\$0	\$0	\$2,521	\$0	\$1,200	\$0	\$0	\$0	\$23,259
Subtotal Current Assets	\$152,794	\$41,076	\$245,016	\$91,799	\$57,303	\$232,663	\$13,369	\$19,878	\$8,947	\$862,845
Capital Assets	\$2,122,487	\$212,987	\$1,722,790	\$144,967	\$51,942	\$12,815	\$0	\$176,491	\$0	\$4,444,478
Investments	\$10,549	\$0	\$716,285	\$101,815	\$0	\$34,841	\$0	\$0	\$69,047	\$932,537
Note Receivable	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000
Total Current Assets	\$2,315,830	\$254,063	\$2,684,091	\$338,581	\$109,246	\$280,319	\$13,369	\$196,369	\$77,994	\$6,269,860
CURRENT LIABILITIES										
Bank indebtedness	\$163,470	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$163,470
Accounts Payable	\$76,308	\$11,701	\$146,293	\$7,377	\$36,368	\$38,850	\$0	\$10,002	\$240	\$327,139
Deferred Revenue	\$28,532	\$8,486	\$42,533	\$0	\$0	\$0	\$0	\$0	\$0	\$79,551
Current portion of long term debt	\$14,785	\$0	\$0	\$1,472	\$0	\$0	\$0	\$6,646	\$0	\$22,903
Subtotal	\$283,094	\$20,188	\$188,826	\$8,849	\$36,368	\$38,850	\$0	\$16,648	\$240	\$593,063
Deferred Contributions Related to Capital Assets	\$1,297,140	\$0	\$69,148	\$0	\$0	\$0	\$0	\$31,246	\$0	\$1,397,534
Long-Term Debt	\$281,049	\$0	\$0	\$63,528	\$0	\$0	\$0	\$72,536	\$0	\$417,112
Subtotal Liabilities	\$1,861,282	\$20,188	\$257,974	\$72,377	\$36,368	\$38,850	\$0	\$120,430	\$240	\$2,407,709
Net Assets - Unrestricted	\$454,547	\$233,875	\$2,426,116	\$266,204	\$72,878	\$241,468	\$13,369	\$75,939	\$77,754	\$3,862,151
Total Current Liabilities	\$2,315,830	\$254,063	\$2,684,091	\$338,581	\$109,246	\$280,319	\$13,369	\$196,369	\$77,994	\$6,269,860

VAJRADHATU BUDDHIST CHURCH
 UNAUDITED INCOME STATEMENT
 for the year ended December 31, 2001
 In Canadian Dollars

	Head Office St	Halifax Centre	Gampo Abbey	Shambhala Centres	Archives	Publications & Recordings	Kalapa Shambhala Society	Demma Ling	Council of Warriors	Total
REVENUE										
Donations	\$161,920	\$158,797	\$116,292	\$169,285	\$78,852	\$5,000	\$10,059	\$64,602	\$13,932	\$778,738
Program fees, sales, royalties	\$2,859	\$93,062	\$570,906	\$104,354	\$10,019	\$441,027	\$491	\$108,573	\$0	\$1,331,291
Foreign subsidy	\$564,886	\$0	\$30,576	\$0	\$14,538	\$0	\$0	\$0	\$0	\$610,001
Investment income	\$0	\$125	\$37,145	\$0	\$0	\$2,244	\$0	\$0	\$0	\$39,515
Other Income	\$24,435	\$0	\$19,398	\$46,477	\$5,348	\$9,531	\$0	\$0	\$426	\$105,616
Total Revenue	\$754,100	\$251,984	\$774,318	\$320,116	\$108,758	\$457,802	\$10,550	\$173,175	\$14,358	\$2,865,161
EXPENSES										
Administrative and office	\$219,508	\$2,458	\$91,790	\$29,512	\$5,226	\$33,542	\$0	\$27,732	\$624	\$410,392
Amortization	\$26,641	\$18,742	\$82,963	\$9,942	\$10,877	\$5,031	\$0	\$4,882	\$0	\$159,076
Fundraising Costs	\$94,978	\$0	\$12,539	\$0	\$5,141	\$2,890	\$0	\$2,856	\$0	\$118,404
Interest	\$6,943	\$0	\$0	\$0	\$0	\$0	\$0	\$6,684	\$0	\$13,626
Other	\$0	\$1,324	\$1,207	\$14,538	\$432	\$0	\$289	\$16,798	\$515	\$35,103
Programs & Operations	\$127,877	\$88,587	\$286,759	\$132,464	\$27,260	\$217,873	\$7,343	\$98,310	\$39,394	\$1,025,868
Rent	\$0	\$0	\$3,001	\$124,442	\$6,571	\$5,837	\$0	\$4,571	\$0	\$144,422
Salaries and benefits	\$540,737	\$140,937	\$53,909	\$0	\$64,458	\$150,393	\$0	\$24,403	\$0	\$974,837
Total Expenses	\$1,016,683	\$252,049	\$532,168	\$310,898	\$119,965	\$415,566	\$7,632	\$186,236	\$40,532	\$2,881,730
Excess of Revenues over Expenses	-\$262,583	-\$65	\$242,150	\$9,218	-\$11,207	\$42,236	\$2,918	-\$13,061	-\$26,174	-\$16,569
Unrestricted Assets, Beginning of Year	\$717,130	\$233,940	\$2,183,967	\$256,986	\$84,085	\$199,232	\$10,451	\$89,000	\$103,928	\$3,878,720
Unrestricted Assets, End of Year	\$454,547	\$233,875	\$2,426,116	\$266,204	\$72,878	\$241,468	\$13,369	\$75,939	\$77,754	\$3,862,151

