

Dear Beloveds,

We have put a lot of work into re-organizing SSC's financial statements in order to create a report we think is easier to understand. Our hope in this is that you will feel more included in the process of understanding where your moneys are going and how they are being spent. This enables all of us to participate more in the process of determining financial priorities and setting wise policies to ensure our financial health and future. Thank you.

Shadhiliyya Sufi Center (SSC) Moneys

Current Financial Situation as of 5/15/08

All mortgages on "The Land" and the "New Land" have been paid off. Some of the credit line debt was also paid off. There remains \$84,000 of debt on 2 credit lines, one with Wells Fargo and one with Bank of America. The interest rate on these is 8%. Our monthly payment toward this debt is \$600.

Currently SSC and SSRC are operating on a new slimmed-down budget. 3 paid staff remain at a total of \$9,000 monthly outlay for salaries. These are Salih C., Bill M., and Hadia T. We are spending an additional \$11,000 a month on routine expenses like utilities, insurance, and property taxes. So we are now spending a total of \$20,000 a month. Based on current income, we are running a monthly deficit of \$6,000-\$10,000. Under current circumstances, running this deficit is only sustainable for a few more months.

Balance Sheet for How SSC Spent Money in 2007

(Jan 1, 2007 -- Dec 31, 2007)

Balance in All Accounts Coming in to the Year 2007 (on 1/1/2007):\$69,526.16
By Individual Account:
Operating Account:\$13,766.96
Gift Shop Account:\$28,142.98
Kitchen Account:\$ 2,652.81
Payroll:\$ 1,484.55
"Maximizer" (restricted donations):\$24,415.82
Trust account for Sidi donations (Not included in account totals—kept separate from SSC accounting): \$ 2,015.84

Total Revenue and Expenses – 2007 12 month totals		Average per Month
Total Revenue	\$ 856,451	\$71,370
Total Expenses:	<u>\$1,080,285</u>	<u>\$90,024</u>
Net Difference: (Loss)	(\$ 223,834)	(\$18,654)

Below are the details of income and expenses, for your information.

DETAILS—INCOME (Total Money Earned in 2007 by Category)

All Programs on the Land (Detailed Below):\$246,306

Supplies like food, cleaning supplies, and kitchen supplies for the year get bundled into program costs. SSC/SSRC* operating expenses also get bundled into programs.

Broken down by Program

Sufi School West:	\$32,699
Sidi Welcome	\$19,100
USHS	\$20,100
Ramadan	\$50,762
Zawiyyah	\$27,840
Healing Intensives	\$36,020
Hajj Retreat	\$15,418
Apprenticeship	\$4,986
Volunteer Program (includes supplies)	\$8,220
Guest Program	\$2,950
Live in Staff Program (includes supplies)	\$11,348
Northeast Sufi School (credit card processing of registration)	\$14,348
Florida Sufi School (credit card processing of registration)	\$1,599
Other	\$916
SSC Income (if any) from Sufi School East:	None
SSC Income (if any) from Other Sufi Schools:	None

Total Donations Received including Restricted Donations (Except for Halwa Income):\$208,637

Restricted donations total \$86,445

Income from Halwas (These are donations from halwas in which Sidi is NOT present): \$19,000

Gift Shop Income:\$380,166

Any Other Income (from interest and office space rental): \$2,342

Property or Any Other Tax Rebates and Refunds:None

DETAILS—EXPENDITURES (Total Money Spent in 2007 by Category)

Mortgage Payments on “The Land”: \$41,581

Mortgage Payments on the “New Land”: \$56,433

Other Mortgage Payments (if applicable):None

Total Mortgage Payments: \$98,014

Other Real Estate-Related Expenses:

Taxes:..... \$17,184

Professional Fees: \$28,612

(Lot line adjustments, real estate appraisals, land use permits, reports on way-of-right access, chain of title guarantee, Realtor fees [\$650])

Insurance:

Health Insurance/Workers Comp/D&O* Insurance (\$2352): \$43,930

Liability Insurance (accidents on property plus insurance on the buildings): \$22,724

* (SSC uses D&O [Directors & Officers] instead of E&O [Errors and Omissions])

