

International Campaign for Tibet

Financial Statements

And

Independent Auditor's Report

For the Years Ended December 31, 2020 and 2019

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Independent Auditor's Report

**To the Board of Directors
International Campaign for Tibet
Washington, DC**

We have audited the accompanying financial statements of International Campaign for Tibet (ICT) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the statement of functional expenses for the year ended December 31, 2020 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 ICT'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 ICT'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 International Campaign for Tibet as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Report on Summarized Comparative Information

We have previously audited ICT's December 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2020. In our opinion, the summarized comparative information presented in the statement of functional expenses for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Snyder Cohn, PC". The signature is written in a cursive, flowing style.

SNYDER COHN, PC
North Bethesda, Maryland
July 12, 2021

International Campaign for Tibet

Statements of Financial Position

December 31	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,027,626	\$ 1,955,264
Accounts receivable	-	186,225
Other receivables	10,949	-
Prepaid expenses	96,499	87,272
Total current assets	<u>4,135,074</u>	<u>2,228,761</u>
Property and equipment, net	<u>2,295,811</u>	<u>2,301,583</u>
Other assets:		
Investments	2,745	50
Deposits	360	360
Deferred financing costs, net	468	702
Total other assets	<u>3,573</u>	<u>1,112</u>
Total assets	<u><u>\$ 6,434,458</u></u>	<u><u>\$ 4,531,456</u></u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 162,731	\$ 122,965
Note payable, current portion	31,666	30,381
Total current liabilities	<u>194,397</u>	<u>153,346</u>
Other liabilities:		
Note payable, net of current portion	<u>23,456</u>	<u>55,243</u>
Total liabilities	<u>217,853</u>	<u>208,589</u>
Commitments		
Net assets:		
Net assets without donor restrictions	6,164,846	4,279,459
Net assets with donor restrictions	51,759	43,408
Total net assets	<u>6,216,605</u>	<u>4,322,867</u>
Total liabilities and net assets	<u><u>\$ 6,434,458</u></u>	<u><u>\$ 4,531,456</u></u>

See Accompanying Notes

International Campaign for Tibet

Statement of Activities

For the year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 5,024,021	\$ -	\$ 5,024,021
Grants	-	125,965	125,965
Government grants	220,700	-	220,700
Investment income	4,058	-	4,058
Other income	27,832	-	27,832
Merchandise sales	13,935	-	13,935
Net assets released from restrictions	117,614	(117,614)	-
Total support and revenue	5,408,160	8,351	5,416,511
Expenses:			
Program services:			
Tibetan empowerment	351,553	-	351,553
Human rights	246,055	-	246,055
Education and awareness	700,384	-	700,384
International operations	33,015	-	33,015
Advocacy and campaigns	300,588	-	300,588
Government relations	251,212	-	251,212
Monitoring and reporting	634,613	-	634,613
Chinese outreach	36,523	-	36,523
Total program services	2,553,943	-	2,553,943
Supporting services:			
Fundraising	671,438	-	671,438
General and administrative	297,392	-	297,392
Total supporting services	968,830	-	968,830
Total expenses	3,522,773	-	3,522,773
Change in net assets	1,885,387	8,351	1,893,738
Net assets - beginning	4,279,459	43,408	4,322,867
Net assets - ending	\$ 6,164,846	\$ 51,759	\$ 6,216,605

See Accompanying Notes

International Campaign for Tibet

Statement of Activities

For the year ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 3,864,210	\$ -	\$ 3,864,210
Grants	-	68,005	68,005
Investment income	6,136	-	6,136
Other income	32,909	-	32,909
Merchandise sales	13,572	-	13,572
Net assets released from restrictions	55,888	(55,888)	-
Total support and revenue	3,972,715	12,117	3,984,832
Expenses:			
Program services:			
Tibetan empowerment	183,269	-	183,269
Human rights	404,776	-	404,776
Education and awareness	1,111,079	-	1,111,079
International operations	84,225	-	84,225
Advocacy and campaigns	269,959	-	269,959
Government relations	261,319	-	261,319
Monitoring and reporting	662,379	-	662,379
Chinese outreach	68,952	-	68,952
Total program services	3,045,958	-	3,045,958
Supporting services:			
Fundraising	476,794	-	476,794
General and administrative	148,362	-	148,362
Total supporting services	625,156	-	625,156
Total expenses	3,671,114	-	3,671,114
Change in net assets	301,601	12,117	313,718
Net assets - beginning	3,977,858	31,291	4,009,149
Net assets - ending	\$ 4,279,459	\$ 43,408	\$ 4,322,867

