

**THE TIBET FUND**  
**FINANCIAL STATEMENTS**  
**AND AUDITOR'S REPORT**  
**DECEMBER 31, 2016**

# **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, 2016, 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, 2016, 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, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 15, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Loeb & Troper LLP*

July 15, 2017

## THE TIBET FUND

## STATEMENT OF FINANCIAL POSITION

**DECEMBER 31, 2016**  
**(With Summarized Financial Information**  
**for December 31, 2015)**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and cash equivalents		
Unrestricted	\$ 1,552,273	\$ 1,303,645
Donor restricted	<u>1,835,019</u>	<u>1,183,730</u>
Investments (Note 3)	2,649,645	2,094,421
Prepaid expenses and other assets	378,369	602,714
Loan receivable (Note 7)	1,500,000	1,500,000
Fixed assets - net (Note 4)	<u>668,598</u>	<u>691,476</u>
Total assets	<u>\$ 8,583,904</u>	<u>\$ 7,375,986</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 55,990	\$ 37,431
Refundable advances (Note 2)	<u>440,682</u>	<u>602,508</u>
Total liabilities	<u>496,672</u>	<u>639,939</u>
Net assets (Exhibit B)		
Unrestricted	6,252,213	5,552,317
Temporarily restricted (Note 5)	<u>1,835,019</u>	<u>1,183,730</u>
Total net assets	<u>8,087,232</u>	<u>6,736,047</u>
Total liabilities and net assets	<u>\$ 8,583,904</u>	<u>\$ 7,375,986</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, 2016**  
**(With Summarized Financial Information**  
**for the Year Ended December 31, 2015)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2016</u>	<u>2015</u>
Revenues, gains and other support				
Public support and revenues				
U.S. Federal grants	\$ 5,296,103		\$ 5,296,103	\$ 4,702,923
Special events	431,729		431,729	508,639
Less direct expenses of special events	(63,087)		(63,087)	(60,947)
Contributions	296,994	\$ 1,890,856	2,187,850	1,573,581
	<u>5,961,739</u>	<u>1,890,856</u>	<u>7,852,595</u>	<u>6,724,196</u>
Total public support and revenues				
Other revenues and gains (losses)				
Interest and dividends	79,972		79,972	84,196
Realized and unrealized gain (loss) on investments - net	120,790		120,790	(152,803)
Rental income (Note 2)	175,680		175,680	
Miscellaneous income				619
	<u>376,442</u>		<u>376,442</u>	<u>(67,988)</u>
Total other revenues and gains (losses)				
Net assets released from restrictions (Note 5)	<u>1,239,567</u>	<u>(1,239,567)</u>		
Total revenues, gains and other support	<u>7,577,748</u>	<u>651,289</u>	<u>8,229,037</u>	<u>6,656,208</u>

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**THE TIBET FUND****EXHIBIT B****-2-****STATEMENT OF ACTIVITIES****YEAR ENDED DECEMBER 31, 2016  
(With Summarized Financial Information  
for the Year Ended December 31, 2015)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2016</u>	<u>2015</u>
Expenses (Exhibit C)				
Program services				
Humanitarian assistance	\$ 3,081,364		\$ 3,081,364	\$ 3,818,532
Education and scholarship	1,587,301		1,587,301	1,055,718
Cultural and religious preservation	188,358		188,358	256,094
Economic and community development	392,736		392,736	124,450
TAP				49,287
Health care	927,311		927,311	277,177
Total program services	<u>6,177,070</u>		<u>6,177,070</u>	<u>5,581,258</u>
Supporting services				
Management and general	638,887		638,887	449,703
Fund raising	61,895		61,895	83,784
Total supporting services	<u>700,782</u>		<u>700,782</u>	<u>533,487</u>
Total expenses	<u>6,877,852</u>		<u>6,877,852</u>	<u>6,114,745</u>
Change in net assets (Exhibit D)	699,896	\$ 651,289	1,351,185	541,463
Net assets - beginning of year	<u>5,552,317</u>	<u>1,183,730</u>	<u>6,736,047</u>	<u>6,194,584</u>
Net assets - end of year (Exhibit A)	<u>\$ 6,252,213</u>	<u>\$ 1,835,019</u>	<u>\$ 8,087,232</u>	<u>\$ 6,736,047</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, 2016  
(With Summarized Financial Information  
for the Year Ended December 31, 2015)