Renovations at SSRC (includes repair & maintenance, see detail below): \$35,341
 Ongoing Maintenance at SSRC:None
 SSC Office Equipment and Supplies: \$12,383

**SSC Admin Costs, Excluding Salaries (phone - \$9,140, bank fees - \$4,012, websites, internet, etc.):
 \$24,683**

Office Expenses & Shipping (copy machine rental, making copies, shipping): \$8,481
 Shadhiliyya Sufi Retreat Center (SSRC) Utilities: \$33,397

Marketing: \$13,978
 Food (Food for Jaffe family, residents and staff not included under program costs – largely reimbursed):
 \$5,500

Rental Expense (for renting a storage unit and chairs): \$1,159
 Payments toward 2 credit lines in 2007: \$3,262
 Automotive (Gas, DMV renewals, maintenance, truck rental for school sessions): \$13,432
 Attorney Fees (if applicable): \$536
 Gift Shop Cost of Goods:\$261,935
 Restricted Donation Expenses** (See “B” Below): \$62,402

**These were spent from the restricted donations account. They are only spent on the items for which the donations were made.

Cost of Putting On Programs (Total):\$154,028
(Includes food, teacher fees, rentals, water services, cooks, renovations)

Program Expenses Broken down by event:

Sufi School West:	\$16,128
Sidi Welcome	\$2,821
USHS	\$3,112
Ramadan	\$13,708
Zawiyah	\$20,406
Healing Intensives	\$17,592
Hajj Retreat	\$4,885
Apprenticeship	\$783
Volunteer Program	\$12,077
Guest Program	\$60
Live in Staff Program	\$5,007
Northeast Sufi School (registration fees transfer)*	\$11,968
Florida Sufi School (registration fees transfer)*	\$1,068
Other (food reimbursement+):	\$45,417

Salaries for all SSC employees including SSRC staff and SSC office staff: (Total):\$238,302

Position	Salary
Ibrahim	\$0
CEO (Salih Cotten)	\$30,000
COO*** (Latif Sorensen)	\$47,250
Imam	\$23,475
Office Manager (Amina Stader)	\$33,858
Kitchen Manager	\$11,445
Kitchen Staff	\$3,240

Gift Shop Manager (Hadia Tirben)	\$36,432
Financial Manager (Held by 2 people)	\$28,047
Zawiyyah Teacher	\$300
Facility Manager	\$13,000
Maintenance Manager (Held by 2 people)	\$10,767
Worker	\$488

*****COO (Chief Operating Officer)** Latif was brought in to do two main things. The first was to work with the USHS to bring the school to the land. This included working to create a joint plan with USHS management and board, working with the county to see what SSC can do legally, and begin to make the physical changes needed to bring the university to the land e.g. make safety and road improvements among other things. In addition he took on the Operation management for the Retreat Center. This included facility maintenance, facility prep and management for all events, management of facility staff and some financial oversight as well as creating revenue projections and cost projections for bringing the University to the Land.

ADDITIONAL DETAILS:

A. Itemize Major SSRC Improvements/Renovations and List Cost of Each. Total \$35,341

- Roof Repair \$11,295
- Water System Repair \$7,161
- Misc. Repairs \$13,210
(Includes Paint, Hardware & Electrical Supplies, Shelving, Water Heater repair, Refrigerator Repair, Etc.)
- Yurt Set-Up/Clean-Up \$2375
- Road Maintenance and leveling \$1400

B. List Here All Donations Earmarked Specifically for Certain Projects (i.e. "Restricted"):

Well Donation (Some of this used in trying to drill well)	\$5,050
Scholarship Fund	\$150
Volunteer Fund	\$2,000
Pond Clean-Out	\$800
Sidi's new book (secret)	\$7,970
Religion of Unity Book	\$1,100
New Kitchen Knives	\$250
Safety & University @ SSRC (Used: Road repair, stairs)	\$6,000
Beloved Tragedy Fund	\$2,150
Children's room @ Mosque (Unspent)	\$8,699
National Tariqa Partnership (spent: from 06 fundraising)	\$11,651
Agriculture/New Land	\$1,850
Donation towards a load of water	\$250
Insurance Settlement for RV	\$38,494