



SHAMBHALA

Finance Report to the Shambhala  
Community

September 20, 2018

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## **Background**

The [August 15, 2018 Financial Report to the Shambhala Community](#) was a first offering towards transparently sharing the financial reality of the Shambhala mandala with our community. That report laid out an overview of the legal entities that make up Shambhala, and their areas of focus and interaction, and provided financial statements for each.

This follow up report includes updated information about the current financial situation within Shambhala Global Services, as well as responses to questions from sangha members regarding what was shared in the previous report.

Questions and suggestions for future reporting are welcomed at [info@shambhala.org](mailto:info@shambhala.org).

## **Shambhala Global Services Monthly Cash Flow**

In recent years, Shambhala Global Services revenue has been insufficient to cover expenses, resulting in annual losses. The loss was \$120,000 USD in 2017, in addition to the \$200,000 USD loss in the Sakyong Potrang entities that year. In early 2018, a process to cut \$100,000 from the annual budget was initiated.

In May and June of this year, the tight cash situation in Global Services converged with cash shortfalls in other divisions, particularly Shambhala Online and Shambhala Mountain Center, and in July and August additional challenges manifested.

- In May, Shambhala Online and Shambhala Mountain Centre made their last monthly transfers to Global Services (revenue loss of \$11,500 USD monthly).
- Since early July, a number of Shambhala Centres have ended their monthly Unified Giving transfers to Global Services (revenue loss of over \$8,000 USD monthly)
- Between mid June and mid August, individual donations to Global Services have dropped by just under \$1,000 USD monthly.
- The partial data that is currently available for September indicates that the trajectory has changed for individual donations, which appear set to increase slightly over August.

In summary, since May, 2018, Shambhala Global Services monthly recurring revenue has dropped by approximately \$21,000 USD. In response to this drop in recurring revenue and uncertainty about future non-recurring revenue, budget cuts of approximately \$40,000 per month were initiated in July.

One time transfers and donations, particularly the yearly Shambhala Day campaign, have historically made up a large portion of Shambhala Global Service's annual revenue. In the

current context, this revenue is very hard to project, therefore current budgets only include reliable recurring monthly revenue and regular monthly expenses.

Current monthly recurring Unified Giving revenue from Centers and individuals is approximately \$39,000 USD, while Shambhala Global Services' recurring monthly expenses total approximately \$93,000 USD. With this monthly baseline burn rate of \$54,000 USD, further cuts will be necessary.

The level of global services that can continue to be provided to local centers and land centers is directly dependent on the level of monthly recurring Unified Giving revenue. See budget below for details of both income and expenses.

### **Short Term Funding**

An arrangement has been established between Shambhala, the Sakyong Potrang, and some patrons, to temporarily use donor restricted funds that were held in the Sakyong Potrang as a bridge loan to ease the urgent cash flow pressure in Shambhala Global Services. This arrangement provides the cash needed to keep the Nalanda Translation Committee property mortgage free, and allows decisions about asset sales to be delayed until the Interim Board of Shambhala is seated.

This bridge loan is due on August 15, 2019, which provides an 11 month window for the Shambhala community and the Interim Board to create a longer term solution. This solution may very well need to include asset sales of some kind. No local Shambhala city centre assets are under consideration for sale.

### **Supporting Shambhala Global Services**

The direct support of individual donors to Shambhala Global Services is of great benefit at this time. These donations will directly and exclusively support the critical global infrastructure of the Shambhala mandala, as outlined in this report and attached budget. Recurring and one time donations [can be made here](#).

Donations to your local Shambhala Centre are also extremely helpful, as always. A portion of local donations are intended to flow through to fund Shambhala Global Services via Unified Giving centre transfers. See the budget below for your Shambhala Centre's current monthly transfer amount.

### **Lineage & Parsonage Expenses**

No Shambhala funds from centre transfers, direct donations, or other sources are being used to fund Lineage and Parsonage expenses for the Sakyong and Sakyong Wangmo. These

expenses are covered by gifts from donors and patrons who specifically wish to support the lineage in this way. Those who wish to contribute to this support are invited to do so with recurring or one time donations to the Sakyong Potrang [here](#).

The monthly Shambhala Global Services deficit outlined above does not include any lineage or parsonage expenses. Further detail about the financial relationship of Shambhala Global Services and the Sakyong Potrang is included in the Q&A section of this report.

“Lineage Expenses” as defined here refer to the salaries of the Sakyong and Sakyong Wangmo, their health insurance, a food stipend, and church-related travel and vehicles. “Parsonage Expenses” refer to the costs associated with the homes of the Sakyong and Sakyong Wangmo located in Halifax, Nova Scotia, and Boulder, Colorado. See Q&A section for more information on these parsonage properties.

Lineage expenses do not include any costs related to the Jetsunmas (the Sakyong and Sakyong Wangmo’s three children). Expenses related to the three children are paid for by the Mukpo family.

