



The Tibet Fund

Independent Auditor's Report and Financial Statements

December 31, 2023



The Tibet Fund
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Independent Auditor's Report

Board of Directors
The Tibet Fund
New York, New York

Opinion

We have audited the financial statements of The Tibet Fund, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statement present fairly, in all material respects, the financial position of The Tibet Fund as of December 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Tibet Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Tibet Fund's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Tibet Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Tibet Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited The Tibet Fund's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Forvis Mazars, LLP

**New York, New York
September 26, 2024**

The Tibet Fund
Statement of Financial Position
December 31, 2023
(With Summarized Financial Information as of December 31, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 774,359	\$ 1,096,708
Investments		
Without donor restrictions	\$ 5,523,253	\$ 4,773,897
Donor restricted	<u>1,390,003</u>	<u>843,563</u>
Grants receivable	-	95,285
Prepaid expenses and other assets	1,237,502	391,975
Loans receivable	170,000	200,000
Right-of-use asset - operating lease	82,406	-
Fixed assets - net	<u>505,078</u>	<u>531,235</u>
Total Assets	<u>\$ 9,682,601</u>	<u>\$ 7,932,663</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 22,863	\$ 14,636
Deferred grant revenue	1,167,311	245,728
Due to subrecipients	<u>32,342</u>	<u>179,163</u>
Total Liabilities	<u>1,222,516</u>	<u>439,527</u>
Net Assets		
Without donor restrictions	7,070,082	6,649,573
With donor restrictions	<u>1,390,003</u>	<u>843,563</u>
Total Net Assets	<u>8,460,085</u>	<u>7,493,136</u>
Total Liabilities and Net Assets	<u>\$ 9,682,601</u>	<u>\$ 7,932,663</u>

The Tibet Fund
Statement of Activities
Year Ended December 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Revenues, Gains, and Other Support				
Public Support and Revenues				
U.S. federal grants	\$ 9,181,510	\$ -	\$ 9,181,510	\$ 8,235,634
Special events	369,276	-	369,276	446,086
Less direct expenses of special events	(75,594)	-	(75,594)	(56,525)
Contributions	381,155	2,202,958	2,584,113	2,135,053
Total Public Support and Revenues	9,856,347	2,202,958	12,059,305	10,760,248
Other Revenues and Gains				
Net investment return	645,844	-	645,844	(589,799)
Rental income	89,830	-	89,830	87,934
Miscellaneous income	-	-	-	5
Total Other Revenues and Gains	735,674	-	735,674	(501,860)
Net assets released from restrictions	1,656,518	(1,656,518)	-	-
Total Revenues, Gains, and Other Support	12,248,539	546,440	12,794,979	10,258,388
Expenses				
Program Services				
Humanitarian assistance	47,699	-	47,699	25,953
Education and scholarship	4,391,462	-	4,391,462	3,584,398
Cultural and religious preservation	3,255,698	-	3,255,698	1,612,800
Economic and community development	1,417,356	-	1,417,356	2,843,019
Health care	2,126,389	-	2,126,389	1,856,786
Total Program Services	11,238,604	-	11,238,604	9,922,956
Supporting Services				
Management and general	510,770	-	510,770	628,012
Fundraising	78,656	-	78,656	75,758
Total Supporting Services	589,426	-	589,426	703,770
Total Expenses	11,828,030	-	11,828,030	10,626,726
Change in Net Assets	420,509	546,440	966,949	(368,338)
Net Assets, Beginning of Year	6,649,573	843,563	7,493,136	7,861,474
Net Assets, End of Year	\$ 7,070,082	\$ 1,390,003	\$ 8,460,085	\$ 7,493,136

