

<b>Sakyong Support and Shambhala Core Services</b>
<b>Combined Revenue &amp; Expense Notes as of December 31, 2006</b>
<b>For Internal Purposes Only</b>
<i>(all amounts are in Canadian \$)</i>
<u>General Notes</u>
This report is not prepared according to GAPP (Generally Accepted Accounting Principles). Although our accounting is done to conform to GAPP, this report is designed to provide a laypersons view of finances. An example would be the Namgyal Potrang (Kalapa Court) mortgage. On this report we show the full monthly mortgage payment. In our accounting program only the interest portion of that payment shows up as an expense and the principle is applied as a liability on the Balance Sheet.
<u>Year to Date</u>
Summary: The variance is \$171,980 unfavorable. This is primarily due to one time donations being \$138,000 under plan and interest expenses being \$32,000 over plan. Other variances offset each other.
Note 1: This is due to a shortfall primarily in one time donations.
Note 2: The budget was created before we had the full information about programs. Actual does not include program revenue due from Shambhala Mountain Centre for Sutrayana Seminary and Dzogchen programs. We are waiting on reports from them.
Note 3: The budget did not include Shambhala Training revenue or expense. However, because we merged Shambhala Training into Shambhala, the actuals do include Shambhala Training. This affects several categories.
Note 4: Higher then budgeted revenue transfers from centres. We continued to add centers to the new transfer program.
Note 5: Sales revenue of Rigden Abhisheka materials budgeted here but actuals are included in program revenues.
Note 6: This is due to a \$5,000 USD contribution from the Shambhala Trust for the website.
Note 7: This is included in Dorje Kasung.
Note 8: Extra expenses for Shambhala Centre Tour.
Note 9: The Acharya administrator retired and the function was transferred to Practice and Education. And they only had one meeting; two were budgeted.
Note 10: Expenses were less then anticipated.
Note 11: Because of financial constraints it was decided not to provide travel money for Mandala Council members for the December Boulder meeting.
Note 12: New position budgeted but not filled.
Note 13: Seed money for regional conference was not needed.
Note 14: Some of the President tour expenses posted to Finance & Development
Note 15: Interest on short term debt \$32,000 over plan; legal fees \$16,000 underplan; budgeted \$10,000 gain on currency exchange should have been budgetd as a loss.

Sakyong Support and Core Services		(all amounts are in Canadian \$)			
Combined Revenue & Expenses as of December 31, 2006					
	2006 Staff: Full time Equivalents	2006			
		Plan	Actual	Variance	Notes
Income					
Donations (One Time & Recurring)		\$ 660,000	\$ 513,832	\$(146,168)	1
Programs (Seminaries & Abhishekas)		122,000	95,111	(26,889)	2, 3
Shambhala Training International		58,400	75,517	17,117	3
Practice Centres (SMC & Gampo Abbey)		84,000	84,000	0	
Transfers from Shambhala Centres		60,400	84,123	23,723	3, 4
Sales (Net)		13,000	2,697	(10,303)	5
Other		13,700	21,840	8,140	6
Total Operating Income		\$ 1,011,500	\$ 877,120	\$(134,380)	
Expenses					
Sakyong Allocation	1.25	\$ 350,800	\$ 348,458	\$ (2,342)	
Sakyong Wangmo Support		9,000		(9,000)	7
President Support (Travel & Expenses)		40,000	49,822	9,822	8
Council of the Acharyas (Meetings and Coordinator)		38,000	20,927	(17,073)	9
Practice & Education (Salaries & Travel)	3	79,620	125,540	45,920	3, 9
Dorje Kasung (Salaries, Meetings, Travel, Telecomm)	3.50	82,446	75,007	(7,439)	10
International Affairs (Salaries, Telecomm, Travel)	0.5	19,815	18,491	(1,324)	
Communications (Dot, Thankga Video, Shambhala News Video)		46,000	43,500	(2,500)	
Governance (other the Congress)		20,000	12,584	(7,416)	11
Membership Services		8,500		(8,500)	12
Children and Families Initiatives		5,400	566	(4,834)	13
Finance & Development (Salaries, Fundraising, Professional Servi	3.00	131,386	137,455	6,069	14
Administration (Legal, Ins, Building Costs, Bank & CC Charges)		127,447	165,721	38,274	15
IT Services	0.10	36,566	35,382	(1,184)	
Kalapa Valley		21,000	15,648	(5,352)	
Total Operating Expenses	11.35	\$ 1,015,980	\$ 1,049,100	\$ 33,120	
Operating Revenue over Expense		\$ (4,480)	\$ (171,980)	\$(167,500)	
Blossoming of the Sun					
Revenue			\$ 140,717		
Expense (see detail sheet for breakdown)			205,079		
Net loss			\$ (64,362)		
Operating Debt					
Beginning Balance			\$ (286,002)		
2006 operating loss			(171,980)		
Blossoming of the Sun loss			(64,362)		
2006 Court renovations revenue shortfall			(29,625)		
Ending Balance operating debt			\$ (551,969)		
CIBC LOC			(280,830)		
Ashoka LOC			(266,659)		
Accounts Payable Including Restricted Accounts			(504,108)		
Accounts Receivable & Cash			483,148		
Ending Balance			\$ (568,450)		