## **Responding to Questions from the Community**

We have received many excellent questions and requests in response to the August 15 finance report, which fall into four main categories:

1. What is the Sakyong Potrang? Why is it necessary?
2. Clarifying the financial transactions between the Sakyong Potrang and Shambhala entities.
3. Governance details.
4. Requests for additional data not included in the August 15 finance report.

## **What is the Sakyong Potrang?**

From the August 15 report:

*The Sakyong Potrang entities house all the charitable work of the Sakyong lineage in support of Shambhala, as well as other charitable lineage activities. These entities hold the lineage succession of Sakyongs and lineage texts, sacred sites, ritual implements, trademarks, and copyrights. This is different from the activity of the Shambhala entities mentioned above, which manage the general operations and assets of the city and retreat centers. Also currently within the Sakyong Potrang are staff positions that support*

*the Shambhala organizations. The Sakyong Potrang was originally incorporated in the United States in 2012 as the Sakyong Ladrang, and renamed in 2015.*

*The Sakyong Potrang entities held unrestricted net assets (total equity) of negative \$130,000 USD at the end of 2017. In 2017, these entities ran at a deficit of just under \$200,000 USD.*

### **More About the Sakyong Potrang**

The translation of Potrang is “palace.” Traditionally in Tibet, a Potrang entity would ensure the smooth succession from one tulku or family lineage holder to the next. The Potala in Lhasa was a “Potrang”. A Potrang entity also creates a financial base of support for the training of the next lineage holder.

In our current-day, Western context, the Sakyong Potrang holds these same functions. It protects and supports the Lineage of Sakyongs at the centre of the Shambhala mandala. It also protects the relics and the assets of the Sakyong lineage, including sacred Kalapa Valley, trademarks, logos, and many of the text and liturgy copyrights of the lineage.

The activity of the Sakyong Potrang is different from the activity of the Shambhala entities that support Shambhala Global Services. The Sakyong Potrang protects and supports the lineage, while Shambhala Global Services protects and supports the community. While the lineage and the community are interdependent and inseparable and rely on one another to function, the distinction is both practically and energetically important so that each entity can effectively serve their primary purposes.

### **Clarifying Transactions between the Sakyong Potrang and Shambhala Entities**

The most frequently submitted question in response to the August 15 finance report had to do with transfers from Shambhala Global Services to the Sakyong Potrang. As a point of clarification, Shambhala Global Services is not a legal entity, but is a name that refers to the combined operation of the “head office” divisions of Shambhala USA and the Shambhala Canada Society.

In the [August 2018 Finance Report](#), the Sakyong Potrang expenses were described as being in three categories, which are summarized in the table below for 2017. Note that all expenses funded by restricted funds have been removed from this summary, and all funds are in U.S. dollars.

<b>Sakyong Potrang Expense</b>	<b>Includes</b>	<b>2017 Amount</b>	<b>Funded By</b>
1) Lineage & Parsonage	Salaries, health insurance, parsonage*, travel, cars and a food stipend	\$194,000 plus \$211,000 Total \$405,000	Sakyong Potrang donations from patrons, individuals and tangra offerings (total of \$415,000)
2) Teaching Support	Editor, Court manager, continuity staff, and machen	\$240,000	See below
3) Leadership & Other	Minister salaries (including Kalapa Council members who received salaries), secretary, rent, insurance, finance, legal and all other overhead	\$630,000	See below

*\*Parsonage refers to a church house provided for a member of the clergy. See the "Court Properties" section below for more detail about the amount and form of parsonage expenses.*

In 2017, Shambhala entities transferred a \$512,489 USD to the Sakyong Potrang, which went towards the expenses in categories two and three above. Lineage & Parsonage expenses were fully funded by gifts from patrons, other individual gifts directly to the Sakyong Potrang, and tangra offerings at Vajrayana programs. Even with other miscellaneous income, the Sakyong Potrang still ran a \$200,000 USD deficit in 2017.

