

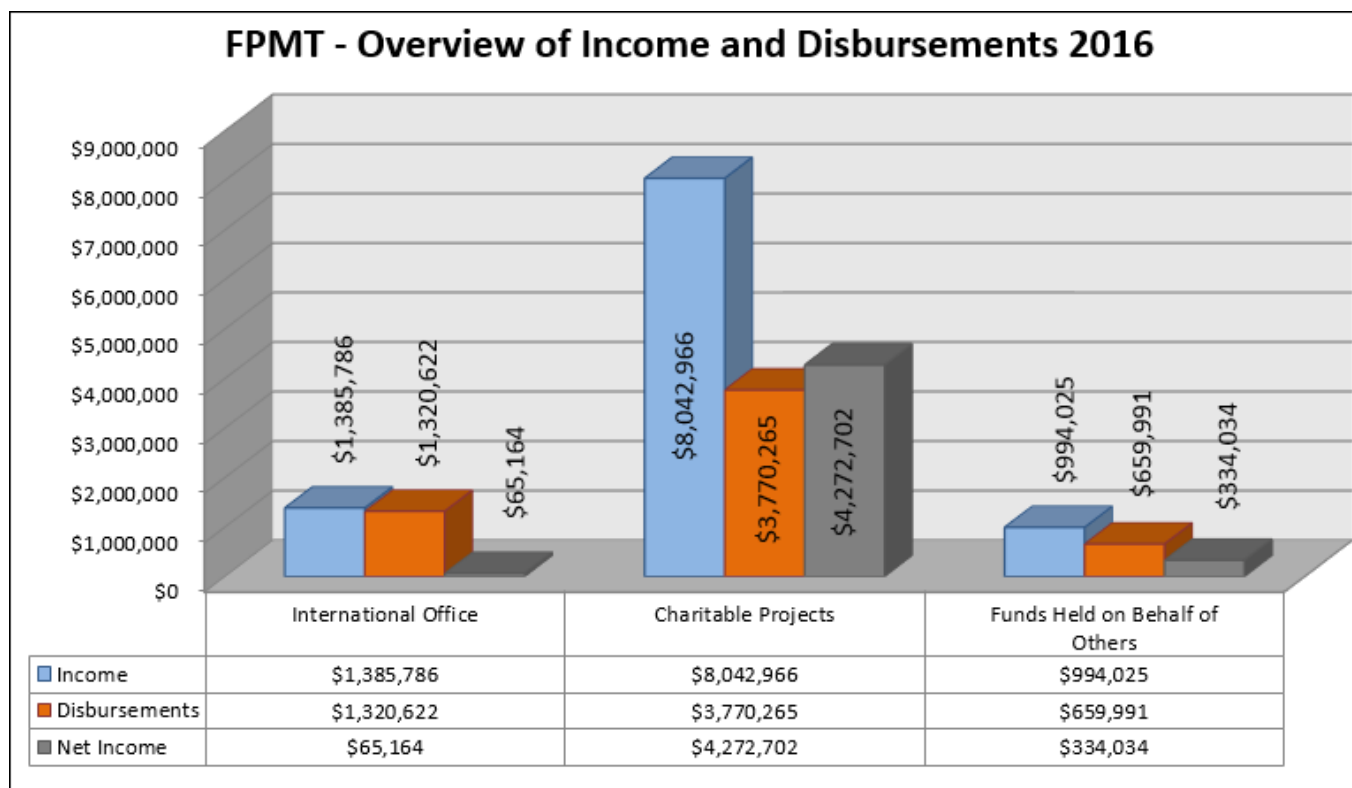
FINANCES - FISCAL YEAR 2016

The CFO and Financial Controller of FPMT International Office are responsible for managing and supervising the finances of the Foundation for the Preservation of the Mahayana Tradition, Inc. (FPMT, Inc.) as directed by its Board of Directors.¹ Finances are divided between general funds (unrestricted), and funds designated for specific charitable projects (restricted funds).²

In 2016, total unrestricted income for International Office was US\$1,385,786 and total expenses were US\$1,320,622 resulting in a surplus of US\$65,164.

In 2016, the total restricted income for the Charitable Projects was US\$8,042,966 and the total disbursements and expenses were US\$3,770,265 with the surplus primarily consisting of funds held for some projects with projected disbursement requirements in 2017 and beyond.

FPMT also processes and manages funds on behalf of others and during Jan-Dec 2016 we had income of \$994,025 and disbursements of \$659,991 for these funds.