See Accompanying Notes

International Campaign for Tibet

Statement of Functional Expenses

For the year ended December 31, 2020 with summarized financial information for 2019

	Program Services								
	Tibetan Empowerment	Human Rights	Education and Awareness	International Operations	Advocacy and Campaigns	Government Relations	Monitoring and Reporting	Chinese Outreach	Total Program
Salaries	\$ 138,403	\$ 2,579	\$ 134,939	\$ 25,846	\$ 35,000	\$ 100,784	\$ 344,174	\$ 14,904	\$ 796,629
Professional services	33,109	94,492	181,383	1,343	96,270	47,673	89,437	10,324	554,031
Printing	17,632	93,694	163,950	109	100,699	37,434	14,357	1,412	429,287
Postage	8,620	51,671	102,835	81	52,140	20,816	8,822	825	245,810
Health care	21,227	765	21,268	1,938	2,098	12,973	55,245	2,974	118,488
Grants/donations including earthquake relief	84,729	-	150	-	-	-	-	-	84,879
Payroll taxes	11,474	340	11,161	980	1,229	6,599	29,753	1,508	63,044
Depreciation and amortization	10,393	194	10,133	1,941	2,628	7,568	25,844	1,119	59,820
Retirement	6,508	144	6,159	561	732	3,596	16,896	835	35,431
Bank charges	8,630	65	7,786	649	900	4,157	20,587	1,014	43,788
Accounting and payroll	-	-	-	-	-	-	-	-	-
Building expenses	4,110	168	4,194	383	390	2,583	10,750	592	23,170
Office supplies	315	12	17,869	19	45	164	1,304	31	19,759
Insurance	2,212	170	2,884	337	4	2,034	5,618	507	13,766
Travel	380	28	11,265	(1,476)	3,775	2,166	1,317	19	17,474
Media/books	-	-	16,827	-	-	-	-	-	16,827
Telephone	1,430	47	1,343	99	174	779	4,494	164	8,530
State registration	-	-	-	-	-	-	-	-	-
Delivery	228	1,593	2,796	-	1,606	625	263	21	7,132
Dues and subscriptions	295	24	1,652	38	2,711	159	1,103	31	6,013
Equipment rental	1,200	37	1,172	109	116	708	2,991	162	6,495
Rent	658	32	618	58	71	394	1,658	81	3,570
Special events	-	-	-	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-	-
Total expenses	\$ 351,553	\$ 246,055	\$ 700,384	\$ 33,015	\$ 300,588	\$ 251,212	\$ 634,613	\$ 36,523	\$ 2,553,943

See Accompanying Notes

International Campaign for Tibet

Statement of Functional Expenses (continued)

For the year ended December 31, 2020 with summarized financial information for 2019

