

THE TIBET FUND
FINANCIAL STATEMENTS
AND AUDITOR'S REPORT
DECEMBER 31, 2017

THE TIBET FUND

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Independent Auditor's Report

**Board of Trustees
The Tibet Fund**

Report on the Financial Statements

We have audited the accompanying financial statements of the Tibet Fund which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tibet Fund as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We previously audited the Tibet Fund's December 31, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 15, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Loeb & Troper LLP

July 15, 2018

THE TIBET FUND

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017
 (With Summarized Financial Information
 for December 31, 2016)

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents		
Unrestricted	\$ 1,197,997	\$ 1,552,273
Donor restricted	<u>1,520,344</u>	<u>1,835,019</u>
Investments (Note 3)	3,129,368	2,649,645
Prepaid expenses and other assets	250,205	378,369
Loans receivable (Note 7)	1,700,000	1,500,000
Fixed assets - net (Note 4)	<u>644,385</u>	<u>668,598</u>
Total assets	<u>\$ 8,442,299</u>	<u>\$ 8,583,904</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 258,518	\$ 55,990
Refundable advances (Note 2)	<u> </u>	<u>440,682</u>
Total liabilities	<u>258,518</u>	<u>496,672</u>
Net assets (Exhibit B)		
Unrestricted	6,663,437	6,252,213
Temporarily restricted (Note 5)	<u>1,520,344</u>	<u>1,835,019</u>
Total net assets	<u>8,183,781</u>	<u>8,087,232</u>
Total liabilities and net assets	<u>\$ 8,442,299</u>	<u>\$ 8,583,904</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

THE TIBET FUND

EXHIBIT B

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017
(With Summarized Financial Information
for the Year Ended December 31, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2017</u>	<u>2016</u>
Revenues, gains and other support				
Public support and revenues				
U.S. Federal grants	\$ 8,876,422		\$ 8,876,422	\$ 5,296,103
Special events	481,510		481,510	431,729
Less direct expenses of special events	(56,175)		(56,175)	(63,087)
Contributions	347,910	\$ 933,074	1,280,984	2,187,850
Total public support and revenues	<u>9,649,667</u>	<u>933,074</u>	<u>10,582,741</u>	<u>7,852,595</u>
Other revenues and gains (losses)				
Interest and dividends	90,428		90,428	79,972
Realized and unrealized gain (loss) on investments - net	162,514		162,514	120,790
Rental income (Note 2)	133,909		133,909	175,680
Miscellaneous income	3,463		3,463	
Total other revenues and gains (losses)	<u>390,314</u>		<u>390,314</u>	<u>376,442</u>
Net assets released from restrictions (Note 5)	<u>1,247,749</u>	<u>(1,247,749)</u>		
Total revenues, gains and other support	<u>11,287,730</u>	<u>(314,675)</u>	<u>10,973,055</u>	<u>8,229,037</u>

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THE TIBET FUND**EXHIBIT B****-2-****STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2017
(With Summarized Financial Information
for the Year Ended December 31, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2017</u>	<u>2016</u>
Expenses (Exhibit C)				
Program services				
Humanitarian assistance	\$ 2,740,391		\$ 2,740,391	\$ 3,081,364
Education and scholarship	1,666,103		1,666,103	1,587,301
Cultural and religious preservation	559,580		559,580	188,358
Economic and community development	3,993,252		3,993,252	392,736
Health care	1,013,322		1,013,322	927,311
Total program services	<u>9,972,648</u>		<u>9,972,648</u>	<u>6,177,070</u>
Supporting services				
Management and general	782,987		782,987	638,887
Fund raising	120,871		120,871	61,895
Total supporting services	<u>903,858</u>		<u>903,858</u>	<u>700,782</u>
Total expenses	<u>10,876,506</u>		<u>10,876,506</u>	<u>6,877,852</u>
Change in net assets (Exhibit D)	411,224	\$ (314,675)	96,549	1,351,185
Net assets - beginning of year	<u>6,252,213</u>	<u>1,835,019</u>	<u>8,087,232</u>	<u>6,736,047</u>
Net assets - end of year (Exhibit A)	<u>\$ 6,663,437</u>	<u>\$ 1,520,344</u>	<u>\$ 8,183,781</u>	<u>\$ 8,087,232</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

THE TIBET FUND

EXHIBIT C

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017
(With Summarized Financial Information
for the Year Ended December 31, 2016)