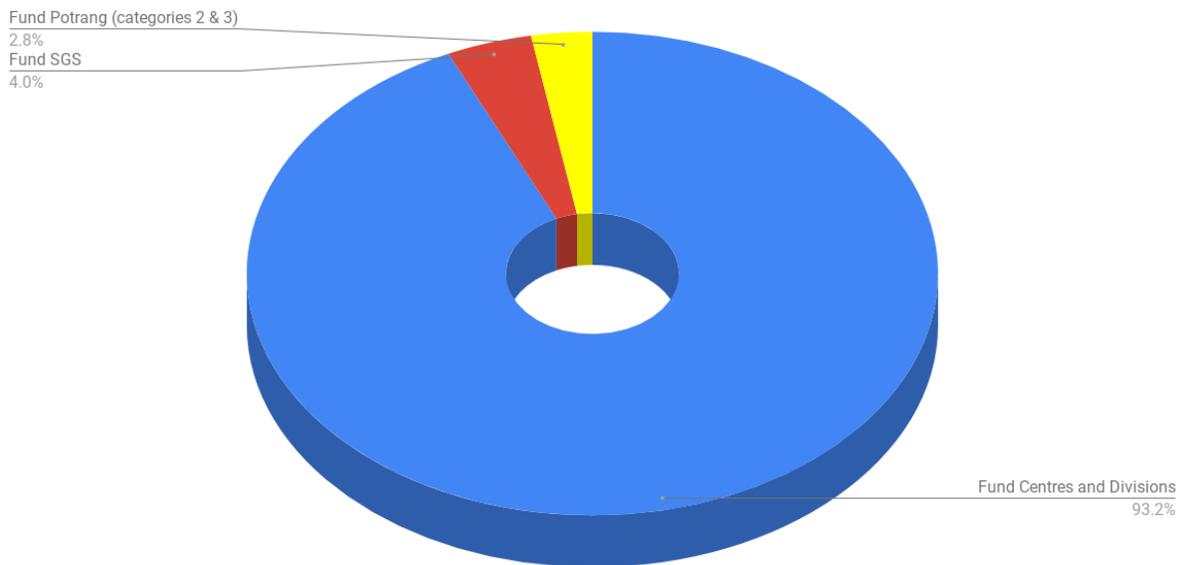
Going forward, transfers from Shambhala Global Services to the Sakyong Potrang will fund only the reduced expense levels in categories two and three - Teaching Support and Leadership & Other. Lineage & Parsonage expenses will be funded by direct donations to the Sakyong Potrang. These donations are currently the sole source of revenue for the ongoing financial support of the Sakyong, the Sakyong Wangmo, and their family.

Patrons and donors who wish to contribute to this support can continue to do so with direct donations to the Sakyong Potrang [here](#).

## Visual Flow of Funds

Total 2017 revenue for the 130+ divisions of Shambhala in North America is estimated at \$18 million, similar to the year before.

<b>Estimated 2017 Shambhala Revenue in North America</b>	<b>18,000,000</b>
Funding for City Centers and Land Centers (estimate)	16,769,102
Funding for Shambhala Global Services (actual)	718,410
Transfers to the Sakyong Potrang for categories 2 & 3 (actual)	512,489



## Nonprofit Governance

Shambhala and Sakyong Potrang entities in North America are legally structured as nonprofit corporations. While there are some differences between the rules governing these types of organizations in the United States and Canada, the basics are the same:

- The organization must be organized and operated for exempt/charitable purposes, and not for the benefit of an individual.

From the IRS [website](#): *“A section 501(c)(3) organization must not be organized or operated for the benefit of private interests, such as the creator or the creator’s family, shareholders of the organization, other designated individuals, or persons controlled*

*directly or indirectly by such private interests. No part of the net earnings of a section 501(c)(3) organization may inure to the benefit of any private shareholder or individual. A private shareholder or individual is a person having a personal and private interest in the activities of the organization.”*

Compensation and reasonable reimbursement of expenses to Officers and Directors are allowed, however. As was stated in the August 15 report: *“Kalapa Court expenses are paid by the Sakyong Potrang entities in compliance with applicable laws governing charities and churches. Independent legal and accounting advice is sought when necessary to confirm which expenses are permissible to be paid by these church entities. Personal expenses of the Sakyong and his family, education of the Sakyong and Sakyong Wangmo’s children, and any child care expenses are paid for personally by the Mukpo family.”*

- No lobbying or political action is allowed.
- If the organization dissolves, all assets must be distributed to another nonprofit/charity.

Nonprofit corporations are typically managed by a Board of Directors, which holds fiduciary responsibility. A Board of Directors may be self-perpetuating, in that it chooses its own successors, or it can be elected or appointed if the organization has Members.

There are two kinds of membership structures, one of which is related to governance and the other is not.

- The most familiar membership structure is not related to governance. A common example is a nonprofit museum that has members who receive discounted admission and other benefits, but who are not involved in the organization’s management.
- One common membership structure that is related to governance would be a trade association, which individuals join, and at annual meetings elect the Board of Directors.
- Another common membership structure is set up with a sole member. Sometimes the sole member is the parent organization, such as in a multiple-entity hospital or social service system of agencies. Sometimes it is the founder as an individual.

If an organization’s articles of incorporation include one or more members for governance purposes, in addition to appointing the Board of Directors, those members have the sole ability to revise the Bylaws and merge or dissolve the organization, while the Board of Directors manages the operations.