The Tibet Fund
Statement of Functional Expenses
Year Ended December 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	Program Services						Supporting Services				Total	
	Humanitarian Assistance	Education and Scholarship	Cultural and Religious Preservation	Economic and Community Development	Health Care	Total	Management and General	Fundraising	Special Events	Total	2023	2022
	Salaries	\$ 9,715	\$ 51,680	\$ 6,965	\$ 76,476	\$ 46,334	\$ 191,170	\$ 210,173	\$ 41,968	\$ -	\$ 252,141	\$ 443,311
Fringe benefits and payroll taxes	1,831	6,981	1,013	3,051	3,051	15,927	113,658	20,366	-	134,024	149,951	147,004
Total salaries and related expenses	11,546	58,661	7,978	79,527	49,385	207,097	323,831	62,334	-	386,165	593,262	602,620
Grants and contributions	10,025	3,572,485	3,207,214	1,324,579	2,050,115	10,164,418	-	-	-	-	10,164,418	8,405,832
Forgiveness of loan	-	-	30,000	-	-	30,000	-	-	-	-	30,000	750,000
Student support	-	732,024	-	-	-	732,024	-	-	-	-	732,024	627,383
Professional fees	1,966	1,966	1,966	1,966	1,966	9,830	63,511	5,309	-	68,820	78,650	91,268
Office expenses	205	205	205	205	205	1,025	3,075	-	-	3,075	4,100	2,413
Telephone	316	632	126	316	190	1,580	4,739	-	-	4,739	6,319	5,748
Postage and shipping	117	176	117	117	411	938	3,170	1,761	-	4,931	5,869	3,665
Occupancy	1,215	1,215	972	1,458	1,458	6,318	42,287	-	-	42,287	48,605	35,288
Insurance	212	282	212	424	282	1,412	12,711	-	-	12,711	14,123	14,989
Printing	147	197	98	147	197	786	4,914	4,128	-	9,042	9,828	7,537
Travel and lodging	18,585	19,300	5,361	3,574	18,585	65,405	2,144	3,932	-	6,076	71,481	38,966
Meals and entertainment	1,192	2,146	-	2,146	2,146	7,630	15,022	1,192	-	16,214	23,844	4,144
Training and conferences	-	-	-	-	-	-	540	-	-	540	540	-
Equipment and information technology	2,173	2,173	1,449	2,897	1,449	10,141	4,346	-	-	4,346	14,487	10,189
Catering and facilities	-	-	-	-	-	-	-	-	75,594	75,594	75,594	56,525
Depreciation	-	-	-	-	-	-	26,157	-	-	26,157	26,157	26,086
Miscellaneous	-	-	-	-	-	-	4,323	-	-	4,323	4,323	598
Total expenses	47,699	4,391,462	3,255,698	1,417,356	2,126,389	11,238,604	510,770	78,656	75,594	665,020	11,903,624	10,683,251
Less expenses deducted directly from revenues on the statement of activities	-	-	-	-	-	-	-	-	(75,594)	(75,594)	(75,594)	(56,525)
Total expenses reported by function on the statement of activities	\$ 47,699	\$ 4,391,462	\$ 3,255,698	\$ 1,417,356	\$ 2,126,389	\$ 11,238,604	\$ 510,770	\$ 78,656	\$ -	\$ 589,426	\$ 11,828,030	\$ 10,626,726

The Tibet Fund
Statement of Cash Flows
Year Ended December 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
Operating Activities		
Change in net assets	\$ 966,949	\$ (368,338)
Items not requiring (providing) operating cash flows		
Net unrealized and realized (gain) loss on investments	(432,966)	668,694
Depreciation	26,157	26,086
Forgiveness of loan	30,000	750,000
Noncash operating lease expense	6,122	-
Changes in		
Grants receivable	95,285	192,212
Prepaid expenses and other assets	(845,527)	(215,321)
Accounts payable and accrued expenses	8,227	(12,536)
Due to subrecipients	(146,821)	(71,874)
Deferred grant revenue	921,583	208,526
Change in lease liability	(88,528)	-
Net Cash Provided by Operating Activities	<u>540,481</u>	<u>1,177,449</u>
Investing Activities		
Purchase of investments	(2,369,395)	(1,992,962)
Proceeds from maturity and sales of investments	<u>1,506,565</u>	<u>1,001,323</u>
Net Cash Used in Investing Activities	<u>(862,830)</u>	<u>(991,639)</u>
Net Change in Cash and Cash Equivalents	(322,349)	185,810
Cash and Cash Equivalents, Beginning of Year	<u>1,096,708</u>	<u>910,898</u>
Cash and Cash Equivalents, End of Year	<u>\$ 774,359</u>	<u>\$ 1,096,708</u>
Supplemental Cash Flows Information		
ROU assets obtained in exchange for new operating lease liabilities	\$ 88,528	\$ -

