



International Campaign for Tibet

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2009 AND 2008

WATKINS | MEEGAN

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WATKINS MEEGAN

Independent Auditors' Report

To the Board of Trustees
International Campaign for Tibet
Washington, D.C.

We have audited the accompanying statements of financial position of International Campaign for Tibet as of December 31, 2009 and 2008, and the related statements of activities and changes in net assets and statements of cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Campaign for Tibet at December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 12 and 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Vienna, Virginia
July 14, 2010

INTERNATIONAL CAMPAIGN FOR TIBET

STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2009	2008
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 757,594	\$ 745,478
Accounts Receivable	32,426	23,878
Contributions Receivable	3,999	11,676
Grant Receivable	9,000	26,500
Prepaid Expenses	104,334	98,940
Total Current Assets	907,353	906,472
PROPERTY AND EQUIPMENT, Net	2,947,901	3,057,532
OTHER ASSETS		
Investments	151,654	348,009
Deposit	360	360
Deferred Financing Costs	12,616	-
	164,630	348,369
TOTAL ASSETS	<u>\$ 4,019,884</u>	<u>\$ 4,312,373</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 102,654	\$ 168,598
Grants Payable	24,500	24,500
Amounts Held for Others	50,966	50,966
Note Payable, Current	-	300,000
Current Portion of Note Payable	10,249	-
Total Current Liabilities	188,369	544,064
NOTE PAYABLE	288,729	-
Total Liabilities	477,098	544,064
NET ASSETS		
Unrestricted Net Assets	3,414,661	3,604,931
Temporarily Restricted Net Assets	128,125	163,378
Total Net Assets	3,542,786	3,768,309
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,019,884</u>	<u>\$ 4,312,373</u>

INTERNATIONAL CAMPAIGN FOR TIBET

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended December 31, 2009		Year Ended December 31, 2008	
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Contributions	\$ 3,140,845	\$ 79,590	\$ 3,220,435	\$ 4,617,581
Grants	50,000	412,970	462,970	53,000
Foundations	125,922	-	125,922	125,960
Investment Income (Loss)	24,052	-	24,052	(12,660)
Other Income	114,975	-	114,975	132,893
Sales	26,728	-	26,728	54,765
Net Assets Released from Restrictions	527,813	(527,813)	-	362,461
Satisfaction of Program Restrictions	-	(35,253)	-	11,726
Total Support and Revenue	4,010,335	-	3,975,082	5,334,000
EXPENSES				
Program Services				
Human Rights	1,001,233	-	1,001,233	1,552,664
Support for Dialogue	651,934	-	651,934	376,118
Education and Awareness	471,234	-	471,234	624,508
International Operations	118,793	-	118,793	294,693
Campaigns	53,732	-	53,732	367,486
Government Relations	347,177	-	347,177	394,169
Media and Reporting	252,525	-	252,525	333,409
Chinese Outreach	323,940	-	323,940	339,188
Refugees	55,150	-	55,150	43,496
Total Program Services	3,275,718	-	3,275,718	4,325,731
Supporting Services - Management and General Fundraising	605,858	-	605,858	670,781
General and Administrative	319,029	-	319,029	296,758
Total Supporting Services	924,887	-	924,887	967,539
Total Expenses	4,200,605	-	4,200,605	5,293,270
CHANGE IN NET ASSETS	(190,270)	(35,253)	(225,523)	40,730
NET ASSETS, Beginning of Year	3,604,931	163,378	3,768,309	3,564,201
NET ASSETS, End of Year	\$ 3,414,661	\$ 128,125	\$ 3,542,786	\$ 3,604,931
				\$ 163,378
				\$ 3,768,309

INTERNATIONAL CAMPAIGN FOR TIBET

STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2009	2,008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (225,523)	\$ 52,456
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Depreciation Expense	108,264	108,346
Forgiveness of Note Receivable	-	50,937
Net (Gain) Loss on Investments	(13,079)	27,182
Donated Investments	(1,096)	(43,152)
Change in:		
Accounts Receivable	(8,548)	46,404
Contributions Receivable	7,677	50,000
Grant Receivable	17,500	(17,667)
Prepaid Expenses	(5,394)	(73,300)
Accounts Payable and Accrued Expenses	(65,944)	(233,328)
Grants Payable	-	(25,760)
	(186,143)	(57,882)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	210,530	306,786
Purchase of Investments	-	(462,000)
Sale (Purchase) of Property and Equipment	1,367	(33,272)
	211,897	(188,486)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Notes Payable	(1,022)	(200,000)
Loan Financing Costs	(12,616)	-
	(13,638)	(200,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,116	(446,368)
CASH AND CASH EQUIVALENTS, Beginning of Year	745,478	1,191,846
CASH AND CASH EQUIVALENTS, End of Year	\$ 757,594	\$ 745,478
SUPPLEMENTAL DISCLOSURES		
Interest Paid	\$ 11,499	\$ 22,976
Non Cash Financing Activity:		
Repayment of Note Payable from Proceeds of New Note	\$ 300,000	\$ -

INTERNATIONAL CAMPAIGN FOR TIBET

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

International Campaign for Tibet (ICT) is based in Washington, D.C., and is a 501(c)(3) tax-exempt, nonprofit organization. ICT 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 financial statements have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses when the obligation is incurred.