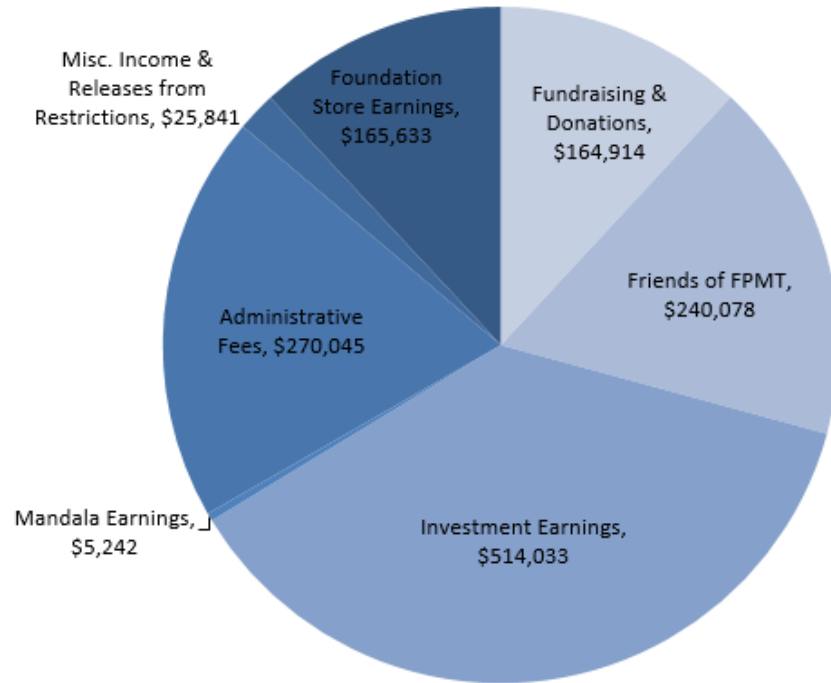
¹ Foundation for the Preservation of the Mahayana Tradition, Inc. (abbreviated as FPMT, Inc.) is the legal entity of FPMT International Office. The terms FPMT, Inc. and International Office are interchangeable. In practical terms, the International Office functions and serves as Lama Zopa Rinpoche's office, therefore the guidance of our Spiritual Director is implicit.

² Restricted funds include all the charitable projects of FPMT, Inc. as outlined on our website in addition to certain other charitable projects as directed by Lama Zopa Rinpoche and the Board of Directors.

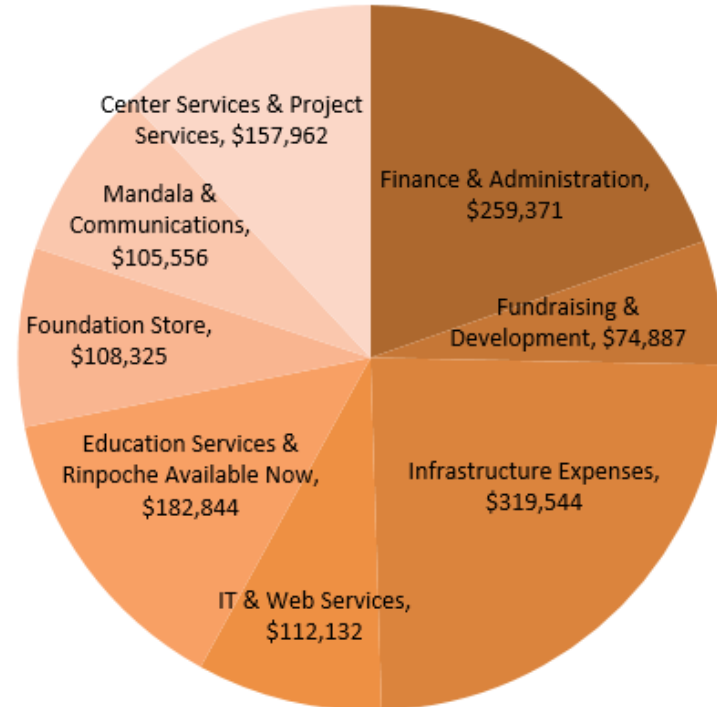
UNRESTRICTED FUNDS INCOME AND EXPENSES - FISCAL YEAR 2016

Unrestricted funds do not have any donor-imposed restrictions, and therefore can be used to fulfill the varying needs of the organization. The following charts give a summary of FPMT, Inc.'s unrestricted income and expenses in 2016.