## Purpose and Governance of Shambhala and Sakyong Potrang Nonprofit Entities

- **Sakyong Potrang** - To conduct activities in the furtherance of the spiritual vision of the Sakyong lineage and Shambhala; the current Sakyong has the sole power to appoint the next Sakyong.
- **Sakyong Potrang Canada** - To be the seat and central church of the Sakyong lineage of Shambhala in Canada.
- **Shambhala USA** - To establish, maintain, and administer a church and an association of churches for religious practice and worship in accordance with the teachings and practices of the Shambhala and Buddhist traditions under the leadership of the Sakyong Lineage of Shambhala;

To serve as the central, governing body of Shambhala in the United States and as such to establish, maintain, and administer an association (“Mandala”) of Shambhala churches, communities, meditation centers, cultural centers, retreat centers, and related organizations throughout the United States.

To participate as an integrated member of the International Shambhala Mandala and a part of its association of churches and organizations throughout the world, and in that role to present, propagate, and support the teachings of the Sakyong lineage of Shambhala.

- **Shambhala Canada Society** - Same as Shambhala USA above, with references to Canada instead of the United States as appropriate.

The Sakyong is the sole member of the Sakyong Potrang and the Sakyong Potrang Canada. As such, he has the sole power to appoint the Board and Officers of the Sakyong Potrang entities, to amend the Articles of Incorporation and Bylaws of the Sakyong Potrang, and to merge or dissolve the organizations.

The Sakyong Potrang is the sole member of Shambhala USA and Shambhala Mountain Center. In Canada, a corporation cannot be the sole member of a corporation, so Sakyong Mipham Rinpoche is also the sole member of the Shambhala Canada Society. As with the Sakyong Potrang entities, the sole members of these corporations have the exclusive power to appoint the Boards of Directors, amend Bylaws, and merge or dissolve their respective Shambhala entities.

The current leadership transition is happening within this overall structure. The following is from the [Transition Taskforce website](#):

*Sakyong Mipham Rinpoche is the head of the Sakyong Potrang. In this position, he has appointed and removed members of Shambhala's governing board, known as the Kalapa Council. On the day the Interim Board members officially take their seat, the Sakyong will formally waive his power to appoint and remove board members for a period of one year from that date. At the same time, the Kalapa Council members will all officially resign and the Interim Board will take on all legal and financial responsibilities for Shambhala. It is anticipated that at the conclusion of this year-long period, the Sakyong, or whomever is designated to lead the Sakyong Potrang, will work with the Interim Board and the Process Team toward the result of a strong, healthy, and diverse organizational structure for Shambhala.*

Local Shambhala Centers and Groups are bound by the Shambhala International Charter and Bylaws. The Charter and Bylaws proclaim the local centers or groups as lineage institutions of the Shambhala Mandala and as a seat of the lineage of Sakyongs of Shambhala:

*As a lineage institution, the Center is a recognized seat of the lineage of Sakyongs of Shambhala and is authorized to present the teachings and practices entrusted to the Shambhala Mandala by that lineage. The Center is authorized, empowered, and licensed to identify itself to the public as a Shambhala Meditation Center under the leadership and spiritual guidance of that lineage. The Center is entitled and commits to participate in the governance bodies and procedures of the Shambhala Mandala. Subject to this Charter and the International Bylaws, the Center is further authorized to form and operate such corporate or other legal entities as may be necessary or appropriate under the laws of its local jurisdiction; to adopt and amend local bylaws and rules related to its internal governance; to appoint directors and officers; to employ such persons as may be necessary or appropriate to its efficient operation; to acquire, own, lease, and operate real and personal property; to enter into contracts in its own name; and otherwise to exercise all of the powers permitted under the laws of its local jurisdiction.*

### **Additional Data / Miscellaneous Questions**

Some of the data in this section was included in the August 15 report and has been reformatted to make it easier to understand. Other information is new, based on requests for information after publication of the August 15 finance report.

### **Asset List**

This list combines the assets that were listed separately in the Entity Overview appendix to the original August 15 finance report. Determining market values would require significant spending on appraisals, thus we list the purchase price (including upgrades and renovations), as in the August 15 finance report (with a few corrections found). For most properties the market value would be significantly higher.