<b>Sakyong Support and Core Services</b>	<i>(all amounts are in Canadian \$)</i>		
<b>Combined Revenue &amp; Expense Detail as of December 31, 2006</b>			
	<b>2006</b>		
	<b>Plan</b>	<b>Actual</b>	<b>Variance</b>
<b>Income</b>			
<i>Donations (One Time &amp; Recurring):</i>	\$ 660,000	\$ 513,832	\$ (146,168)
Recurring monthly donations	386,000	377,943	(8,057)
One-time	274,000	135,889	(138,111)
<b>Expenses</b>			
<i>Sakyong (Salary &amp; Practice):</i>	\$ 350,800	\$ 348,458	(2,342)
Salary & Benefits		51,592	
Travel for Practice and Education		3,571	
<i>Sakyong Support (Court, Vehicle &amp; Other):</i>			
Mortgage		74,946	
Utilities, Snow Removal & Insurance		15,578	
Taxes		20,451	
Maintenence on Kalapa Court		10,665	
Household (food and supplies)		6,000	
Vehicle (lease, gas, maintenance, insurance)		22,421	
Secretary & Editor		61,348	
Marpa House for Lady Konchuk & Lama Paygel		25,530	
Other (05 Medical Exp, Wedding Invitations, Phone 05/06, Mipham Tsok)		56,357	
<i>Administration (Legal, Ins, Building Costs, Bank &amp; CC Charges):</i>	\$ 127,447	\$ 165,721	\$ 38,274
Legal fees	30,000	14,078	
Building Costs (paid to Halifax Shambhala Center)	37,777	44,449	
Bank & Credit Card Charges	18,240	23,892	
Insurance	19,020	14,101	
Casa Werma Debt Service	6,210	6,210	
Telecommunications	5,400	4,788	
Interest on Short Term Debt	6,000	37,773	
Sales Tax, Printing, Office Supplies, Misc	15,000	9,631	
(Gain) Loss on Foreign Exchange	(10,200)	10,799	

**Blossoming of the Sun Wedding Festival**  
**Revenue & Expenses**  
**Actual to Projection**

	Actual	Projected	Variance
<b>REVENUE</b>			
<b>Guest Tickets</b>	134,717	189,900	(55,183)
<b>Donations</b>	6,000	6,000	0
<b>TOTAL REVENUE</b>	<b>140,717</b>	<b>195,900</b>	<b>(55,183)</b>
<b>EXPENSES</b>			
<b>Program</b>	58,502	55,462	(3,040)
<b>Wedding Reception/Music Show</b>	49,046	25,309	(23,737)
<b>Royal Family</b>	18,289	19,972	1,683
<b>Lineage</b>	9,890	20,044	10,154
<b>Staff &amp; Contract Work</b>	37,697	40,491	2,794
<b>Office</b>	622	4,850	4,228
<b>Bank Charges</b>	2,200	5,226	3,026
<b>HST</b>	8,434	7,377	(1,057)
<b>Contingency</b>	0	17,135	17,135
<b>TOTAL EXPENSES</b>	<b>184,681</b>	<b>195,866</b>	<b>11,185</b>
<b>Profit (Loss)</b>	<b>(43,964)</b>	<b>34</b>	<b>(43,998)</b>
<b>Scholarships</b>	<b>20,398</b>		
<b>Cost including Scholarships</b>	<b>205,079</b>		
<b>Profit (Loss) including Scholarships</b>	<b>(64,362)</b>		

<b>Guest Tickets:</b> Based on 825 contributing guests for full event, single days and youth categories and music show income
<b>Donations:</b> Council of Warriors and Halifax Kalapa Shambhala Society
<b>Program:</b> Facility rental and setup, banners, brocades, shrines, program, materials, photography, video, empowerment offerings & gifts, Dorje Kasung, Kasung and staff vehicles and gas.
<b>Wedding Reception and Popular Music Show Reception:</b> catering for 1000 guests plus dignitaries, service staff, decorations and performance equipment rentals. Music show venue rental, sound.
<b>Royal Family:</b> Lady Diana party, Lady Könchok and Ripa households, Lady Könchok party [4] airfares, Family dinner, SMR pre-arrangements, vehicles/gas
<b>Lineage:</b> Airfares, visa costs, transit hotels and food, households, vehicle expenses, translation, gifts, dignitary reception and hospitality.
<b>Staff and Contract Work:</b> Coordinator, administrative assistant, bookkeeping, facility setup.
<b>Office:</b> Web site, insurance, postage, telephone, photocopying
<b>Bank Charges:</b> Credit card fees and bank accounts
<b>Contingency:</b> 10% of expenses