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

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.

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.

The Tibet Fund
Notes to Financial Statements
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(With Summarized Financial Information as of and for the Year Ended December 31, 2022)

Tibet Assistance Program (TAP)

In Tibet, under its TAP, 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Fund considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2023 and 2022, cash equivalents consisted primarily of money market accounts with brokers.

Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents.

At December 31, 2023, the Fund's cash accounts exceeded federally insured limits by approximately \$603,000.

Investments and Net Investment Return

Investments are carried at fair value.

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return is reflected in the statement of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Grants Receivable

Grants receivable from government agencies are recorded when qualifying expenses are incurred. The Fund determines whether an allowance for uncollectibles should be provided for grants receivable. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, subsequent collections, and historical information. Grants receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. As of December 31, 2023 and 2022, the Fund had no allowance for doubtful accounts.

The Tibet Fund
Notes to Financial Statements
December 31, 2023
(With Summarized Financial Information as of and for the Year Ended December 31, 2022)

Property and Equipment

Property and equipment acquisitions are stated at cost, less accumulated depreciation. The Fund capitalizes items with a cost in excess of \$1,000 and with an estimated useful life of greater than one year. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	30 to 40 years
Equipment, furniture, and fixtures	5 to 7 years

Long-Lived Asset Impairment

The Fund evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2023 and 2022.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Contributions are provided to the Fund either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Fund overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value

The Tibet Fund
Notes to Financial Statements
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<u>Nature of the Gift</u>	<u>Value Recognized</u>
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions. Any funds received before the condition is satisfied are reported as deferred grant revenue.

Government Grants

Support funded by grants is recognized as the Fund meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Student Support

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

Income Taxes

The Fund is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Fund is subject to federal income tax on any unrelated business taxable income.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising categories based on salaries and other methods.

Summarized Financial 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 GAAP. Accordingly, such information should be read in conjunction with the Fund's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

The Tibet Fund
Notes to Financial Statements
December 31, 2023
(With Summarized Financial Information as of and for the Year Ended December 31, 2022)

Note 2. Grant Reimbursements Receivable and Future Commitments

The Fund receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of the Fund are prepared on the accrual basis, all earned portions of the grants not yet received as of December 31, 2023, have been recorded as receivables. The following are the grant commitments that extend beyond December 31, 2023:

<u>Grant</u>	<u>Term</u>	<u>Grant Amount</u>	<u>Earned Through 2023</u>	<u>Funding Available</u>
SPRMCO22CA0150 Humanitarian Assistance for Tibetan Refugees in South Asia	8/10/22 - 7/31/24	\$ 4,600,000	\$ 2,719,920	\$ 1,880,080
S-ECAGD-23-CA-0016 - Tibetan Scholarship Program	12/27/22 - 9/30/2026	675,000	447,997	227,003
S-ECAGD-24-CA-0005 - Tibetan Scholarship Program	11/07/23 - 9/30/2027	700,000	163,169	536,831
AID-386-G-16-00001 - Program for Self-Reliance and Resilience of Tibetan Communities in South Asia	10/1/16 - 9/30/24	<u>39,500,000</u>	<u>33,906,500</u>	<u>5,593,500</u>
		<u>\$ 45,475,000</u>	<u>\$ 37,237,586</u>	<u>\$ 8,237,414</u>

