

REPORT

A Financial Overview



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On behalf of the SGI-USA, thank you very much for your dedicated efforts to

support the organization. Without your contributions, we could not grow our kosen-rufu movement in the United States.

In 2016, members' financial contributions accounted for over 80 percent of the SGI-USA's yearly operating budget, and 64 percent of these contributions were made during the May Contribution activity. Therefore, the May Contribution activity continues to play an especially vital role in our efforts to advance kosen-rufu, and supporting our members' practice.

Our Sustaining Contribution program, in which members make monthly or quarterly contributions throughout the year, and other types of contributions are also important sources of support. A smaller portion of our revenue comes from subscriptions and bookstore sales, conference fees (for the Florida Nature and Culture Center) and investment income.

How Contributions Are Used

Members' contributions support the operations and maintenance of approximately 100 existing SGI-USA facilities, and the opening of new Buddhist centers.

Thanks to your precious support, we can provide improved services and support to our members, and make new friends in communities cross the United States.

Operating and Capital Expenses in 2016

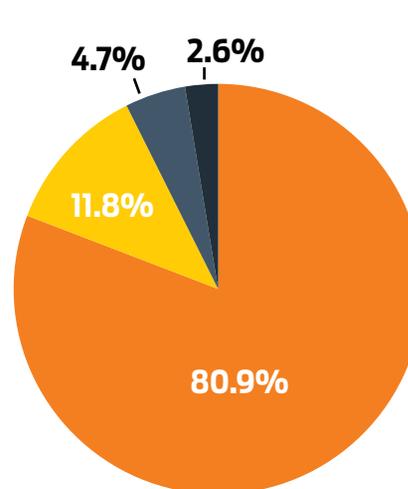
The chart and descriptions included illustrate the ways in which contributions were used in 2016:

a. Facilities Capital Expense and Maintenance: In addition to regular maintenance, four new centers were opened and construction began on one building.

b. Programs and Activities: This includes costs incurred in supporting the SGI-USA study department, community relations work, lectures and exhibitions, our many youth activities, social media presence, building rentals for meetings and other projects.

c. Publications and Bookstores: Production and operational expenses related to the *World Tribune*, *Living Buddhism* and our bookstores. (The SGI-USA prioritizes pricing publications and books at an affordable rate over making a profit.)

d. General and Administrative: Purchases of equipment and supplies, payment for professional services, staff compensation and travel.



SGI-USA Sources of Funds From Operations in 2016

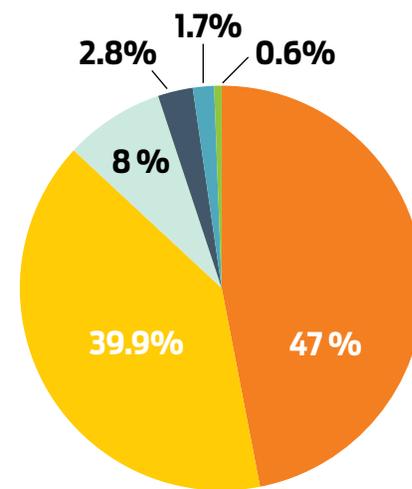
- Member Contributions
- Bookstore/Subscriptions
- Conference Income
- Other Income

e. Fundraising: Preparing and mailing of letters and contributor gifts, administrative expenses and contribution-related travel.

SGI-USA Structure and Oversight Practices

The SGI-USA is an independent, religious nonprofit organization, registered under Section 501(c)(3) of the Internal Revenue Code. As such, all contributions are tax-deductible to the donor, as allowed by law.

The SGI-USA undergoes a yearly, independent audit of its business affairs, designed, among other things, to test compliance with the intent of



SGI-USA Use of Funds From Operations in 2016

- Buildings: Operations/Maintenance
- Activities/Programs/Services
- Cost of Goods: Bookstore, Publications
- General/Administrative
- Facilities-Capital Expense: IT
- Fundraising

members' contributions. Our auditor is Moss Adams LLP, a leading auditing firm on the West Coast.

The SGI-USA's Board of Directors oversees operations and reviews financial statements and internal controls. The board comprises 13 members who bring a variety of professional expertise to their responsibilities. (For more information about the SGI-USA Corporate Governance and Board of Directors, visit www.sgi-usa.org/sgiusa-governance)

Thank you again for your support in advancing kosen-rufu in the United States.

STUDY

Our Offerings Help Advance Kosen-rufu

The following excerpts and passages on the spirit of making financial contributions in the SGI can be found in The New Human Revolution, vol. 4, "Triumph" chapter, as well as in the April 2016 Living Buddhism, pp. 10-21.

The True Meaning of Buddhist Offerings

Shin'ichi Yamamoto opened the writings of Nichiren Daishonin. He wanted to thoroughly study again the true meaning of Buddhist offerings in light of Nichiren Daishonin's teachings. He first read "The Gift of Rice," a letter Nichiren had written in response to an offering of rice and other items sent to him at Mount Minobu.

Praising the person's sincerity, the Daishonin says, "[A]s for the matter of becoming a Buddha, ordinary people keep in mind the words 'earnest resolve' and thereby become Buddhas" ("The Gift of Rice," *The Writings of Nichiren Daishonin*, vol. 1, p. 1125). He thus indicates that earnest faith, a sincere seeking spirit toward Buddhism, is the key to attaining Buddhahood (NHR-4, p. 113).

The Lofty, Heroic Spirit of Nanjo Tokimitsu

Shin'ichi Yamamoto then opened to another of Nichiren's Daishonin's writings—this time to "The Wealthy Man Sudatta" (WND-1, 1086), a letter sent to Nanjo Tokimitsu on [Dec. 27, 1280].

At the time, Tokimitsu was in dire financial straits. Because he supported the Daishonin's followers during the Atsuhara Persecution, the authorities forced him to pay heavy taxes and supply workers for unpaid labor to the government. Though he could no longer maintain a horse for himself and lacked adequate food and clothing for his wife and children, he offered the Daishonin one *kan* of coins [a string of 1,000 coins] out of his sincere concern for the Daishonin's well-being in

the winter cold of Mount Minobu. This was the letter Nichiren had written in response.

Looking at the many letters addressed to Tokimitsu, we find that his offerings to the Daishonin normally consisted of food and other provisions. That on this occasion Tokimitsu had instead sent money suggests that he no longer had anything in the way of practical items to offer the Daishonin. It may well be that the string of coins he sent was money he had set aside for an emergency.

The Daishonin expressed his deep respect and praised Tokimitsu's sincerity. Although Tokimitsu was almost destitute, his spirit was lofty and heroic. Offerings must always derive from a sincere spirit of faith (NHR-4, pp. 113-14).