		Support Services				
	Total Program	Fundraising (Development)	General and Administrative	Total Supporting Services	2020 Total	2019 Total
Salaries	\$ 796,629	\$ 71,090	\$ 89,638	\$ 160,728	\$ 957,357	\$ 918,502
Professional services	554,031	206,607	54,535	261,142	815,173	1,020,137
Printing	429,287	312,135	2,820	314,955	744,242	603,701
Postage	245,810	22,186	935	23,121	268,931	279,952
Health care	118,488	13,195	13,094	26,289	144,777	154,576
Grants/donations including earthquake relief	84,879	-	-	-	84,879	85,630
Payroll taxes	63,044	7,016	6,522	13,538	76,582	70,930
Depreciation and amortization	59,820	5,338	6,731	12,069	71,889	69,959
Retirement	35,431	3,921	29,327	33,248	68,679	43,638
Bank charges	43,788	9,975	14,079	24,054	67,842	44,761
Accounting and payroll	-	-	56,058	56,058	56,058	41,300
Building expenses	23,170	2,580	2,775	5,355	28,525	87,502
Office supplies	19,759	565	2,709	3,274	23,033	16,899
Insurance	13,766	1,531	7,169	8,700	22,466	20,873
Travel	17,474	246	4,247	4,493	21,967	89,241
Media/books	16,827	1,388	-	1,388	18,215	799
Telephone	8,530	873	573	1,446	9,976	12,547
State registration	-	9,546	311	9,857	9,857	12,101
Delivery	7,132	1,922	195	2,117	9,249	13,321
Dues and subscriptions	6,013	184	3,033	3,217	9,230	2,945
Equipment rental	6,495	731	1,547	2,278	8,773	7,174
Rent	3,570	409	1,094	1,503	5,073	9,365
Special events	-	-	-	-	-	62,548
Training	-	-	-	-	-	2,713
Total expenses	\$ 2,553,943	\$ 671,438	\$ 297,392	\$ 968,830	\$ 3,522,773	\$ 3,671,114

See Accompanying Notes

International Campaign for Tibet

Statements of Cash Flows

For the years ended December 31	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 1,893,738	\$ 313,718
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	71,889	69,959
Net loss on investments	-	12
Donated investments	(100,754)	(33,515)
Principal forgiveness on PPP loan	(220,700)	-
(Increase) decrease in:		
Accounts receivable	186,225	(171,632)
Other receivables	(10,949)	239,616
Prepaid expenses	(9,227)	(20,161)
Increase (decrease) in:		
Accounts payable and accrued expenses	39,766	3,798
Net cash provided by operating activities	<u>1,849,988</u>	<u>401,795</u>
Cash flows from investing activities:		
Proceeds from sale of investments	98,059	33,515
Purchase of property and equipment	(65,883)	(27,603)
Net cash provided by investing activities	<u>32,176</u>	<u>5,912</u>
Cash flows from financing activities:		
Payments made on note payable	(30,502)	(29,021)
Proceeds from PPP loan	220,700	-
Net cash provided by (used in) financing activities	<u>190,198</u>	<u>(29,021)</u>
Net increase in cash and cash equivalents	2,072,362	378,686
Cash and cash equivalents - beginning	<u>1,955,264</u>	<u>1,576,578</u>
Cash and cash equivalents - ending	<u>\$ 4,027,626</u>	<u>\$ 1,955,264</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	\$ 4,301	\$ 4,832

See Accompanying Notes

International Campaign for Tibet

Notes to Financial Statements

December 31, 2020 and 2019

Note 1: Summary of significant accounting policies:

International Campaign for Tibet (ICT) is a 501(c)(3) tax exempt, nonprofit organization based in Washington, DC. Formed in 1988, the organization works to promote human rights and democratic freedoms for the people of Tibet. ICT's major sources of revenue are from contributions, grants, and events.

Basis of accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, revenue is recognized when earned and expenses when the obligation is incurred.

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with ICT's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, 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 consist of short-term, highly liquid investments with maturities of three months or less at the date of their acquisition.

Accounts receivable - Accounts receivable are stated at their net realizable value. ICT records receivables net of an allowance for doubtful accounts when necessary. The allowance is determined based on review of the estimated collectability of the specific accounts, plus a general provision based on historical loss experience and existing economic conditions. Uncollectible amounts are charged off against the allowance for doubtful accounts once management determines an account, or a portion thereof, to be worthless. Management considers all receivables to be fully collectible; therefore, no allowance for doubtful accounts has been established.

Contributions receivable - Contributions receivable consist of unconditional promises to give that are expected to be collected within one year and are recorded at their net realizable value. Conditional promises to give are not included as support until the conditions are substantially met. Management considers all promises to give to be fully collectible; therefore, no allowance for doubtful accounts has been established.