The Fund provides grants to recipients that are conditional upon allowable expenditure. The following are grant commitments the Fund made to recipients that extend beyond December 31, 2023:

<u>Grant</u>	<u>Term</u>	<u>Total Commitment</u>	<u>Earned</u>	<u>Funds Available</u>
Federal Funds	Through 2027	\$ 41,491,334	\$ 34,176,621	\$ 7,314,713

The Tibet Fund
Notes to Financial Statements
December 31, 2023
(With Summarized Financial Information as of and for the Year Ended December 31, 2022)

Note 3. Conditional Gifts

The Fund has received the following conditional grants that were prepaid to subrecipients at December 31, 2023 and 2022 that are not recognized in the financial statements:

	<u>2023</u>	<u>2022</u>
SPRMCO20CA0096 - Protection and Humanitarian Assistance for Tibetan Refugees in South Asia	\$ 382,507	\$ 186,008
AID-386-G-16-00001 - Program for Self-Reliance and Resilience of Tibetan Communities in South Asia	<u>901,514</u>	<u>199,168</u>
	<u>\$ 1,284,021</u>	<u>\$ 385,176</u>

Note 4. Property and Equipment

Property and equipment at December 31, 2023 and 2022 consists of:

	<u>2023</u>	<u>2022</u>
Land	\$ 165,000	\$ 165,000
Building and improvements	968,351	968,351
Equipment, furniture, and fixtures	<u>48,300</u>	<u>48,300</u>
	1,181,651	1,181,651
Accumulated depreciation	<u>(676,573)</u>	<u>(650,416)</u>
	<u>\$ 505,078</u>	<u>\$ 531,235</u>

Note 5. Rental Income – Operating Leases

The Fund leases office space to a tenant, the terms of which are defined in a lease agreement that came into effect August 31, 2021 and set to expire in 2023. The lease was renewed through August 2025. The Fund entered into a lease agreement with an organization in January 2022 that was set to expire in December 2023 and renewed through December 2024.

Future minimum lease payments at December 31, 2023 were:

2024	\$ 92,220
2025	<u>36,223</u>
Total	<u>\$ 128,443</u>

The Tibet Fund
Notes to Financial Statements
December 31, 2023
(With Summarized Financial Information as of and for the Year Ended December 31, 2022)

Cost and accumulated depreciation of leased assets are as follows:

	<u>2023</u>	<u>2022</u>
Cost of leased property	\$ 330,000	\$ 330,000
Accumulated depreciation	<u>(270,188)</u>	<u>(261,938)</u>
	<u>\$ 59,812</u>	<u>\$ 68,062</u>

Note 6. Loans Receivable

On March 31, 2014, the Fund entered into a \$1,500,000 Loan Agreement with The Office of Tibet to be used to purchase a building that will then be partially subleased by the Fund. The loan was partially collateralized by a lease agreement between the Fund and The Office of Tibet in an aggregate amount of \$435,000. On March 20, 2018, the Fund agreed to forgive \$750,000 of the loan and convert this portion into a grant. In conjunction with the forgiveness of the loan in 2018, the collateralization of the lease was amended to \$189,375. On January 20, 2022, the Fund agreed to forgive the remaining \$750,000 of the loan and convert this portion into a grant. In conjunction with the forgiveness of the loan in 2022, the lease agreement was canceled.

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:

2024	\$ 10,000
2025	40,000
2026	40,000
2027	40,000
Thereafter	<u>40,000</u>
Total	<u>\$ 170,000</u>

Negotiations took place for The Tibetan Community of New York and New Jersey, Inc. to provide the Fund free space rental in lieu of loan payments. These plans were postponed due to the effects of COVID-19. In 2023, the Fund approved the deferral of the first payment to October 2023 while deliberating these negotiations. In 2023, the Fund forgave \$30,000 of the loan. The Fund intends to forgive the remaining balance upon satisfaction of certain conditions.