<b>Property</b>	<b>Owner</b>	<b>Purchase/Upgrade Price (native currency)</b>
Atlanta Shambhala Center	Shambhala USA	1,248,832
Austin Shambhala Center	Shambhala USA	349,466
Boulder Shambhala Center	Shambhala USA	1,460,720
Chicago Shambhala Center	Shambhala USA	1,173,036
Columbus Shambhala Center	Shambhala USA	67,968
Dorje Denma Ling	Shambhala Canada Society	1,285,544
Dorje Kasung Canada	Shambhala Canada Society	253,134
Dorje Khyung Dzong	Shambhala USA	321,521
Drala Point	Sakyong Potrang	81,800
Durham Shambhala Center	Shambhala USA	129,900
Fredericton Shambhala Centre	Shambhala Canada Society	67,900
Gainesville Shambhala Center	Shambhala USA	132,000
Gampo Abbey Buildings	Shambhala Canada Society	1,870,336
Gampo Abbey Land	Shambhala USA	161,433
Great Stupa of Dharmakaya	Shambhala USA	3,118,102
Halifax Shambhala Centre	Shambhala Canada Society	1,080,012
Kalapa Court Halifax	Sakyong Potrang Canada	2,378,095
Kalapa Valley	Sakyong Potrang Canada	447,898
Karme Choling	Shambhala USA	3,281,272
Kootenay Shambhala Centre	Shambhala Canada Society	442,463
Lexington Shambhala Center	Shambhala USA	569,679
Madison Shambhala Center	Shambhala USA	325,364
Marpa House	Shambhala USA	689,251
Milk Lake cabins	Shambhala Canada Society	16,623
Milk Lake Land	Shambhala USA	176,000
Milwaukee Shambhala Center	Shambhala USA	254,067
Minneapolis Shambhala Center	Shambhala USA	301,724
Samadhi Cushions	Shambhala USA	241,099
San Antonio Shambhala Center	Shambhala USA	275,616
Seattle Shambhala Center	Shambhala USA	647,742

Shambhala Mountain Center	Shambhala Mountain Center	10,000,411
Shambhala Mountain Centre land parcel	Shambhala USA	169,430
Shelburne Falls Shambhala Center	Shambhala USA	210,000
Sky Lake Lodge	Shambhala USA	526,253
St. Margaret's Bay Shambhala Centre	Shambhala Canada Society	152,806
Vancouver Shambhala Centre	Shambhala Canada Society	2,049,797

### **Properties “Gifted” to the Sakyong Potrang**

In recent years, a few Centers have been “offered” or “gifted” to the Sakyong Potrang by the local leadership via a letter. These gifts have been on an energetic basis only; they have not changed the legal ownership of the properties. The gifts were an expression by local centers of the interconnected view of the Sakyong Potrang and Shambhala.

## Shambhala Global Services and Sakyong Potrang Debt

Entity	Amount	Collateral	Term & Int Rate	Purpose of debt
Shambhala Canada Society	\$550,000 CAD limit	All present and future acquired property of the Shambhala Canada Society and the Sakyong Potrang Canada, including specific security on Kalapa Court Halifax and Dorje Denma Ling.	Prime plus 1%	Operating line of credit
Sakyong Potrang Canada	\$526,972 CAD as of Dec 31, 2017	All present and future acquired property of the Shambhala Canada Society and the Sakyong Potrang Canada, including specific security on Kalapa Court Halifax and Dorje Denma Ling.	3.35%	Purchase and renovations for Kalapa Court Halifax. Refinanced together with the operating debt below in 2016 into a single mortgage. Principle and interest for this portion of the debt is included in Parsonage calculations.
Sakyong Potrang Canada	\$644,077 CAD as of Dec 31, 2017	All present and future acquired property of the Shambhala Canada Society and the Sakyong Potrang Canada, including specific security on Kalapa Court Halifax and Dorje Denma Ling.	3.35%	Restructure Shambhala debt for more favourable terms. Refinanced together with the mortgage debt above in 2016 into a single mortgage.
Shambhala USA	Approximately \$150,000 USD	Unsecured	varies	Temporary funding of cash shortfalls.

### Kalapa Centre Halifax Rent

The rent for this office space in Halifax is \$8,718 CAD (\$6,540 USD) monthly. The lease expires in March, 2020. Possibilities for subletting some of the now underutilized space are being explored. However, the building is not currently full, so options are limited.

### Court Properties

“Parsonage” refers to a housing allowance given by a religious body to its ordained clergy. Parsonage support can be provided in cash towards housing expenses, or by directly providing housing. Parsonage from the Sakyong Potrang supports two residences for the Sakyong and Sakyong Wangmo and their family, one in Boulder, Colorado and one in Halifax, Nova Scotia.

The Halifax residence is owned by the Sakyong Potrang Canada. It was purchased in 2001, and subsequently renovated. Debt service related to purchase and renovations, maintenance, utilities, real estate taxes, and other expenses associated with this property totalled \$67,000 USD in 2017, which is included as parsonage. In 2016 this property was used as collateral for a \$550,000 CAD refinance to restructure Shambhala's debt. Debt service from this refinancing is not included in the parsonage.

The Boulder residence was privately purchased by the family in 2011. Parsonage for this property is provided by the Sakyong Potrang in monthly cash payments totalling \$144,000 USD annually.

The 2016 central budget published a few years ago and still available in the members section of the shambhala.org website referred to mortgage payments of \$130,000 on the Halifax residence. This was the annual principal plus interest payment prior to the 2016 refinancing. Refinancing significantly reduced the aggressive pay down schedule of the prior mortgage.