Appendix B
Balance Sheet and Income Statement for Nalanda Foundation Canada

NALANDA FOUNDATION
 UNAUDITED BALANCE SHEET
 for the year ended December 31, 2001
 In Canadian Dollars

	Nalanda Translation	Shambhala Sun	Shambhala Institute	Shambhala Tr. International	Shambhala Tr. Victoria	Shambhala Tr. Vancouver	Shambhala Tr. Nelson	Shambhala Tr. Edmonton	Shambhala Tr. Toronto	Shambhala Tr. Ottawa	Shambhala Tr. Montreal	Shambhala Tr. Halifax	Total
Assets													
Cash	19,036	179,934	46,913	23,700	2,466	1,191	2,397	379	7,294	4,408	18,383	7,869	313,968
Accounts Receivable	375	201,571	29,291	7,284	0	0	0	0	0	0	0	0	238,521
Fixed assets	225,000	32,077	32,953	0	0	0	0	0	0	0	0	0	290,030
Inventory	24,081	0	0	6,351	0	0	0	0	0	0	0	0	30,432
Other Assets	12,610	0	0	5,239	0	0	0	0	0	0	0	0	17,849
Total Assets	281,102	413,581	109,157	42,573	2,466	1,191	2,397	379	7,294	4,408	18,383	7,869	890,799
Liabilities													
Accounts Payable	873	0	0	0	0	0	0	0	0	0	0	0	873
Accounts Payable other	15	36,804	46,300	3,985	0	0	0	0	0	0	0	0	87,104
Total Liabilities	888	36,804	46,300	3,985	0	0	0	0	0	0	0	0	87,977

NALANDA FOUNDATION
 UNAUDITED INCOME STATEMENT
 for the year ended December 31, 2001
 In Canadian Dollars

	Nalanda Translation	Shambhala Sun	Shambhala Institute	Shambhala Tr. International	Shambhala Tr. Victoria	Shambhala Tr. Vancouver	Shambhala Tr. Nelson	Shambhala Tr. Edmonton	Shambhala Tr. Toronto	Shambhala Tr. Ottawa	Shambhala Tr. Montreal	Shambhala Tr. Halifax	Total
Revenue													
Donations	162,553	4,147	5,727	15,082	0	1,161	0	433	0	0	0	0	189,102
Investments	14,527	0	0	0	0	0	0	0	0	0	0	0	14,527
Foreign Subsidy	0	0	0	0	0	0	0	0	0	0	0	0	0
Related Business Income	9,001	136,022	0	0	0	0	0	0	0	0	0	0	145,023
Membership Fees and Programs	0	1,514,585	721,268	215,563	5,988	25,300	0	3,565	27,772	3,905	28,402	31,392	2,577,740
Other income	3,271	0	0	0	0	0	0	0	0	0	0	0	3,271
Total Revenue	189,352	1,654,754	726,995	230,646	5,988	26,461	0	3,998	27,772	3,905	28,402	31,392	2,929,664
Expenses													
Fundraising cost	10,948	32	0	0	0	0	0	0	0	0	0	0	10,980
Admin. Costs	58,404	528,727	365,423	0	0	0	0	0	0	0	2,635	0	955,189
Cost of Programs	102,737	1,011,220	259,775	222,140	4,982	27,857	0	5,263	18,671	2,801	19,972	31,124	1,706,542
Total Expenses	172,089	1,539,979	625,197	222,140	4,982	27,857	0	5,263	18,671	2,801	22,606	31,124	2,672,711
Excess of Revenues over Expenses	17,263	114,774	101,798	8,505	1,005	-1,397	0	-1,265	9,101	1,104	5,795.54	267.79	256,953