Note 7. Pension

The Fund has a defined contribution pension plan covering substantially all employees. The Board of Directors annually determines the amount, if any, of the Fund's contributions to the plan. Pension expense was \$24,341 and \$26,576 for the years ended December 31, 2023 and 2022, respectively.

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Note 8. Net Assets With Donor Restrictions

Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31 are restricted for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose		
Economic and community development program	\$ 237,501	\$ 125,589
Cultural and religious preservation	121,205	56,478
Education and scholarship program	555,494	300,498
Health care program	413,515	286,210
TAP program	62,188	74,788
Humanitarian assistance	100	-
	<u>\$ 1,390,003</u>	<u>\$ 843,563</u>

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2023</u>
Satisfaction of purpose restrictions	
Economic and community development program	\$ 60,238
Cultural and religious preservation	1,319,400
Education and scholarship program	256,130
TAP Program	20,750
	<u>\$ 1,656,518</u>

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Note 9. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash	\$ 774,359	\$ 1,096,708
Investments	6,913,256	5,617,460
Grants receivable	-	95,285
	<hr/>	<hr/>
Total financial assets	7,687,615	6,809,453
Restricted funds	<u>(1,390,003)</u>	<u>(843,563)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,297,612</u>	<u>\$ 5,965,890</u>

The Fund receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

As part of the Fund's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 10. Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023 and 2022:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2023				
Assets				
Investments				
Mutual funds				
Money market	\$ 3,899,682	\$ 3,899,682	\$ -	\$ -
Domestic equities	1,152,577	1,152,577	-	-
Foreign equities	1,032,805	1,032,805	-	-
Treasury index	531,188	531,188	-	-
Total investments reported on the fair value hierarchy	6,616,252	\$ 6,616,252	\$ -	\$ -
Certificates of deposit	297,004			
Total investments	\$ 6,913,256			

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	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
December 31, 2022				
Assets				
Investments				
Mutual funds				
Money market	\$ 2,071,709	\$ 2,071,709	\$ -	\$ -
Domestic equities	1,592,795	1,592,795	-	-
Foreign equities	751,797	751,797	-	-
Treasury index	381,370	381,370	-	-
Fixed income	127,042	127,042	-	-
Total investments reported on the fair value hierarchy	4,924,713	<u>\$ 4,924,713</u>	<u>\$ -</u>	<u>\$ -</u>
Certificates of deposit	<u>692,747</u>			
Total investments	<u>\$ 5,617,460</u>			

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2023 and 2022.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 11. Significant Estimates and Concentrations

GAAP require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Revenues

For the years ended December 31, 2023 and 2022, 52% and 49%, respectively, of total revenues were paid to the Fund by one governmental agency.

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Investments

The Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit 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 and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

Note 12. Leases

Accounting Policies

The Fund determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Fund determines lease classification as operating or finance at the lease commencement date.

The Fund combines lease and nonlease components, such as common area and other maintenance costs, and accounts for them as a single lease component in calculating the ROU assets and lease liabilities for its office buildings and employee vehicles.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Fund has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Fund is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Fund has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The Fund has entered into the following lease arrangements:

Operating Leases

The Fund has a lease for an office space that expires in 2033. This lease requires the Fund to pay all executory costs (property taxes, maintenance and insurance). The Fund prepaid the entire rent for the initial 10-year period for approximately \$89,000. Termination of the leases is generally prohibited unless there is a violation under the lease agreement. There were no significant leases during 2022.

The Fund has no material related-party leases.

The Fund's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

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Quantitative Disclosures

The lease cost and other required information for the year ended December 31, 2023 is:

Lease cost	
Operating lease cost	\$ 6,122
Total lease cost	<u>\$ 6,122</u>
Other information	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 88,528
Right-of-use assets obtained in exchange for new operating lease liabilities	88,528
Weighted-average remaining lease term	
Operating leases	9.25 years
Weighted-average discount rate	
Operating leases	0.00%

Note 13. Subsequent Events

Subsequent events have been evaluated through September 26, 2024, which is the date the financial statements were available to be issued.