Cash and Cash Equivalents

ICT considers all short-term, highly liquid investments with maturities of three months or less at the date of their acquisition to be cash and cash equivalents.

Accounts Receivable

Accounts receivable are stated at their net realizable value. ICT records receivables net of allowance for doubtful accounts, when necessary. The allowance is determined based on review of the estimated collectibility 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.

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.

Grant Receivable

Grant receivable consists of an amount due from a not-for-profit organization resulting from allowable expenditures incurred which have not been recovered from the not-for-profit organization as of the end of the fiscal year.

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method with estimated useful lives for furniture and equipment ranging from three to ten years and an estimated useful life of forty years for the building. The capitalization threshold is \$500. 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.

INTERNATIONAL CAMPAIGN FOR TIBET

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments consist of certificates of deposit and equity securities. Investments are presented in the financial statements at quoted fair values (a Level 1 input) with changes in the fair value reflected in revenue annually. Interest, dividends, and realized gains and losses are recorded as revenue when earned.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Donated assets are recognized as contribution revenue at their fair market value on the date of donation.

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:

Unrestricted – Represents net assets available for the general operations of ICT.

Temporarily Restricted – Represents net assets that are subject to donor-imposed purpose or time restrictions.

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 and changes in net assets. Accordingly, certain supporting general and administrative costs have been allocated according to the amount the programs and supporting services benefited.

The following program and supporting services are included in the accompanying financial statements:

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

Support for Dialogue – Programs which support ICT's mandate, such as work in support of the Sino-Tibetan dialogue process or the Dalai Lama's official Washington visits, the Light of Truth Award events, and the rehabilitation of freed political prisoners.

Education and Awareness – A wide range of activities and initiatives that build greater public awareness about issues in Tibet, including the Rowell Fund for Tibet.

International Operations – Support for ICT's international offices, staff, and consultants in Amsterdam, Berlin, India, and Nepal.

INTERNATIONAL CAMPAIGN FOR TIBET

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses (Continued)

Campaigns – Campaigns and programs relating to the protection of the Tibetan plateau ecosystem, including opposing unchecked Chinese migration and wanton natural resource extraction.

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.

Media and Reporting – Principal communication activities include the newsletter (*Tibet Press Watch*), the website (www.savetibet.org), information updates (*Reports from Inside Tibet*), and outreach to media.

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

Refugees – Advocacy and oversight to protect the rights of Tibetan refugees passing through or remaining in Nepal and in India, and assistance to the Central Tibetan Administration and State Department in the launching of a Tibetan refugee resettlement program in the United States.

Income Taxes

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. Tax years open to examination by federal and state tax authorities are 2006 to 2009.

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, the 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. Accordingly, actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events through July 14, 2010, the date which the financial statements were available to be issued.

Reclassifications

Certain amounts in the 2008 financial statements were reclassified for consistency with the 2009 presentation. There was no effect on the previously reported change in net assets.

INTERNATIONAL CAMPAIGN FOR TIBET

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2009</u>	<u>2008</u>
Land	\$ 620,568	\$ 620,568
Building	2,573,400	2,573,400
Furniture and Equipment	<u>329,812</u>	<u>331,451</u>
	3,523,780	3,525,419
Less Accumulated Depreciation	<u>(575,879)</u>	<u>(467,887)</u>
	<u><u>\$ 2,947,901</u></u>	<u><u>\$ 3,057,532</u></u>

NOTE 3 – INVESTMENTS

Investments consist of the following at December 31:

	<u>2009</u>	<u>2008</u>
Equity Securities	\$ 76,295	\$ 64,271
Certificates of Deposit	<u>75,359</u>	<u>283,738</u>
	<u><u>\$ 151,654</u></u>	<u><u>\$ 348,009</u></u>

Investment income (loss) consists of the following for the year ended December 31:

	<u>2009</u>	<u>2008</u>
Interest and Dividends	\$ 11,124	\$ 14,522
Realized Loss	(49)	(608)
Unrealized Gain (Loss)	<u>12,977</u>	<u>(26,574)</u>
	<u><u>\$ 24,052</u></u>	<u><u>\$ (12,660)</u></u>

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets amounted to \$128,125 and \$163,378 at December 31, 2009 and 2008, respectively, and were available for grants to Tibetan photographers, filmmakers, and writers.

INTERNATIONAL CAMPAIGN FOR TIBET

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

NOTE 5 – NOTES PAYABLE

As of December 31, 2008, ICT had an outstanding construction loan payable with a balance outstanding of \$300,000. Interest was calculated on a daily basis at a rate of one-quarter percent over and above the daily published prime rate (4.3 percent at December 31, 2008). The loan was secured by ICT's land and building and was due on December 22, 2009.