International Campaign for Tibet

Notes to Financial Statements

December 31, 2020 and 2019

Note 1: Summary of significant accounting policies: (continued)

Property and equipment - Property and equipment is stated at cost. Contributed property and equipment are recorded at fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 10 years, and an estimated 40 years for the building. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount and fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. ICT capitalizes all additions to property and equipment over \$500.

Deferred financing costs - Deferred financing costs consist of fees and expenses incurred related to the mortgage loan and are being amortized using the straight-line method over the life of the mortgage loan.

Investments - Investments consist of equity securities and are presented in the financial statements at market prices with changes in the fair value reflected in revenue annually. Interest, dividends, and realized gains and losses are recorded as revenue when earned. ICT uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, ICT measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. There have been no changes in the valuation methodologies used during the current year. All assets are considered Level 1 and have been valued using a market approach.

Fair value measurements - The FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That 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 under FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

International Campaign for Tibet

Notes to Financial Statements

December 31, 2020 and 2019

Note 1: Summary of significant accounting policies: (continued)

Fair value measurements - (continued)

Level 2 - inputs to the valuation methodology include:

- 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.

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

Contributions - Contributions received are recorded as support with or without donor restrictions depending on the existence of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Donated assets are recognized as contribution revenue at their fair market value on the date of donation.

PPP loan forgiveness - In April 2020, ICT was granted a loan in the amount of \$220,700 pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. Under the terms of the PPP, the loan was forgiven in December 2020. The forgiveness income is being treated as a conditional contribution under ASC 958-605 and is included in government grants on the statement of activities for the year ended December 31, 2020.

International Campaign for Tibet

Notes to Financial Statements

December 31, 2020 and 2019

Note 1: Summary of significant accounting policies: (continued)

Net assets - In the accompanying financial statements, net assets and revenue have been classified based on the existence or absence of donor-imposed restrictions. The classes of net assets are as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets that are subject to donor-imposed purpose or time restrictions.

Revenue recognition - In 2020, ICT adopted ASU 2014-09 using the retrospective method to all periods presented. The standard's purpose is to eliminate variations in the way businesses across industries handle accounting for revenue recognition. This is accomplished by identifying customer contracts, performance obligations, and transaction prices, then recording revenue as ICT satisfies the performance obligations of each contract. We have analyzed the provisions of ASC Topic 606 and have concluded that no changes are necessary to ICT's revenue recognition policies in order to conform to the new standard.

ICT evaluates whether a contribution is conditional, which affects the timing of the revenue recognized. Unconditional contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. Conditional contributions received are accounted for as a liability initially, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions. When a stipulated donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and released from restrictions. Revenue generated from sales of physical products is recognized when the goods are shipped.

Revenue disaggregation - In accordance with ASU 2014-09, ICT disaggregates revenue from contracts with customers into major revenue streams and the timing of recognizing revenue. All revenue for the years ended December 31, 2020 and 2019 are recognized at a point in time.

Economic uncertainties - On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic, which has caused worldwide business interruption. This interruption may negatively impact ICT's operating results, but the related financial impact and duration cannot be reasonably estimated at this time.

International Campaign for Tibet

Notes to Financial Statements

December 31, 2020 and 2019

Note 1: Summary of significant accounting policies: (continued)

Accounting for uncertainty in income taxes - ICT accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax effect is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for uncertain tax positions. Interest and penalties, if any, are accrued as a component of general and administrative expenses when assessed. ICT is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Similar to other tax-exempt organizations, ICT is subject to tax on unrelated business income. Tax years prior to 2017 are no longer subject to examination by the IRS or the tax jurisdiction of the District of Columbia.

During the years ended December 31, 2020 and 2019, ICT did not have net taxable income from unrelated business activities; therefore, there is no provision in these financial statements for income taxes or interest and penalties related to unrecognized tax benefits.

Note 2: Liquidity and availability:

The following reflects ICT's financial assets on December 31, 2020 and 2019, reduced by amounts that are not available for general use because of donor-imposed purpose restrictions within one year of the balance sheet date.