FPMT - 2016 Unrestricted Income



FPMT - 2016 Unrestricted Expenses

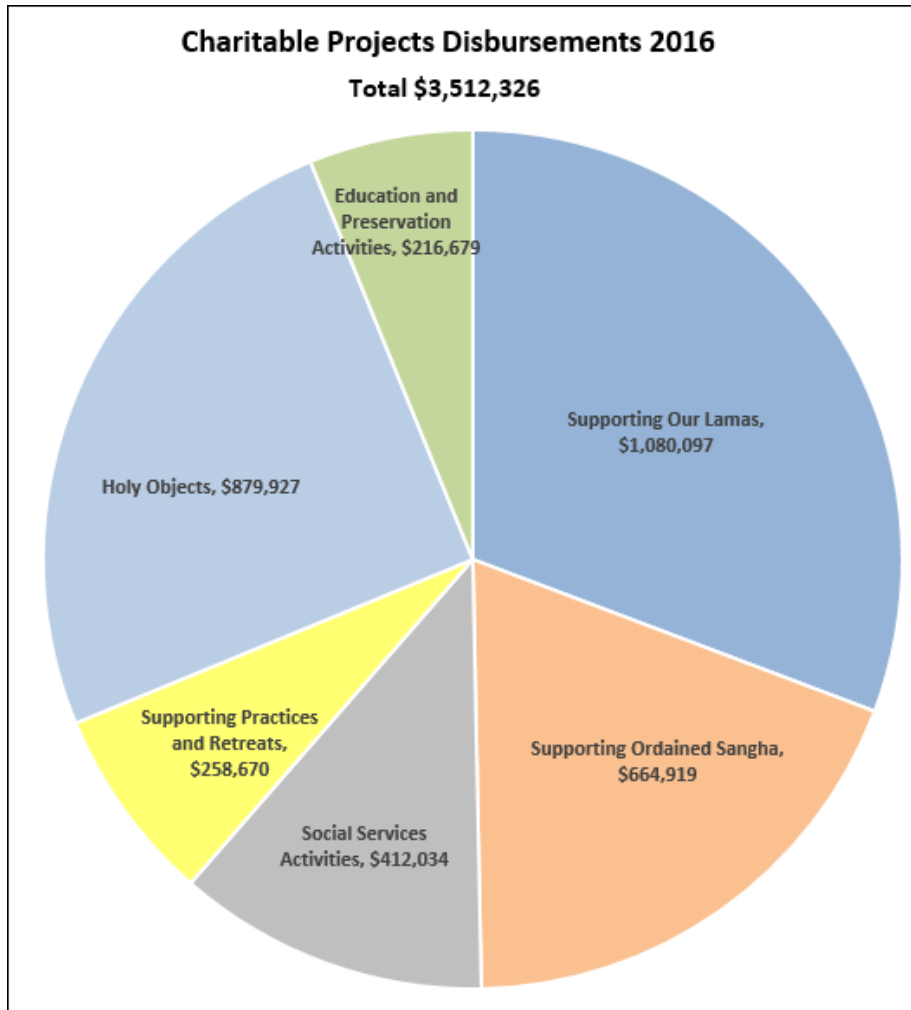


Unrestricted Income 2016	Income US\$
Fundraising & Donations	\$164,914
Friends of FPMT	\$240,078
Investment Earnings	\$514,033
Mandala Earnings	\$5,242
Administrative Fees	\$270,045
Misc. Income & Releases from Restrictions	\$25,841
Foundation Store Earnings	\$165,633
Total Income	\$1,385,786

Unrestricted Expenses 2016	Expenses US\$
Finance & Administration	\$259,371
Fundraising & Development	\$74,887
Infrastructure Expenses	\$319,544
IT & Web Services	\$112,132
Education Services & Rinpoche Available Now	\$182,844
Foundation Store	\$108,325
Mandala & Communications	\$105,556
Center Services & Project Services	\$157,962
Total Expenses	\$1,320,622

CHARITABLE PROJECTS DISBURSEMENTS - 2016

This table and the adjacent chart outline the direct disbursements of US\$3,512,326³ during 2016 to FPMT's Charitable Projects.



Charitable Projects Disbursements 2016	US\$
Supporting Our Lamas	\$1,080,097
Bodhichitta Fund	\$997,677
Big Love Fund	\$16,236
Long Life Puja Funds	\$66,184
Supporting Ordained Sangha	\$664,919
Supporting Ordained Sangha Fund	\$198,893
Sera Food Fund	\$196,721
Lama Tsongkhapa Teachers Fund	\$269,305
Social Services Activities	\$412,034
Social Services Fund	\$356,727
Nepal Earthquake Support Fund	\$46,885
Animal Liberation Fund	\$8,422
Supporting Practices and Retreats	\$258,670
Practice and Retreat Fund	\$110,975
Buddha Amitabha Pure Land	\$7,653
Puja Fund	\$85,496
Prajnaparamita Project	\$24,886
Prayers for Dead Fund	\$24,472
Other Retreat Sub-Funds	\$5,188
Holy Objects	\$879,927
Stupa Funds	\$9,745
Prayer Wheels	\$85,263
Maitreya Project Funds	\$754,919
Other Holy Objects Sub-Funds	\$30,000
Education and Preservation Activities	\$216,679
Education and Preservation Fund	\$72,366
Preserving the Lineage Fund	\$0
Scholarships and Translations	\$16,286
Merit Box Fund	\$34,500
Other Education and Preservation Sub-Funds	\$93,527
TOTAL DISBURSEMENTS	\$3,512,326

* Bodhichitta Fund disbursements includes offerings to various monasteries and projects in India and Nepal for activities such as elevator construction for Sera Lachi, translation of HHDL books into Tibetan for free distribution, sponsorship of Ling Rinpoche Geshe Degree and others of \$201,928, offerings and sponsorship of holy objects of \$175,241, grants to FPMT centers, projects, services and charitable projects of \$356,002 and sponsorship of Tibetan and Western Sangha, offering practices for the organization, care of our Spiritual Director and other activities of \$264,507.

³ The disbursement figures do not include expenses for administration fees and credit card merchant fees and are inclusive of some interfund disbursements which will be subject to audit adjustments during our annual independent financial review.