Appendix C

Income Statement for Shambhala Europe

The attached tables give a detailed summary of the development of the expenses and revenues for Shambhala Europe for the years 1998 to 2001. Over the last 4 years, the finances of Shambhala Europe have generally been sound and are growing steadily.

Revenues: In terms of revenues, of particular interest are:

- Growth in dues – These are the core revenues from the centers to Shambhala Europe and these have grown from € 63K to € 91K. This is despite a number of centers not making regular payments. Most of these lapses have been within the scope of agreements reached with Shambhala Europe – centers that have required a reduction in dues transfers to cope with situations in their groups have requested this and we have made temporary agreements to do so.
- Significant declines in major donations – Shambhala Europe has not pushed significantly for major donations in the past years, and as a result these have declined by an average of 10% per year.
- Significant declines in Shambhala Day Gift – partly due to other fundraising initiatives (Harvest of peace, Stupa Consecration, DCL) and due to a lack of emphasis on the part of Shambhala Europe, the Gift has decreased by an average of 16% per year over the last 4 years.
- Overall, this means while dues have continued to grow, donations and Shambhala Day gift have made up an increasingly small share of revenues. In 2002, we will plan to reverse this slide in donations somewhat, while keeping dues steady.
- We will continue to work so that dues paid to SE increase, but also allow a number of centers who need dues for purchases, or growth phases to retain them – based on a mutual agreement.
- Make a renewed push for Shambhala Day Gift – including a clear presentation to the sangha of what we are trying to do and pointing out the Harvest of Peace Gift is for the centers.

Costs: In terms of costs, of particular note are the following points:

- Rent paid by Shambhala Europe for the office has gone up somewhat with the move to Cologne
- Office costs have remained steady
- Significant shifts in personnel costs – In 1998 there were essentially 2.5 full time employees equivalents with a combined total costs € 74K (of which 54% were salary charges) in 2001 there were 4 full time employee equivalents with combined total costs of € 72K (of which only 44% were salary charges). Thus, the average cost per employee has decreased from € 29 K per year to € 19K per year.
- Other costs have remained somewhat steady or have gone up (in particular travel costs and support for the privy purse).
- Thus overall costs have increased by an average of 8% per year, although we have doubled the number of staff working for SE. The year 2001 has a small deficit due to the fact the Tantra dues have not quite risen to the amount required to cover the salaries of the Director of Vajradhatu Gate (Barbara Maertens), and because the Assistant Director (Chris Tamdjidi) has received a 50% salary per month for the last 4 months of 2001.

Revenues Summary 1998-2001 (In Euros)

In Euros	1998	1999	2000	2001
Starting Balance	12788	5929	218	6627
Income				
Centres	63019	71244	75263	91206
Programmes Other	5529			1747
Programmes DCL	3478		5064	9417
Total Programmes	9008	187	5068	11163
Membership	7504	5915	6610	7764
Major Donations	21097	23963	16045	18067
Minor Donations	614	665	1125	471
Total Donations	21711	24628	17171	18538
Shambhala Day Gift	15419	12812	12213	9046
Rent Income	9207	10026	12430	11355
Inbound Transfers Shambhala		18979	23466	18668
Other	2714	2814	4435	3404
Total Income	129390	147349	160941	172239

Expenses Summary 1998-2001 (In Euros)