	2020	2019
Financial assets:		
Cash	\$ 4,027,626	\$ 1,955,264
Accounts receivable	10,949	186,225
Investments	2,745	50
	<u>4,041,320</u>	<u>2,141,539</u>
Less those unavailable for general expenditure within one year, due to:		
Amounts designated for future purpose restrictions	<u>(51,759)</u>	<u>(43,408)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,989,561</u>	<u>\$ 2,098,131</u>

International Campaign for Tibet

Notes to Financial Statements

December 31, 2020 and 2019

Note 2: Liquidity and availability: (continued)

As part of the ICT'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. ICT also has a line of credit providing for a maximum borrowing of \$200,000, which can be made available should the need arise.

Note 3: Property and equipment:

Property and equipment consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 620,568	\$ 620,568
Building	2,573,400	2,573,400
Furniture and equipment	<u>460,356</u>	<u>394,474</u>
	3,654,324	3,588,442
Less: accumulated depreciation	<u>(1,358,513)</u>	<u>(1,286,859)</u>
Property and equipment, net	<u>\$ 2,295,811</u>	<u>\$ 2,301,583</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$71,655 and \$69,725, respectively.

Note 4: Investments:

Investments consisted of equity securities in the amount of \$2,745 and \$50 at December 31, 2020 and 2019, respectively.

Total investment income from all sources was as follows:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 1,363	\$ 6,147
Realized gain (loss)	<u>2,695</u>	<u>(11)</u>
	<u>\$ 4,058</u>	<u>\$ 6,136</u>

International Campaign for Tibet

Notes to Financial Statements

December 31, 2020 and 2019

Note 5: Deferred financing costs:

During the mortgage loan refinance process, ICT incurred \$2,342 of deferred financing costs which began being amortized in 2013. Accumulated amortization on these deferred financing costs was \$1,874 and \$1,640 as of December 31, 2020 and 2019, respectively. Amortization expense for each of the next two years is expected to be \$234.

Note 6: Net assets with donor restrictions:

Net assets with donor restrictions were available for grants to Tibetan photographers, filmmakers and writers, and for Tibetan earthquake relief. Net assets with donor restrictions are available for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
IBU grant	\$ 36,035	\$ 11,979
Peretti grant	-	15,705
Earthquake relief fund	<u>15,724</u>	<u>15,724</u>
	<u>\$ 51,759</u>	<u>\$ 43,408</u>

The following net assets with donor restrictions were released by satisfying their restricted purposes specified by the donors at December 31:

	<u>2020</u>	<u>2019</u>
Rowell fund	\$ -	\$ 15,567
Peretti grant	15,705	-
IBU grant	<u>101,909</u>	<u>40,321</u>
	<u>\$ 117,614</u>	<u>\$ 55,888</u>

Note 7: Note payable:

ICT has a mortgage note payable to a bank in the original amount of \$300,000, which was refinanced in December 2012. The note bears a fixed rate of 4.15% and requires monthly payments of \$2,779 through November 2022, the due date of the note. Any additional payments of principal are subject to a prepayment penalty. The note is secured by ICT's land, building, and furniture and equipment.

International Campaign for Tibet

Notes to Financial Statements

December 31, 2020 and 2019

Note 7: Note payable: (continued)

Future minimum principal payments over the next two years are as follows:

2021	\$	31,666
2022		<u>23,456</u>
	\$	<u>55,122</u>

Interest expense was \$4,301 and \$4,832 for the years ended December 31, 2020 and 2019, respectively.

ICT has a line of credit providing for a maximum borrowing of \$200,000. The line of credit bears a variable rate of the Bank's Prime Rate, which cannot decrease below 4.25% or exceed 30.00%, and had an initial maturity date of November 24, 2014. The line of credit was renewed with a new maturity date of November 24, 2022 and is secured by ICT's receivables and fixed assets. There were no borrowings on the line of credit during 2020 and 2019 and the amount outstanding was \$-0- at December 31, 2020 and 2019.

