

Clouds in Water Zen Center
 January 1 - June 30, 2013
 Financial Summary
 Prepared by Sosan Flynn on July 18, 2013

	Jan - June Actuals	Jan - June Budget	\$ Over (Under) Budget	Annual Budget	Mid-Year Forecast
Income	\$76,631	\$88,910	(\$13,279)	\$195,260	\$186,900
Expense	\$92,219	\$96,263	(\$4,044)	\$194,154	\$194,482
Net Income (Loss)	(\$16,588)	(\$7,353)	(\$9,235)	\$1,106	(\$7,582)

As of right now, I am predicting a loss of \$7,582 for the year. Things may turn around, and they often seem to do so by the end of the year. But it is most prudent for me to lay out the facts as I see them right now, rather than what I hope will happen.

The main factors in this prediction are reduction of income from membership and spring appeal (about \$3,000) and from classes and youth practice (also about \$3,000); and expenses coming in over budget for guest teacher expenses for Reb. On the latter, we also had an associated increase in budgeted income, but we are in the process of sorting out some discrepancies here.

Attached you will find the detailed financial reports (and first page summary reports) for Jan - June. I also added a Mid-year forecast column to the summary worksheet, and also to the "P&L vs. Budget Performance" worksheet.

Below I have included a narrative which explains how is is that we are off budget (over or under). If there is a difference of \$500 or more between the financial results and the budgeted amount, that is outlined below, as well as some other items of interest.

Income:

General Dana is \$1,000 more than budget, but includes \$800 special donation for zendo chairs. However, Furnishings & Equipment expense is still under budget, even with an extra expense of \$800 for chairs, so this increase in dana income may end up being a net increase.

Donations for East Hall (Jizo Hall) are \$1,000 under budget. I believe this is a timing issue and that we will be on budget by the end of the year.

Membership income is almost \$3,000 under budget; however, nearly \$2,000 of that is simply pledge payments that are late in coming and that we fully expect to receive in July.

Spring Appeal was budgeted at \$21,000 and is \$7,613 under budget. We had \$150 in donations come in July, so our total is now at \$13,537. We had hoped to raise \$16,000 this spring and raise the remaining \$5,000 through a special youth practice fundraiser in the summer or fall. Since our direct appeal came up \$2,463 short, we'll need to raise \$7,463 with that fundraiser, in order to make budget. I will need help with this from the board and volunteers. In my forecast, I was conservative and estimated that we would bring in an additional \$5,463 for a total of \$19,000.

Interest Income is almost \$1,700 under budget. What little income we did have was mostly eclipsed by the loss of value in our bond holdings. I will be reviewing our holdings with Sam Murphy to see if he would advise transferring more money of our bonds and into our money market account (which has about zero interest, but will not lose value). I did transfer about \$7,500 this week in order to bring our holdings in line with the recommended mix he advised last year. We were off balance because I had transferred money from our money market account to checking in May to cover our cash shortfall.

Classes are almost \$900 under budget, but sesshins are \$400 over budget. Amy is investigating the reason for class income being so low.

Ministerial Services is almost \$900 under budget. Most of the money we receive here is from Sosan, who gives 10% of her wedding business income to Clouds. For some unknown reason, this business has really slacked off so far this year.

Youth practice income is \$1,500 under budget. Attendance for the 2012-13 program year was very low, especially in the spring. This may be the result of uncertainty with the change in youth practice leadership.

Zen Dog is \$1,000 under budget. We had budgeted for two participants to pay the Zen Dog rate of \$100 per month. One of them decided to pay for classes another way, and the other one has decided to attend a different center and so will not be continuing. Therefore, the \$200 we have received for Zen Dog this year will be our total (not \$2,400 as budgeted). It is possible that this amount could be made up with an increase in attendance in classes and sesshins.

Expenses:

Bank service charges show us as \$800 over budget. However, this is mainly a function of the loss in bond value being put this this category. Actually, our bank service charges have been lower than budgeted for the first half of the year.

We spent \$340 on **Professional Development** in this first half year, putting us \$140 over budget; however, the entire \$340 is for Sosan to attend the MAP for Nonprofits Leadership Circles and that fee is being covered by a donation (yet to be received).

Office supplies are about \$300 over budget, because we have had fewer in-kind wish list items donated so far this year.

Temple supplies are about \$300 over budget, mostly due to a timing issue. A reimbursement for the last quarter of 2012 was paid in January of this year.

Technology is about \$600 under budget and it's possible we'll end the year with \$600 or more under budget. It's helped to have the contract with Mighty Mo for website maintenance so that we have avoided unexpected expenses.

Advertising is \$500 under budget because we haven't yet started paying for flyers being put up. That will start by next month, and hopefully will help increase our class income.

Telephone and Internet. Our phone service provider is no longer giving us free phone service. But the cost for Voice Over Internet Protocol is still very low cost and we will probably end the year only about \$200 over budget.

Payroll is \$2,500 under budget, but that is simply a timing issue. We will end the year on budget for payroll. Partly, this will happen because our incoming Youth Practice leader has offered to work as a volunteer this summer. She will be officially on the payroll beginning Sept. 1. We are still paying unemployment for our previous Youth Practice Program Manager at 50% of her salary through Nov. 1. If she finds employment before then, we may see a small decrease in the payroll budget for the year, but I don't think we should count on this.

Faculty compensation is \$800 under budget. We had fewer expenses here than anticipated because some of our faculty offered classes on a volunteer basis.

Faculty facilities and equipment is \$1,150 under budget, but that is a timing issue. We paid Hokyoji \$915 in July, so we are only \$235 under budget.

Food for sesshin is almost \$800 under budget, but checks totalling \$435 were paid in July for Hokyoji sesshin. So, we are only \$365 under budget.

Youth Practice Rent is \$375 under budget, but we owe back rent to Springboard and Nautilus and were waiting for invoices. We will try to clear this up by third quarter.

Appeals are \$200 over budget because we purchased 2 boxes of pre-stamped envelopes that were needed to replenish our supply after the Spring Appeal and will be used for the Fall Appeal.

Other income/expense: Guest Teachers

We received \$2,000 in advance registration payments for Fleet Maul.

Income and Expenses for Reb were complicated by the fact that some of the income came in 2012. For 2013, we are \$1,000 over for budgeted expenses and \$2,700 over for budgeted expenses.

However, there is a discrepancy between income for Reb that is showing up in eTapestry versus Quickbooks (\$1,000 more in eTapestry). We are trying to sort that out right now.