

T A T E



TRYON

A Professional Corporation

Certified Public

Accountants

and Consultants

May 18, 2004

To the Board of Directors  
International Campaign to Ban Landmines

We have audited the statement of recorded cash receipts and disbursements of the International Campaign to Ban Landmines (the Campaign) for the year ended December 31, 2003, and have issued our report thereon dated May 18, 2004. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility under Generally Accepted Auditing Standards in the United States of America**

As stated in our engagement letter dated May 14, 2004, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the statement of recorded cash receipts and disbursements is free of material misstatement and is fairly presented in accordance with the cash receipts and cash disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

**Significant Accounting Policies**

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Campaign are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2003. We noted no transactions entered into by the Campaign during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

**Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. For all significant estimates made by management, we have evaluated the reasonableness of the key factors and assumptions used and determined that the estimates are appropriate in relation to the financial statements taken as a whole.

**Audit Adjustments**

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the statement of recorded cash receipts and disbursements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Campaign's financial reporting process (that is, cause future financial statements to be materially misstated). We proposed no audit adjustments during the current year.

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### **Related Parties**

As part of our audit procedures, we inquired of each member of the Campaign's senior management team as to whether he or she, or a member of his or her immediate family, had been engaged in any related party transactions with the Campaign. In inquiry specifically excluded transactions related to routine employee travel and expense reimbursements. A summary of the responses we received is presented in Attachment A to this letter.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statement or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" in certain situations. If a consultation involves application of an accounting principle to the Campaign's statement of recorded cash receipts and disbursements or a determination of the type of auditor's opinion that may be expressed on the statement, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Issues Discussed Prior to Retention of Independent Auditors**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as the Campaign's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Internal Control**

In planning and performing our audit of the financial statement of the Campaign, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on internal control. Our consideration of internal control would not necessarily disclose all matters in the internal controls that might be considered material weaknesses under standards established by the American Institute of Certified Public Accountants. During our audit, we noted no matters involving internal control and its operation that we consider to be material weaknesses.

This information is intended solely for the use of the Board of Directors and management of the Campaign and is not intended to be and should not be used by anyone other than those specified parties.

*Tate & Tryon*

**ATTACHMENT "A"**  
**RELATED PARTY RESPONSES**

*The following four questions were posed to the Campaign's senior management:*

1. Do you, or a member of your immediate family, serve on the Board of Directors of any organization other than the Campaign and/or its affiliates?
2. Do you, or a member of your immediate family, have an ownership interest in any company that conducts business with the Campaign and/or its affiliates? For purposes of this question, please exclude any ownership of publicly traded equity securities.
3. Have you, or a member of your immediate family, had any financial interest in any sales, purchases, transfers, leasing arrangements or guarantees entered into by the Campaign and/or its affiliates since January 1, 2003? Please include within your answer any transactions that are currently pending completion.
4. Have you, or a member of your immediate family, been indebted to the Campaign and/or its affiliates at any time since January 1, 2003? Please exclude amounts related to ordinary travel and expense advances.

*The following summarizes the responses that we received from senior management:*

**Liz Bernstein**

Ms. Bernstein had no affirmative responses to the above questions.

**Audited Statement of Recorded  
Cash Receipts and Disbursements**

**INTERNATIONAL CAMPAIGN TO BAN  
LANDMINES**

*December 31, 2003*

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## Independent Auditor's Report

To the Board of Directors  
International Campaign To Ban Landmines

We have audited the accompanying statement of recorded cash receipts and disbursements of the International Campaign To Ban Landmines (the Campaign) for the year ended December 31, 2003. This financial statement is the responsibility of the Campaign's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, the Campaign's financial statement was prepared on the basis of recorded cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, except for the effects of using an other comprehensive basis of accounting as discussed in the preceding paragraph, the financial statement referred to above presents fairly, in all material respects, the recorded cash receipts and disbursements of the International Campaign To Ban Landmines for the year ended December 31, 2003.

Washington, DC  
May 18, 2004

**INTERNATIONAL CAMPAIGN TO BAN LANDMINES**

**Statement of Recorded Cash Receipts and Disbursements**

*Year Ended December 31, 2003*

<b>Recorded Cash Receipts</b>	
Grants, sponsorships and other	\$ 2,391,596
Gain on currency translation	24,815
	<u>2,416,411</u>
 <b>Cash Disbursements</b>	
Grants	1,012,783
Meetings/travel/catering	442,200
Salary/benefits/payroll expenses	312,277
Printing	114,335
Professional fees	105,710
Telephone	70,511
Postage/delivery	69,915
Rent	59,025
Translations	44,125
Other	43,512
Regional advances	40,420
CD Rom	30,253
Equipment/maintenance	14,052
Website	10,511
Supplies	8,290
Meeting room rental	1,555
	<u>2,379,474</u>
<b>Excess of cash receipts over recorded cash disbursements</b>	36,937
Cash balance, January 1, 2003	455,574
<b>Cash balance, December 31, 2003</b>	<u><u>\$ 492,511</u></u>

*See notes to statement of recorded cash receipts and disbursements.*

# INTERNATIONAL CAMPAIGN TO BAN LANDMINES

## Notes to Statement of Recorded Cash Receipts and Disbursements

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Organization:* The International Campaign To Ban Landmines (the Campaign), formed in October 1992, is a flexible network of organizations that share the common objective of banning the use, production, stockpiling, and transfer of antipersonnel landmines. The Campaign also strives to increase international resources for humanitarian mine clearance and mine victim assistance. The Landmine Monitor, a component of the Campaign, was launched in June of 1998 for the purpose of monitoring implementation of and the compliance with the 1997 Mine Ban Treaty, and more generally to assess the efforts of the international community to resolve the landmine crisis. Landmine Monitor also aims to promote and facilitate discussion on mine related issues in order to help reach the goal of a mine free world.

*Basis of accounting:* The Campaign prepares its financial statement on the basis of recorded cash receipts and disbursements. Consequently, revenue is recognized when received rather than when earned and expense is recognized when paid rather than when the obligation is incurred.

*Income taxes:* The Campaign is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.