Note 8: Allocation of joint costs:

For the years ended December 31, 2020 and 2019, ICT incurred joint costs of \$1,239,496 and \$1,210,567, respectively, for informational materials and activities that included telemarketing and direct mail fundraising appeals that were allocated as of December 31 as follows:

	<u>2020</u>	<u>2019</u>
Tibetan empowerment	\$ 34,452	\$ 50,729
Human rights	240,990	238,869
Education and awareness	418,497	423,540
International operations	-	4,638
Advocacy and campaigns	242,765	179,426
Government relations	94,481	92,876
Monitoring and reporting	29,247	17,968
Chinese outreach	3,210	10,910
Fundraising	<u>175,854</u>	<u>191,611</u>
	<u>\$ 1,239,496</u>	<u>\$ 1,210,567</u>

International Campaign for Tibet

Notes to Financial Statements

December 31, 2020 and 2019

Note 9: Functional allocation of expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain supporting general and administrative costs have been allocated according to the amount the programs and supporting services benefited. Joint costs are allocated by the mailing. The allocation of percentages between program versus fundraising and development are based upon the number of paragraphs in the mailing, while salaries, benefits, payroll taxes and other expenses are allocated on the basis of estimates of time and effort. The following program services are included in the accompanying financial statements:

Tibetan Empowerment - Working with Tibetan communities in the United States and abroad to teach and empower them about their history and how to advocate for themselves. Includes Tibetan Youth Leadership program, Rowell Fund for Tibet and the Lodi Gyari Fellowship. Also includes Political Prisoner Rehabilitation, which works with former Tibetan political prisoners to help them adapt to freedom and teach others about their experiences.

Human Rights - Includes campaigns for release of Tibetan political prisoners, for the promotion of human rights in Tibet, and for religious freedom.

Education and Awareness - A wide range of activities and initiatives that build greater public awareness about the issues in Tibet. Includes all communications activities and public events. Including Allies for Tibet and other advocacy work, Tibet Talks, social media, newsletters, email newsletters and the website, www.savetibet.org. Also includes work focusing on education around the environment in Tibet and the impact of climate change.

International Operations - Support for ICT's international offices, staff and consultants in Amsterdam, Berlin, and Brussels.

Advocacy and Campaigns - Includes campaigns for the release of Tibetan political prisoners, promotion of human rights and religious freedom.

Government Relations - Work relating to programs that involve national, state, and regional governments, the U.S. Congress and Administration, European nations, and the European Union and the United Nations.

Monitoring and Reporting - Includes publication of reports, both online and printed of the situation in Tibet and Chinese government policies towards the Tibetan people and their impact.

Chinese Outreach - Creating an understanding of Tibetan issues through increased communication with various segments of the Chinese community.

International Campaign for Tibet

Notes to Financial Statements

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Note 10: Employee retirement plan:

In October 1999, ICT established a 403(b) salary reduction agreement for all full-time employees meeting minimum service requirements. Contributions to the plan are made through voluntary salary reductions. ICT may make a matching contribution equal to 100% of the voluntary salary reduction, up to 5% of the employee's base salary. ICT's contributions to the plan for the years ended December 31, 2020 and 2019 were \$68,679 and \$43,638, respectively.

Note 11: Operating leases:

ICT leases equipment and storage space under various operating leases on a month-to-month basis. There are no future minimum rental payments relating to these leases. Rental expense amounted to \$13,848 and \$16,539 for the years ended December 31, 2020 and 2019, respectively.

Note 12: Concentrations:

ICT maintains cash and cash equivalents with commercial banks and a securities broker-dealer. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC) up to specified limits. At various times throughout 2020 and 2019, cash balances at these institutions exceeded the federally insured limits. ICT has not experienced any losses with respect to its cash balances.

For the year ended December 31, 2020, one contributor made up 19% of total revenue. For the year ended December 31, 2019, no one contributor made up more than 10% of revenue.

Note 13: Subsequent events:

Subsequent events have been evaluated through July 12, 2021, which is the date the financial statements were available to be issued.

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