### **The Sakyong's Teaching Fees at Land Centers**

When the Sakyong teaches programs at Shambhala land centers, he receives an honorarium from the center equal to \$200 per person for the first 150 attendees, and \$100 per person for attendees in excess of 150. This fee is included in the tuition charged to students. This policy has been in place since approximately 2011. Prior to that, there was no honorarium for the Sakyong, only a teaching gift from students.

### **Land Center Finances - Sakyong Programs**

#### **Shambhala Mountain Center**

*"Historically, programs with the Sakyong have accounted for 15-20% of Shambhala Mountain Center's programmatic gross revenue, so there is a lot of programming we have to replace. These programs are the core of our business and the heart of why Shambhala Mountain Center has existed... leaving lots of open questions and pressure on our program developers to come up with innovative solutions.*

*Programs with the Sakyong do tend to be quite complex, so they have some of our worst margins, but they are undoubtedly critical to our financial model.*

*We are reevaluating aspects of our core business model, which has been centered around running the high attendance, long retreats that provide the economy of scale needed to make our financial model successful. Originally this was the seminaries, then major Shambhala retreats and other large rentals and retreats we've programmed. This is why the lodges were built, and how Shambhala Mountain Center thrives. It's very*

*difficult if not impossible to replace those size retreats, as teachers who draw that kind of crowd tend to have their own retreat centers or established teaching regimens.”*

### **Dechen Choling**

*“Although we certainly have higher expenses while hosting the Sakyong, his programmes also bring the highest participant numbers and the most revenue. Substantial fundraising is also a feature of these programmes, so they are very important to us.”*

### **Dorje Denma Ling**

*“While the cost of hosting the Sakyong is substantial we still make more money having him here because of increased bed nights.”*

## **Land Center Finances - General**

### **Shambhala Mountain Center**

*“We’ve lost over \$300,000 in 2018 and are conservatively projecting over \$500,000 in 2019, either directly from programs the Sakyong won't be teaching, teachers or rentals that cancelled because of the allegations, participants that cancelled because of the allegations, teachers we can't invite back, or a lost grant funding because of the allegations. In 2019 that includes a \$100,000 retreat, a \$75,000 retreat, a \$40,000 rental, a \$65,000 grant, plus any Sakyong programs we would have hosted. These losses are coming as we are raising \$1,172,000 for the wastewater collection system on top of our normal annual operational fundraising.”*

### **Karme Choling**

*“Karme Choling has already seen a significant loss of revenue from the Sakyong allegations. There has been a noticeable decrease in participant numbers and several programs have already been canceled. We are currently forecasting a loss of \$184,000 by the end of 2019. This is after a 10% reduction in expenses. We are currently working on a recovery plan to address the loss, which will likely include an appeal to donors and restructuring our mortgage.”*

### **Dechen Choling**

*“We are working with a very low cash flow. Usually after the summer we have some money in our bank account that serves as a cushion during the lower winter months, but at this point we do not have that cushion. And since we do not know yet if recent events will affect registrations for our public program stream, the next months are difficult to project. We will be looking at layoffs and other expense reductions. In terms of programmes for next year, our calendar is nicely coming together even though there will be no programmes with the Sakyong. Overall, the revenues we will be generating will likely be less.”*

## Dorje Denma Ling

*“Programs with the Sakyong have represented a significant percentage of our revenue (tuition + donations), and not having him every year, coupled with our increased operating costs in 2016, resulted in the decision to run as a seasonal centre. There has been no obvious way to make up that lost revenue, especially considering the restrictions on inviting other Tibetan teachers.*

*While the cost of hosting the Sakyong is substantial, we still make more money having him here because of increased bed nights. For now, we are managing by reducing costs with a greatly reduced staff, and dipping into our savings. Of course, this is not sustainable. Programming for next year is still very uncertain and we are really late setting up the 2019 calendar while we wait to hear about international assemblies.”*

## Budget for Olive Branch, Legal Fees, PR, etc.

The table below summarizes the one-time expenses associated with the sexual harm allegations that arose in 2018.

Special Expense	Amount To Date	Current Status	Notes
Public Relations	\$45,000 USD	Completed	Hired for 2 months to help single communications staff person handle the high volume of press inquiries. Additional support may be required in the future, depending on communications workload.
Independent Investigations	\$18,064 CAD	Ongoing	Additional expenses expected in the future. Amount will depend on the volume of complaints
Olive Branch	\$11,462 USD	Ongoing	Policy development for Shambhala, plus Listening Post service

All of these expenses are being paid for by Shambhala Global Services. According to attorney Stephen Suffas from Ballard Spahr, the law firm that is providing pro bono legal advice to Shambhala:

*“In my professional experience in advising many organizations facing similar allegations, including those involving high-level executives, the organization itself always retains and pays the investigator. This type of process cannot realistically be accomplished any other way.”*

Expenses for individual legal representation for the Sakyong and other leaders are being paid for by those individuals, not by the organization.