Expenses	1998	1999	2000	2001
Cash	2967	5269	5473	8849
Utilities	1139	1226	1214	886
Rent	16375	21463	21790	21790
Total Facilities	17514	22688	23004	22676
Copy	3598	3363	3297	3335
Office Supplies	6286	2386	6511	3515
Postage	731		78	740
Computer		3554	4557	6128
Total Office	10615	9304	14444	13719
Total Salaries	33865	28127	26598	34813
Total Salary Charges	40079	28726	19268	33314
Teachers Hon		2670	2908	3753
Total Personnel	73944	59523	48774	71880

	Total Telephone	7693	7186	5606	4803
	Total Travel	2441	2510	6920	7529
	Conferences		668		7111
	Programmes			3105	7750
	Total Programmes	600	845	3105	14860
	Tax Advisor	4666	1984	4986	2650
	Bank Charges	391	397	744	789
	Insurance	628	656	1531	1813
	Other	6880	3757	11226	5150
	Shrine materials		2643		
	Total Other	12565	9439	18488	10402
	Sakyong Mipham	1841	1535	1637	3069
	Move		12349	5074	
	Outbound Transfers Shambhala	6069	22413	22009	15812
	Total Expenses	136248	153060	154533	173600
	Net result	-6858	-5711	6408	-1362

Appendix D
Income Statement for the 2001 Consecration at Shambhala Mountain Center

This information will be included in the Shambhala International (Vajradhatu) financials statements. The following Income Statement identifies the income and expenses for the Consecration of the Great Stupa of Dharmakaya at Shambhala Mountain Center during the summer of 2001 in US dollars.

Income	2000	2001	Total
Program Income			
Participant registrations	\$136,000	\$331,000	
Final Day Registrations		\$60,186	
Total Participant Income	\$136,000	\$391,186	
Product Incomes			
CD Project		\$13,000	
Total Product Income		\$81,000	
Total Product Income	\$0	\$94,000	
Total Income	\$136,000	\$485,186	\$621,186
Expenses	2000	2001	Total
Event planning and administration	\$42,597	\$90,460	
Event Costs			
Program costs		\$94,000	
Dignitaries		\$115,000	
SMC Participant Payments ²		\$225,000	
Facilities and Infrastructure		\$108,000	
SI Gift		\$30,000	
Buddha Tour ¹		\$25,000	
Total Event costs	\$0	\$597,000	
Mementos			
Mementos Costs		\$99,538	
CD Costs		\$48,000	
Total Product Costs	\$0	\$147,538	
Total Expenses	\$42,597	\$834,998	\$877,595
Net Balance	\$93,403	-\$349,812	-\$256,409

Balance Sheet Items		
Liabilities		
	Outstanding Loan Sangha Member ³	\$261,001
	Outstanding Loan Bank ⁴	\$30,000
	Outstanding Expenses	\$10,564
	Total Liabilities	\$301,565
Assets		
	Receivables from SMC	\$30,001
	Mementos at Cost value	\$80,000
	Total	\$110,001
	Net Assets	-\$191,564
	Mementos Value at Wholesale Price ⁵	\$216,000
	Mementos Value at Retail Price	\$390,000
	Net Assets Valuing Mementos at Wholesale Price	-\$55,564

Notes:

1. The Buddha tour was for the trip to Central Park in NY, the events there and the feasibility studies.
2. Participant payments were to SMC at \$45 per day for providing food and facilities.
3. \$261,000 is through a loan from a sangha member with no interest.
4. \$30,000 is with a bank, monthly repayment of \$1,571. A sangha member in Boulder guarantees this.
5. The debt is being paid off by the sales of the mementos. SMC is selling the mementos, tracking these sales and sending the income to an accountant in Boulder who enters it into the Consecrations financial statements.

Appendix E
Income Statement for the Tibet Trip in 2001

This information will be included in the Shambhala International (Vajradhatu) financials statements. The following Income Statement identifies the revenue and expenses for the Sakyong's Trip to Tibet in the summer of 2001. Donations were raised after the trip to ensure that all expenses were covered.

Tibet Trip 2001 - Income Statement

US Dollars

Revenue

Donations	\$102,560
Total Revenue	\$102,560

Expenses

Airfare	\$18,637
Food	\$4,995
Film Stock	\$1,500
Gifts	\$10,624
Insurance	\$1,232
Lodging	\$13,623
Medicine	\$2,097
Miscellaneous	\$6,311
Satellite Phones	\$455
Travel	\$41,736
Visas	\$1,350
Total Expenses	\$102,560