

Sakyong Support and Shambhala Core Services Combined Revenue & Expense Notes as of December 31, 2007 For Internal Purposes Only

General Note: This report is not prepared according to GAAP (Generally Accepted Accounting Principles). Although our accounting is done to conform to GAAP, this report is designed to provide a laypersons view of finances (e.g. cash basis). 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.

US to Canadian exchange rates: The rate used in the accounting system was 1.15. The difference between the rate used for accounting and the actual exchange rate is shown under Revenue as "Loss on Foreign Exchange". In 2006 the average exchange rate was 1.13; in 2007 it was 1.07. This loss reduced the value of our US revenue by approximately \$45,000.

Descriptions of Categories

"Recurring monthly donations": \$435,218 includes all of the automatic monthly donations from individuals.

"One- time donations": \$190,244 includes one-time donations made by individuals.

"Programs": \$84,489 net profit after covering all expenses associated with seminars, Warrior Assemblies, Dzogchen retreats and abhishekas.

"Practice Centers": \$84,489 in revenue sharing from SMC and Gampo Abbey.

"Transfers from Shambhala Centers: \$170,374 in revenue sharing from Shambhala Centers in North America. This represents about 4.2% of the revenue of the centers.

"Other": \$29,279 in revenue from miscellaneous sources.

"Loss on Foreign Exchange" \$20,625 see note above.; this is a negative number.

"Released from Restricted": \$12,960 in funds designated for a specific purpose, and released/spent for that purpose.

Sakyong Allocation:

"Salary & Benefits": \$43,319 for the salary and related payroll expenses of the Sakyong.

"Religious expense": \$18,280 is an annual donation to Namdroling, seat of Penor Rinpoche.

Court. The following are expenses totaling \$148,650 are for the Kalapa Court, the Sakyong's official residence in Halifax:

"Mortgage" \$87,870

"Utilities, snow removal" \$8,499

"Taxes and insurance" \$25,534

"Maintenance" \$14,236

"Household" \$12,511 for food and supplies.

“Vehicle”: \$17,223 includes lease payments on the Sakyong’s official car, as well as gas, maintenance, and insurance.

“Secretary & Editor & Khenpo Gawang”: \$60,188 includes salary, benefits and miscellaneous expenses for a full time secretary, and a part time (20%) editor.

“Marpa House”: \$25,530 towards the costs associated with Lady Kunchok and Lama Paygel (the Sakoyng’s mother and her husband) being in residence at Marpa House.

“Other”: \$34,810 for a variety of miscellaneous expenses, primarily related to travel.

“President Support”: \$47,341 covers the travel and miscellaneous business expenses of President Richard Reoch. President Reoch does not currently receive a salary.

“Council of Acharyas”: \$4,457 to help cover travel expenses for the Acharyas to meet annually with the Sakyong.

“Dorje Kasung”: \$94,782 covers the salary and benefits for 2 Continuity Kusung assigned as staff to the Sakyong, and 1 assigned to Khandro Tseyang; a half time salary for he Makpon, who is the head of the Kasung; telecommunications expenses and funds to help cover the cost of travel for Kasung meetings.

“Practice and Education”: \$117,045 covers the salary, benefits and miscellaneous business expenses for 3 full time staff.

“International Affairs”: \$19,170 covers a half time salary, benefits and miscellaneous business expenses.

“Communications”: \$36,000 goes towards producing the Dot, and for the videos like the annual Shambhala News Video.

“Governance”: \$12,869 covers costs associated with meetings of the Sakyong’s Council.

“Finance & Development”: \$134,911 covers the salary, benefits and miscellaneous business expenses for 3 full time staff; audit fees; and printing and mailing costs for fundraising.

“Administration”: refer to detail page. The following expenses total \$191,307:

“Legal fees” \$29,932

“Building costs” \$42,223 paid to Halifax Shambhala Center for space.

“Bank and Credit Card Charges” \$16,838 for bank and credit card processing fees.

“Insurance” \$11,341

“Casa Werma Debt Service” \$3,273 for payments on a loan on Casa Werma.