	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	2016	2015
Salaries	\$ 6,019	\$ 30,114	\$ 9,054	\$ 18,056	\$ 17,053	\$ 80,296	\$ 344,846	\$ 33,558		\$ 378,404	\$ 458,700	\$ 441,621
Fringe benefits and payroll taxes	882	3,689	2,608	2,645	2,498	12,322	117,739	13,721		131,460	143,782	109,232
Total salaries and related expenses	6,901	33,803	11,662	20,701	19,551	92,618	462,585	47,279		509,864	602,482	550,853
Grants and contributions	3,064,896	640,922	171,569	365,784	897,991	5,141,162					5,141,162	4,612,834
Student support		902,178				902,178					902,178	712,763
Professional fees	1,860	1,860	1,860	1,860	1,860	9,300	59,908	5,209		65,117	74,417	72,527
Office expenses	250	250	250	250	250	1,250	3,741			3,741	4,991	13,442
Telephone	337	674	135	337	202	1,685	5,058			5,058	6,743	7,747
Postage and shipping	185	278	185	185	648	1,481	4,996	2,776		7,772	9,253	8,344
Occupancy	340	340	272	408	408	1,768	26,543	272		26,815	28,583	27,042
Insurance	111	148	111	222	148	740	6,657			6,657	7,397	7,819
Printing	138	184	92	138	184	736	4,703	3,780		8,483	9,219	5,979
Travel and lodging	4,981	5,173	1,418	958	4,981	17,511	575	1,073		1,648	19,159	23,250
Meals and entertainment	158	284		284	284	1,010	2,026	126		2,152	3,162	2,739
Training and conferences							3,817			3,817	3,817	
Investment expense							29,056			29,056	29,056	26,268
Equipment and information technology	1,207	1,207	804	1,609	804	5,631	2,412			2,412	8,043	5,550
Catering and facilities									\$ 63,087	63,087	63,087	60,947
Depreciation							26,215	1,380		27,595	27,595	27,840
Miscellaneous							595			595	595	9,748
Total expenses	3,081,364	1,587,301	188,358	392,736	927,311	6,177,070	638,887	61,895	63,087	763,869	6,940,939	6,175,692
Less expenses deducted directly from revenues on the statement of activities									(63,087)	(63,087)	(63,087)	(60,947)
Total expenses reported by function on the statement of activities (Exhibit B)	\$ 3,081,364	\$ 1,587,301	\$ 188,358	\$ 392,736	\$ 927,311	\$ 6,177,070	\$ 638,887	\$ 61,895	\$ -	\$ 700,782	\$ 6,877,852	\$ 6,114,745

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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ 1,351,185	\$ 541,463
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net unrealized and realized loss (gain) on investments	(120,790)	152,803
Depreciation	27,595	27,840
Decrease (increase) in assets		
Prepaid expenses and other assets	224,345	(164,421)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	18,559	(8,540)
Refundable advances	(161,826)	132,637
Net cash provided by operating activities	<u>1,339,068</u>	<u>681,782</u>
Cash flows from investing activities		
Purchase of investments	(1,008,617)	(2,011,393)
Proceeds from maturity and sales of investments	574,183	1,879,918
Fixed asset acquisitions	(4,717)	(244,798)
Net cash used by investing activities	<u>(439,151)</u>	<u>(376,273)</u>
Net change in cash and cash equivalents	899,917	305,509
Cash and cash equivalents - beginning of year	<u>2,487,375</u>	<u>2,181,866</u>
Cash and cash equivalents - end of year	<u>\$ 3,387,292</u>	<u>\$ 2,487,375</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, 2016

### 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, 2016****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, 2016****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, 2016. 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, 2016****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, 2015, 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, 2016****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 methodologies used for assets measured at fair value. There has been no change in the methodologies used at December 31, 2016 as compared to that used at December 31, 2015.

***Equity securities*** - Valued at the closing price reported on the active market on which the individual securities are traded.

***Bonds*** - Valued using pricing models maximizing the used observable inputs for similar securities.

The methods 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 methods are 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, 2016.

***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, 2013 and subsequent remain subject to examination by applicable taxing authorities.

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**THE TIBET FUND**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Subsequent events* - Subsequent events have been evaluated through July 15, 2017, which is the date the financial statements were available to be issued.

**NOTE 3 - INVESTMENTS**

The following are investments held at December 31, 2016 by fair value level:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities			
Basic materials	\$ 227,670		\$ 227,670
Consumer goods	72,504		72,504
Energy	19,720		19,720
Financial	256,778		256,778
Healthcare	135,800		135,800
Industrial goods	188,888		188,888
Services	305,046		305,046
Technology	169,261		169,261
Utilities	22,977		22,977
Bonds			
Corporate		\$ 866,269	866,269
U.S. Federal agency		178,354	178,354
Municipal		35,004	35,004
Foreign		<u>49,706</u>	<u>49,706</u>
Total investments reported on the fair value hierarchy	<u>\$ 1,398,644</u>	<u>\$ 1,129,333</u>	2,527,977
Cash and cash equivalents			<u>121,668</u>
Total investments			<u>\$ 2,649,645</u>

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**THE TIBET FUND**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**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>42,541</u>	5-7 years
	1,159,807	
Accumulated depreciation	<u>(491,209)</u>	
	<u>\$ 668,598</u>	

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

Economic and community development program	\$ 96,544
Cultural and religious preservation	1,290,969
Education and scholarship program	112,522
Health care program	301,125
TAP program	<u>33,859</u>
	<u>\$ 1,835,019</u>

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

Economic and community development program	\$ 267,899
Cultural and religious preservation	171,569
Education and scholarship program	412,480
Health care program	363,119
TAP program	<u>24,500</u>
	<u>\$ 1,239,567</u>

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**THE TIBET FUND**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**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 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:

2017	\$	15,000
2018		15,000
2019		15,000
2020		15,000
2021		15,000
Thereafter		<u>320,000</u>
Total	\$	<u>395,000</u>

**NOTE 7 - LOAN 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, 2016 was \$15,000. The amount outstanding as of December 31, 2016 is \$1,500,000. The Fund, at some point, may convert this loan into a grant to The Office of Tibet.

**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 \$10,301 for the year ended December 31, 2016.

**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, 2016, 63% of total revenues were paid to the Fund by one governmental agency.