	Program Services						Supporting Services				Total	
	Humanitarian Assistance	Education and Scholarship	Cultural and Religious Preservation	Economic and Community Development	Health Care	Total	Management and General	Fund Raising	Special Events	Total	2017	2016
	Salaries	\$ 10,636	\$ 55,292	\$ 11,952	\$ 18,759	\$ 19,862	\$ 116,501	\$ 297,906	\$ 50,142		\$ 348,048	\$ 464,549
Fringe benefits and payroll taxes	2,997	49,160	27,176	6,882	7,287	93,502	305,232	57,544		362,776	456,278	143,782
Total salaries and related expenses	13,633	104,452	39,128	25,641	27,149	210,003	603,138	107,686		710,824	920,827	602,482
Grants and contributions	2,713,431	645,555	513,682	3,959,376	972,883	8,804,927					8,804,927	5,141,162
Student support		901,838				901,838					901,838	902,178
Professional fees	2,133	2,133	2,133	2,133	2,133	10,665	68,255	6,399		74,654	85,319	74,417
Office expenses	154	154	154	154	154	770	2,127			2,127	2,897	4,991
Telephone	375	750	150	375	225	1,875	5,626			5,626	7,501	6,743
Postage and shipping	100	150	100	100	350	800	2,699	1,499		4,198	4,998	9,253
Occupancy	947	947	758	1,137	1,137	4,926	32,964			32,964	37,890	28,583
Insurance	154	205	154	307	205	1,025	9,208			9,208	10,233	7,397
Printing	126	168	84	126	168	672	4,211	3,536		7,747	8,419	9,219
Travel and lodging	7,553	7,843	2,150	1,452	7,553	26,551	871	1,627		2,498	29,049	19,159
Meals and entertainment	155	278		278	278	989	1,980	124		2,104	3,093	3,162
Training and conferences							1,732			1,732	1,732	3,817
Investment expense							19,773			19,773	19,773	29,056
Equipment and information technology	1,630	1,630	1,087	2,173	1,087	7,607	3,260			3,260	10,867	8,043
Catering and facilities									\$ 56,175	56,175	56,175	63,087
Depreciation							27,143			27,143	27,143	27,595
Miscellaneous												595
Total expenses	2,740,391	1,666,103	559,580	3,993,252	1,013,322	9,972,648	782,987	120,871	56,175	960,033	10,932,681	6,940,939
Less expenses deducted directly from revenues on the statement of activities									(56,175)	(56,175)	(56,175)	(63,087)
Total expenses reported by function on the statement of activities (Exhibit B)	\$ 2,740,391	\$ 1,666,103	\$ 559,580	\$ 3,993,252	\$ 1,013,322	\$ 9,972,648	\$ 782,987	\$ 120,871	\$ -	\$ 903,858	\$ 10,876,506	\$ 6,877,852

See independent auditor's report.

The accompanying notes are an integral part of these statements.

THE TIBET FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ 96,549	\$ 1,351,185
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Net unrealized and realized loss (gain) on investments	(162,514)	(120,790)
Depreciation	27,143	27,595
Decrease (increase) in assets		
Prepaid expenses and other assets	128,164	224,345
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	202,528	18,559
Refundable advances	(440,682)	(161,826)
Net cash provided (used) by operating activities	<u>(148,812)</u>	<u>1,339,068</u>
Cash flows from investing activities		
Purchase of investments	(3,084,162)	(1,008,617)
Proceeds from maturity and sales of investments	2,766,953	574,183
Fixed asset acquisitions	(2,930)	(4,717)
Loans issued	(200,000)	
Net cash used by investing activities	<u>(520,139)</u>	<u>(439,151)</u>
Net change in cash and cash equivalents	(668,951)	899,917
Cash and cash equivalents - beginning of year	<u>3,387,292</u>	<u>2,487,375</u>
Cash and cash equivalents - end of year	<u>\$ 2,718,341</u>	<u>\$ 3,387,292</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

THE TIBET FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 1 - NATURE OF ORGANIZATION

The Tibet Fund (the “Fund”), a nonprofit tax-exempt organization, provides a reliable and effective way for donors in North America and internationally to aid the 120,000 Tibetan refugees living in India, Nepal, and Bhutan and thousands of disadvantaged Tibetans in Tibet. Since its formation in 1981, the Fund has supported myriad institutions and programs, with an emphasis on education, health, economic and community development, and religious and cultural training as a means to sustain the Tibetan way of life, language, traditions, and identity. The Fund receives the majority of its revenues from U.S. Federal grants, foundations and individual donors. The following primary programs and supporting services are included in the accompanying financial statements:

Humanitarian Assistance

The Fund supports rehabilitation and resettlement programs and services for newly arrived refugees fleeing from Tibet each year. This assistance includes temporary shelter, medical care, food and clothing, and placement in schools, traditional learning centers and elder homes. To ensure long-term sustainability of the refugee community, the Fund supports schools for refugee children, health care, and vocational and professional skills training. The Fund seeks sponsorships for destitute children and the elderly and provides emergency relief from natural disasters affecting Tibetans in exile and in Tibet.