### **Staff Salaries (USD)**

Shambhala Global Services staffing prior to the previously announced cuts that are currently being implemented:

- Full Time Employee Compensation: \$878,095
- Number of Full Time Employees: 21
- Average Full Time Employee Compensation: \$41,814
- Median Full Time Employee Compensation: \$40,480
- Full Time Employees by area:
  - Sakyong Teaching Support: 6
  - Finance: 3
  - Kalapa Media: 3
  - Practice & Education: 3
  - Government: 2
  - Office of the Sakyong (Chief of Staff and Executive Secretary): 2
  - Social Engagement: 1
  - Development: 1

Shambhala Global Services staffing once current cuts are fully implemented:

- Full Time Employee Compensation: \$512,196
- Number of Full Time Employees: 13
- Average Full Time Employee Compensation: \$39,400
- Median Full Time Employee Compensation: \$40,480
- Full Time Employees by area:
  - Finance: 3
  - Kalapa Media: 3
  - Sakyong Teaching Support: 2
  - Office of the Sakyong (Executive Secretary): 1
  - Practice & Education: 1
  - Government: 1
  - Social Engagement: 1
  - Development: 1

### **Book Tour 2017/18**

The 4-city book and teaching tour for The Lost Art of Conversation by the Sakyong in New York, Toronto, Denver, and L.A. was initially projected to generate anywhere from breakeven to a profit of \$60,000, but the net loss was \$37,000.

**SMC 990 Detail**

The miscellaneous expenses of \$137,054 in row 24e of SMC's 2016 form 990 was comprised of: \$60,078 in Telephone, plus \$76,796 in Printing and Publications (from the statement of functional expenses in the audited financial statements).

## Shambhala Global Services

### Unified Giving Revenue by Centre

Shambhala Centre	Monthly Centre Transfer USD	Recurring Donations USD	Total Monthly USD	Total Annual USD
Karme Choling	3,000.00	254.00	3,254.00	39,048.00
Halifax		2,943.56	2,943.56	35,322.75
Boulder		1,942.00	1,942.00	23,304.00
Shambhala Europe	2,703.00		2,703.00	32,436.00
Seattle	1,600.00	189.00	1,789.00	21,468.00
Boston	792.00	755.67	1,547.67	18,572.04
Austin	600.00	686.00	1,286.00	15,432.00
Atlanta	800.00	380.00	1,180.00	14,160.00
Toronto	540.00	618.00	1,158.00	13,896.00
Victoria	750.00	207.91	957.91	11,494.89
Ottawa	270.00	566.25	836.25	10,035.00
Los Angeles		810.50	810.50	9,726.00
Pittsburgh	750.00	40.00	790.00	9,480.00
San Francisco		775.00	775.00	9,300.00
Donors without a local Centre		763.11	763.11	9,157.32
Chicago	500.00	250.00	750.00	9,000.00
Birmingham	610.00	115.00	725.00	8,700.00
Baltimore		702.00	702.00	8,424.00
New York		693.00	693.00	8,316.00
Brunswick/Portland	500.00	150.00	650.00	7,800.00
Pioneer Valley	250.00	323.00	573.00	6,876.00
Milwaukee	500.00	58.00	558.00	6,696.00
Tatamagouche		483.75	483.75	5,805.00
Lexington	300.00	165.00	465.00	5,580.00
Durham	359.00	95.00	454.00	5,448.00
Nelson	240.00	161.25	401.25	4,815.00
Denver	50.00	351.00	401.00	4,812.00
Montreal	255.00	139.50	394.50	4,734.00
St. Johnsbury		385.00	385.00	4,620.00
Truro		378.00	378.00	4,536.00
White River	170.00	205.00	375.00	4,500.00
Madison	300.00	74.00	374.00	4,488.00
Minneapolis	100.00	246.00	346.00	4,152.00
Philadelphia		315.00	315.00	3,780.00
Fort Collins	150.00	161.00	311.00	3,732.00
Burlington		305.00	305.00	3,660.00
Mississauga	262.50	37.50	300.00	3,600.00

