

REPORT

A Financial Overview



by Erica Kondo
ASSISTANT CHIEF
FINANCIAL OFFICER

On behalf of the SGI-USA, thank you very much for your dedicated efforts to support the organization. Your contributions are fueling our expansion efforts at this important time, while providing vital funds for ongoing projects and activities. Without your support, we could not fully develop our kosen-rufu movement in the United States.

In 2017, 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, May Contribution continues to play an especially vital role in our efforts to advance kosen-rufu and support 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 SGI-USA Florida Nature and Culture Center) and investment income. However, the bookstore, subscriptions and conferences are connected to respective expenses as well.

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. And, in this year specifically, they will help advance our 50,000 Lions of Justice Festival, to be held in nine U.S. cities, as well as event rentals for youth practices and other expenses associated with this historic movement. Thanks to your precious support, we can provide improved services and support to our members, and make new friends in communities across the country.

Operating and Capital Expenses in 2017

The chart and descriptions included illustrate the ways in which contributions were used in 2017:

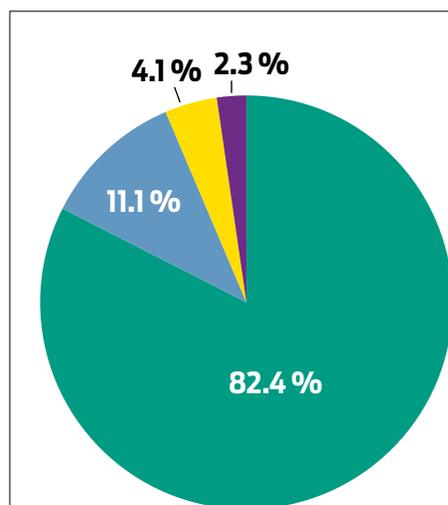
A. FACILITIES CAPITAL EXPENSE AND MAINTENANCE:

In addition to regular maintenance, three new centers were opened, three buildings were under construction/renovation, and property was purchased for a new center in Queens, New York.

B. PROGRAMS AND ACTIVITIES: This includes costs incurred from our many youth activities, building rentals for meetings, supporting the SGI-USA study department, community relations work, lectures and exhibitions, social media presence and other projects.

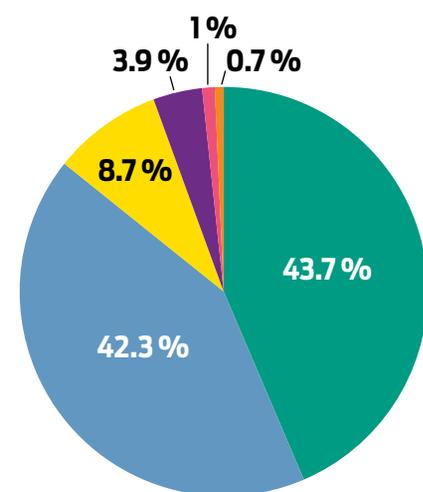
C. PUBLICATIONS AND BOOKSTORES:

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



SGI-USA's Sources of Funds From Operations in 2017

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



SGI-USA Use of Funds From Operations in 2017

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

rate over making a profit.)

D. GENERAL AND ADMINISTRATIVE:

Purchases of equipment and supplies, payment for professional services, staff compensation and travel.

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.

SGI-USA undergoes a yearly independent audit of its business affairs designed, among other purposes, to affirm that solid safekeeping procedures are in place for protecting and accurately accounting for members' contributions. Our auditor is Moss Adams LLP, a leading accounting and auditing firm.

The SGI-USA's board of directors oversees operations and reviews financial statements and internal controls. The board comprises 12 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 supporting the advancement of kosen-rufu in America. **WT**

ENCOURAGEMENT

Contributing With Gratitude and Joy

The following is an excerpt from The New Human Revolution on the spirit of making offerings in the Soka Gakkai. SGI President Ikeda appears in the narrative as Shin'ichi Yamamoto.

Shin'ichi [Yamamoto] began his speech by talking about gratitude in faith: "Second Soka Gakkai President Josei Toda often used to say: 'Those who are always thankful for the Gohonzon enjoy ever-increasing prosperity and good fortune.' Those who lose their sense of gratitude will find that their good fortune will begin to dissipate. 'I've always been protected. It's all

because of the Gohonzon.' From this spirit of appreciation come joy, hope and courage.

"Gratitude also enriches our heart. On the other hand, if we are always dissatisfied and disgruntled, we will impoverish our own heart. By taking part in day-to-day Soka Gakkai activities with a spirit of gratitude to the Gohonzon, we can transform our life state.

"Offerings are a means of repaying our gratitude to the Gohonzon and the Buddha. Traditionally in Buddhism, there are two kinds of offerings. They are 1) offering of goods—such as food, clothing and other material goods—and 2) offerings of the Law—such as paying reverence to the Buddha, praising and honoring him. Spreading Buddhism and encouraging our fellow members fall into the category of offerings of the Law.

"It may not be immediately apparent, but when we participate in Soka Gakkai activities and joyfully make such offerings of the Law, we will

gradually be accumulating good fortune. Eventually this will manifest as great benefit. This is called inconspicuous benefit. Through this, we can build an unshakable foundation for our lives and realize a state of absolute happiness."

The development of kosen-rufu depended upon whether all the members could strive in unity with President Shin'ichi Yamamoto and engage in activities with genuine joy. If they lost that joy and were acting out of a sense of obligation, they wouldn't be able to inspire others or accumulate significant benefit and good fortune.

What is important is having the spirit to work enthusiastically for kosen-rufu with gratitude to the Gohonzon and the Soka Gakkai, which taught us about the Gohonzon.

A person filled with gratitude is also filled with joy. And a joyous spirit is the driving force for new endeavors, development, victory and happiness. (vol. 26, pp. 333-35)