Education and Scholarship

Since 1988, the Fund has administered yearly grants from the United States Department of State, Bureau of Educational and Cultural Affairs for the Tibetan Scholarship Program, which enables Tibetan refugee students and scholars to earn Master’s degrees and one-year certificates at colleges and universities in the United States. The Fund also supports a professional scholarship fund for Tibetans enrolled in post-graduate degree programs in India and Nepal, and supports higher education scholarships in Tibet to enable impoverished Tibetans to secure their economic futures. As of 2012, the Fund began administering grants from the United States Agency of International Development, USAID/India for the Tibet Education Project (TEP) to strengthen the Tibetan education system in innovative, replicable ways that equip young Tibetans to succeed in modern professions, become strong and visionary leaders, and thrive in the global economy while sustaining their unique identity and culture.

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THE TIBET FUND**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017****NOTE 1 - NATURE OF ORGANIZATION (continued)****Cultural and Religious Preservation**

The Fund works to sustain the distinct religious and cultural traditions of the Tibetan people by supporting Tibetan arts and cultural organizations, library, media, film and publishing projects, and programs that promote Tibetans' religious, cultural and human rights aims. In addition, the Fund facilitates sponsorships for students in traditional learning centers located in the refugee settlements in India and Nepal.

Economic and Community Development

The long-term survival of Tibetan identity and way of life depends upon a vibrant and cohesive refugee settlement system. The Fund supports a wide range of programs that strengthen community and human resources, including economic and cooperative development; employment generation; and vocational and professional training; housing; infrastructure and communal buildings; organic agriculture; and renewable energy projects.

Tibet Assistance Program (TAP)

In Tibet, under its Tibet Assistance Program, the Fund supports grass-roots organizations that treat and prevent blindness, house and educate orphans, provide relief from natural disasters and promote long-term economic and community development.

Health Care

The Fund supports health care and sanitation programs for newly arrived refugees and tens of thousands of long-term residents in the Tibetan settlements and scattered communities in India, Nepal, and Bhutan. These programs include TB and HepB control and treatment, leprosy and disabled services, maternal and child health, water and sanitation infrastructure, rainwater harvesting, essential drugs, medical equipment, professional skills training for health workers and public health training on topics such as HIV/AIDS and substance abuse, and the development of a Health Information System.

The Tibet Fund is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements are prepared on the accrual basis of accounting.

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THE TIBET FUND**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents - Cash and cash equivalents include highly liquid investments with initial maturities, when acquired, of three months or less.

Investments - Investments are recorded at fair value. The Fund invests in various types of investment securities. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets' fluctuations, and that such changes could materially affect the amounts reported in the Fund's financial statements.

Fixed assets - Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The Fund capitalizes items with a cost in excess of \$500 with an estimated useful life of greater than one year.

Prepaid expenses and other assets - Prepaid expenses and other assets include advances given to subcontractors in conjunction with the work funded by governmental grants.

Allowance for doubtful accounts - Management has determined that no allowance for uncollectible accounts for loan receivable is necessary as of December 31, 2017. Such estimate is based on management's assessment of the current economic conditions and compliance with the loan agreement.

Net assets - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors. Temporarily restricted net assets are those net assets whose use has been limited by donors to a specific time period or purpose.

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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THE TIBET FUND**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Government grants and refundable advances - Revenues from government grants are recognized when earned. Expense-based grants are recognized as allowable expenses are incurred. Revenues from government contracts are subject to audit and negotiations between the Fund and the government agencies. Management is of the opinion that final settlement of current-year contracts will not have a material effect on the financial statements. Unexpended receipts at the end of the year are reflected as refundable advances.

Rental income - Rental income is recognized based on monthly charges. No formal lease exists.

Grants and contributions expense - Grants and contributions expense is recorded when awarded.

Student support - The Fund provides support to students based on need and merit and is recorded when approved.

Operating leases - Operating leases are recorded on the straight-line method over the term of the lease. Deferred assets and liabilities are recorded when material.