In December 2009, ICT obtained a new note payable in the amount of \$300,000, the proceeds of which were applied to pay off the outstanding construction loan payable. The new note bears a variable interest rate equal to the bank's prime rate, with a fixed minimum rate of 4.25 percent, and requires monthly payments of \$1,787 through November 2014, the due date of the note. The note is secured by ICT's land, building, and furniture and equipment. The bank has the right to adjust the payments due beginning November 2010 to provide for a twenty-year amortization period. Following is a schedule of required principal payments on the note payable:

<u>Year Ending December 31,</u>	
2010	\$ 10,249
2011	10,645
2012	11,028
2013	11,484
2014	<u>255,572</u>
	<u>\$ 298,978</u>

ICT also negotiated a revolving line of credit with the bank in December 2009 in the amount of \$200,000. Amounts outstanding bear interest at the prime rate with a fixed minimum rate of 4.25 percent. The line of credit is also secured by ICT's land, building, and furniture and equipment. There was no balance outstanding at December 31, 2009.

Interest expense amounted to \$11,499 and \$22,976 for 2009 and 2008, respectively.

NOTE 6 – CONCENTRATION OF CREDIT RISK

ICT maintains a significant amount of 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. Balances in excess of FDIC and SIPC limits are uninsured. ICT does not exceed the federally insured limits at December 31, 2009, which includes certificates of deposit classified as investments in the accompanying statements of financial position.

INTERNATIONAL CAMPAIGN FOR TIBET

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

NOTE 7 – ALLOCATION OF JOINT COSTS

For the years ended December 31, 2009 and 2008, ICT incurred joint costs of \$1,170,772 and \$1,271,752, respectively, for informational materials and activities that included telemarketing and direct mail fundraising appeals which were allocated as follows:

	<u>Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Human Rights	\$ 747,820	\$ 914,480
Fundraising	196,730	160,441
Education and Awareness	158,548	119,783
Campaigns	4,886	45,726
Government Relations	31,341	14,391
Chinese Outreach	8,797	8,644
Refugees	17,534	8,287
Support for Dialogue	5,116	-
	<u>\$ 1,170,772</u>	<u>\$ 1,271,752</u>

NOTE 8 – 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 with ICT contributing up to 5 percent of the employee's base salary. ICT's contributions to the plan for the years ended December 31, 2009 and 2008, were \$35,677 and \$37,567, respectively.

NOTE 9 – CONCENTRATION OF REVENUE

ICT's primary source of revenue is its direct mail and email educational fundraising program. For the years ended December 31, 2009 and 2008, respectively, this program was responsible for approximately 67 percent and 85 percent of ICT's contribution revenue and 54 percent and 75 percent of ICT's total revenue.

NOTE 10 – RELATED PARTY TRANSACTIONS

ICT has related entities with offices located in Amsterdam, Berlin (ICT – Deutschland), and Brussels. In 2009, ICT received contributions of \$100,414 from its European affiliates. In 2008, ICT contributed \$98,125 directly to the direct mail vendor for the European affiliates. Additionally in 2008, ICT contributed \$80,000 to ICT – Deutschland for various professional service expenses. This included forgiving a loan of \$50,937 made to ICT – Deutschland in 2007.

INTERNATIONAL CAMPAIGN FOR TIBET

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

NOTE 11 – OPERATING LEASES

ICT leases a copy machine and voice messaging system under operating leases expiring in April 2012 and December 2011, respectively. Future minimum lease payments under these leases are as follows.

<u>Year Ending December 31,</u>	
2010	\$ 8,803
2011	8,803
2012	<u>1,796</u>
	<u>\$ 19,402</u>

Rental expense amounted to \$11,665 and \$10,018 for 2009 and 2008, respectively.

INTERNATIONAL CAMPAIGN FOR TIBET

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2009 AND 2008

INTERNATIONAL CAMPAIGN FOR TIBET

SCHEDULES OF REVENUE AND EXPENSES - NORWEGIAN RED CROSS (NORCROSS)

	Year Ended December 31,	
	2009	2008
REVENUE		
Grant	\$ 412,970	\$ 306,758
EXPENSES		
Salaries, Employee Benefits, and Related Expenses	177,658	115,048
Travel	120,940	67,463
Professional Services and Consultants	76,116	60,000
Accounting and Payroll	1,522	-
Occupancy	3,526	7,893
Depreciation	4,728	15,114
Telephone	19,213	24,865
Office Supplies	2,605	4,719
Insurance	1,617	2,247
Postage	417	2,544
Bank Charges	2,056	2,490
Printing	401	2,015
Equipment Rental	503	805
Charitable Donations	750	850
Dues and Subscriptions	715	-
Rent	203	-
Delivery	-	456
Training	-	249
	412,970	306,758
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -

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