## Shambhala Global Services

### Unified Giving Revenue by Centre

Shambhala Centre	Monthly Centre Transfer USD	Recurring Donations USD	Total Monthly USD	Total Annual USD
Portland		278.00	278.00	3,336.00
Berkeley		259.00	259.00	3,108.00
Vancouver		258.75	258.75	3,105.00
Washington D.C		249.00	249.00	2,988.00
San Antonio	175.00	54.00	229.00	2,748.00
St. Petersburg	150.00	75.00	225.00	2,700.00
Dallas	200.00		200.00	2,400.00
Phoenix	200.00		200.00	2,400.00
Davis		195.00	195.00	2,340.00
Fredericton	150.00	20.00	170.00	2,040.00
Albany	80.00	90.00	170.00	2,040.00
Cleveland	150.00	20.00	170.00	2,040.00
Juneau	150.00		150.00	1,800.00
Gampo Abbey		146.25	146.25	1,755.00
Dorje Denma Ling		142.50	142.50	1,710.00
St. Margarets Bay		142.50	142.50	1,710.00
New Haven	105.00	25.00	130.00	1,560.00
Sky Lake		127.00	127.00	1,524.00
Asheville	65.00	60.00	125.00	1,500.00
Tucson		125.00	125.00	1,500.00
Columbus	100.00	20.00	120.00	1,440.00
Matteson	100.00		100.00	1,200.00
Akron-Canton	100.00		100.00	1,200.00
Snake River		95.00	95.00	1,140.00
Edmonton		93.75	93.75	1,125.00
Silicon Valley		85.00	85.00	1,020.00
Kingston (ON)		78.75	78.75	945.00
100 Mile House		75.00	75.00	900.00
Buffalo		75.00	75.00	900.00
Kelowna		75.00	75.00	900.00
Longmont		75.00	75.00	900.00
Sydney Cape Breton		75.00	75.00	900.00
Kailua	30.00	40.00	70.00	840.00
Santa Rosa		68.00	68.00	816.00
Albuquerque		65.00	65.00	780.00
Prince Edward Island		64.50	64.50	774.00
Winnipeg		56.25	56.25	675.00

## Shambhala Global Services

### Unified Giving Revenue by Centre

Shambhala Centre	Monthly Centre Transfer USD	Recurring Donations USD	Total Monthly USD	Total Annual USD
San Diego		55.00	55.00	660.00
Shambhala Online		54.00	54.00	648.00
Bellingham		50.50	50.50	606.00
Montpelier VT(US)	20.00	30.00	50.00	600.00
Palm Beach County		40.00	40.00	480.00
Shelburne Falls	15.00	25.00	40.00	480.00
Calgary		37.50	37.50	450.00
Providence	25.00	10.00	35.00	420.00
Annapolis		33.75	33.75	405.00
Kamloops		30.00	30.00	360.00
Antigonish		24.00	24.00	288.00
Gainesville		21.00	21.00	252.00
Open Sky Eugene		21.00	21.00	252.00
Barrie / Simcoe County		20.00	20.00	240.00
Tulsa		20.00	20.00	240.00
South Shore		18.75	18.75	225.00
St. Johns (NL)		18.75	18.75	225.00
Yellowknife		18.75	18.75	225.00
Northern Sierra		15.00	15.00	180.00
San Rafael		15.00	15.00	180.00
Houston		10.00	10.00	120.00
Manchester		10.00	10.00	120.00
Seoul		10.00	10.00	120.00
Saint John (New Brunswick)		7.50	7.50	90.00
<b>Total Unified Giving Revenue</b>			<b>38,794.25</b>	<b>465,531.00</b>

## Shambhala Global Services

### Regular Monthly Expenses

Regular Recurring Expenses	Total USD Monthly	Total USD Annual
Bank Fees	1,318.75	15,825.00
Credit Card Fees	356.25	4,275.00
HST Expense	375.00	4,500.00
Insurance	803.75	9,645.00
Interest Expense	1,850.00	22,200.00
Legal Fees	6,000.00	72,000.00
Meetings	87.50	1,050.00
Office Expenses	915.00	10,980.00
Other Expenses	1,400.00	16,800.00
Phone & Internet	186.25	2,235.00
Printing & Advertising	150.00	1,800.00
Rent Expense	3,562.50	42,750.00
Software & Web Services	1,012.50	12,150.00
Storage	461.25	5,535.00
Lady Konchok Support	1,850.00	22,200.00
Salaries	42,459.58	509,515.00
Potrang: Management Salaries	11,546.50	138,558.00
Potrang: Teaching Support (salaries and expenses)	6,000.00	72,000.00
Potrang: Bank Fees	1,375.00	16,500.00
Potrang: HST Expense	150.00	1,800.00
Potrang: Insurance	648.38	7,780.50
Potrang: Interest Expense	2,437.50	29,250.00
Potrang: Legal Fees	375.00	4,500.00
Potrang: Office Expenses	400.00	4,800.00
Potrang: Other Expenses	150.00	1,800.00
Potrang: Phone & Internet	687.50	8,250.00
Potrang: Accounting	318.75	3,825.00
Potrang: Rent Expense (inc HST)	4,045.59	48,547.08
Potrang: Software & Web Services	750.00	9,000.00
Potrang: Storage	0.00	0.00
Potrang: Kalapa Valley	1,125.00	13,500.00
<b>Recurring Expenses Total</b>	<b>92,797.55</b>	<b>1,113,570.58</b>
<b>Recurring Net Surplus (Deficit)</b>	<b>-54,003.30</b>	<b>-648,039.58</b>
Debt Reduction	-1,350.00	-16,200.00
<b>Recurring Cash Surplus (Deficit)</b>	<b>-55,353.30</b>	<b>-664,239.58</b>