“Telecommunications” \$5,307

“Interest on short term debt” \$54,088

“Printing, Office Supplies” \$6,912

“Other” \$22,168 for miscellaneous expenses and write offs.

“IT Services” \$19,034 for part time support of office technology.

“Kalapa Valley” \$20,925 for caretaker and miscellaneous expenses.

“Net Current Operating Debt” \$504,800 is the net balance owed for short-term debt as of 12/31/07. This is down \$40,000 from 12/31/06.

Sakyong Support and Shambhala Core Services
Actuals As of December 31, 2007 - Summary

Income	Staff: Full time Equivalents	2007 Actuals Exc Rate 1.15	2006 Actual Exc Rate 1.15
Recurring monthly donations		435,218	377,943
One-time donations		190,244	135,889
Programs (Seminaries & Abhishekas)		113,465	95,111
Practice Centres (SMC & Gampo Abbey)		84,489	84,000
Transfers from Shambhala Centres		170,374	159,640
Other		29,279	24,537
Released from Restricted		12,960	
Loss on Foreign Exchange		(20,625)	(10,799)
Total Income		\$ 1,036,029	\$ 877,120
Expenses			
Sakyong Allocation	1.25	\$ 348,000	\$ 348,458
President Support (Travel & Expenses)		47,341	49,822
Council of the Acharyas (Meetings)		4,457	20,927
Dorje Kasung (Salaries, Meetings, Travel, Telecomm)	2.5	94,782	75,007
Practice & Education (Salaries & Travel)	3.0	117,045	125,540
International Affairs (Salaries, Telecomm, Travel)	0.5	19,170	18,491
Communications (Dot, Shambhala News Video)		36,000	43,500
Governance (other the Congress)		12,869	12,584
Finance & Development (Salaries, Fundraising, Professional Services)	3.0	134,911	137,455
Administration (Legal, Ins, Building Costs, Bank & CC Charges)		191,307	155,488
IT Services	0.1	19,034	35,382
Kalapa Valley		20,925	15,648
Total Expenses	9.10	\$ 1,045,841	\$ 1,038,302
Revenue over Expense		\$ (9,812)	\$ (161,182)
As of Decemebr 31, 2007		Exc Rate 1.00	Exc Rate 1.15
CIBC LOC		\$ (200,435)	\$ (280,830)
Ashoka LOC		(254,365)	(266,659)
Short Term Loan		(50,000)	
Net Current Operating Debt		(504,800)	(547,489)
Accounts Payable Including Restricted Accounts		(566,432)	(504,108)
Accounts Receivable & Cash		487,840	483,148
Net Cash Debt		(583,392)	(568,449)

Sakyong Support and Shambhala Core Services
Actuals As of December 31, 2007 - Detail

Expenses	Staff: Full time Equivalents	Dec Actual	2006 Actual Exc Rate 1.15
<i>Sakyong Allocation</i>		\$ 348,000	\$ 348,458
Salary & Benefits		43,319	51,592
Religious Expenses (Mipham Tsok at Namdroling)		18,280	3,571
Mortgage		87,870	74,946
Utilities, Snow Removal		8,499	15,578
Taxes & Insurance		25,534	20,451
Maintenance on Kalapa Court		14,236	10,665
Household (food and supplies)		12,511	6,000
Vehicle (lease, gas, maintenance, insurance)		17,223	22,421
Secretary & Editor & Khenpo Garwang	1.4	60,188	61,348
Marpa House for Lady Konchuk & Lama Paygel		25,530	25,530
Other		34,810	56,357
<i>Administration (Legal, Ins, Building Costs, Bank & CC Charges):</i>		\$ 191,307	\$ 155,488
Legal fees		29,158	14,078
Building Costs (paid to Halifax Shambhala Center)		42,223	44,449
Bank & Credit Card Charges		16,838	23,892
Insurance		11,341	14,101
Casa Werma Debt Service		3,273	6,210
Telecommunications		5,307	4,788
Interest on Short Term Debt		54,088	37,773
Printing, Office Supplies, Misc		6,912	9,631
Other (adj write off & HST (tax))		22,168	566