Functional reporting - The costs of providing the Fund's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Prior-year summarized information - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Fund's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Fair Value Measurements

Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access. Level 2 inputs to the valuation methodology include:

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THE TIBET FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at December 31, 2017 as compared to that used at December 31, 2016.

Mutual funds - Valued at the net asset value (NAV) of shares held at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Fund believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

See Note 3 for the table that sets forth by level, within the fair value hierarchy, the assets at fair value as of December 31, 2017.

Uncertainty in income taxes - The Fund has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2014 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through July 15, 2018, which is the date the financial statements were available to be issued.

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THE TIBET FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 - INVESTMENTS

The following are investments held at December 31, 2017 by fair value level:

	<u>Level 1</u>
Mutual Funds	
Money market	\$ 1,113,401
Domestic equities	410,555
Foreign equities	169,301
Fixed income	<u>1,436,111</u>
	<u>\$ 3,129,368</u>

Investment income consists of:

Dividends	\$ 66,982
Net realized gains	382,458
Net unrealized (loss)	<u>(219,944)</u>
	<u>\$ 229,496</u>

NOTE 4 - FIXED ASSETS

		<u>Estimated Useful Lives</u>
Land	\$ 165,000	
Building and improvements	952,266	30-40 years
Equipment, furniture and fixtures	<u>45,471</u>	5-7 years
	1,162,737	
Accumulated depreciation	<u>(518,352)</u>	
	<u>\$ 644,385</u>	

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THE TIBET FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Economic and community development program	\$ 52,036
Cultural and religious preservation	1,122,372
Education and scholarship program	58,159
Health care program	246,491
TAP program	<u>41,286</u>
	<u>\$ 1,520,344</u>

Temporarily restricted net assets were released from restrictions by incurring expenses satisfying the following:

Economic and community development program	\$ 186,673
Cultural and religious preservation	513,682
Education and scholarship program	395,211
Health care program	147,183
TAP program	<u>5,000</u>
	<u>\$ 1,247,749</u>

NOTE 6 - OPERATING LEASES

The Fund leases office space in Washington D.C. from The Tibetan Community Development Fund, Inc. (The Office of Tibet) under a cancellable operating lease. Lease expense is recorded based on the signed lease agreement. The lease terminates in 2043. The rent expense for the year ended December 31, 2017 was \$15,000 which is equal to the interest income related to the loan receivable (Note 7). The commitment under this lease is as follows:

2018	\$ 15,000
2019	15,000
2020	15,000
2021	15,000
2022	15,000
Thereafter	<u>305,000</u>
Total	<u>\$ 380,000</u>

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THE TIBET FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 7 - LOANS RECEIVABLE

On March 31, 2014 the Fund entered into a \$1,500,000 Loan Agreement with The Office of Tibet to purchase a building that will then be partially subleased by the Fund (Note 6). The loan is partially collateralized by a lease agreement between the Fund and The Office of Tibet in an aggregate amount of \$425,000. The loan matures on March 31, 2043 at which point the balloon payment of \$1,500,000 will be due. The interest rate is 1% and the interest income for the year ended December 31, 2017 was \$15,000. The amount outstanding as of December 31, 2017 is \$1,500,000. On March 20, 2018, the Fund agreed to forgive \$750,000 of the loan and convert this portion into a grant.

On March 30, 2017, the Fund entered into a five-year \$200,000 interest-free Loan agreement with The Tibetan Community of New York and New Jersey Inc. to provide financing for their Tibetan Community Hall. Payments due to the Fund are as follows:

2018	\$ 40,000
2019	40,000
2020	40,000
2021	40,000
2022	<u>40,000</u>
Total	<u>\$ 200,000</u>

NOTE 8 - PENSION PLAN

The Fund has a defined contribution pension plan available to eligible employees. The employer contribution is based on a percentage of total compensation. Pension expense was \$319,371 for the year ended December 31, 2017. Included in this amount is \$294,670, approved by the board of directors, as payment to employees in lieu of pension benefits that would have accumulated if the Fund had operated since its inception. The Payments are based on each employees' date of hire.

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THE TIBET FUND**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017****NOTE 9 - CONCENTRATIONS**

Financial instruments which potentially subject the Fund to a concentration of credit risk are cash accounts with financial institutions in excess of FDIC insurance limits.

For the year ended December 31, 2017, 81% of total revenues were paid to the Fund by one governmental agency.

NOTE 10 - SUBSEQUENT EVENTS

As mentioned in Note 7, on March 20, 2018, the Fund agreed to forgive \$750,000 of the \$1,500,000 loan to The Office of Tibet and convert this portion into a grant.