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**FINANCIAL STATEMENTS**

**TRANS-HIMALAYAN AID SOCIETY**

**March 31, 2015**

***TOMPKINS, WOZNY, MILLER & Co.***  
Chartered Accountants

A partnership of incorporated professionals.

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of  
**Trans-Himalayan Aid Society**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Trans-Himalayan Aid Society, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation 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 Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and 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 society'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 society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 present fairly, in all material respects, the financial position of Trans-Himalayan Aid Society as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Report on Other Legal and Regulatory Requirements**

As required by the British Columbia Society Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

*Tompkins, Wozny, Miller & Co.*

Vancouver, Canada  
September 10, 2015

Chartered Professional Accountants

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**Trans-Himalayan Aid Society**

Incorporated 1962 under the Society Act of B.C.

**STATEMENT OF FINANCIAL POSITION**

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As at March 31

	2015	2014
	\$	\$
<b>ASSETS</b>		
Cash	64,308	52,699
Marketable securities <i>[note 3]</i>	365,420	449,756
GST recoverable	498	654
	<b>430,226</b>	<b>503,109</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Accounts payable	133	465
<b>Total liabilities</b>	<b>133</b>	<b>465</b>
<b>Restricted funds</b>		
Sponsorships	9,164	11,688
Projects	141,837	41,795
Designated	108,342	95,219
Total restricted funds <i>[Schedule 1 and 2]</i>	259,343	148,702
<b>Operating funds</b>	<b>170,750</b>	<b>353,942</b>
Total fund balances	430,093	502,644
	<b>430,226</b>	<b>503,109</b>

*See accompanying notes to the financial statements*

On behalf of the Board:

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Director

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Director

## Trans-Himalayan Aid Society

### STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended March 31

	2015					2014
	Sponsorships	Projects	Designated	Operating	Total	Total
	\$	\$	\$	\$	\$	\$
<b>REVENUES</b>						
General donations	—	—	—	26,039	26,039	23,324
Investment income	—	—	3,123	7,938	11,061	15,460
Memberships and administration fees	—	—	—	9,786	9,786	8,206
Project receipts and transfers <i>[Schedule 1 &amp; 2]</i>						
Society commitments (net of admin. fees)	—	190,820	—	(190,820)	—	—
Project donations	—	27,625	—	—	27,625	17,211
Donations reducing Society commitments	—	(19,601)	—	19,601	—	—
Scholarship donations	—	—	14,000	(5,000)	9,000	—
Sponsorship funds received <i>[Schedule 1 &amp; 2]</i>	68,961	—	—	—	68,961	73,775
Crafts and fundraising	—	—	—	1,692	1,692	1,970
	68,961	198,844	17,123	(130,764)	154,164	139,946
<b>EXPENDITURES</b>						
Project and sponsorship disbursements <i>[Schedule 1 &amp; 2]</i>						
Project disbursements	—	98,802	—	—	98,802	74,229
Sponsorships funded	71,485	—	—	—	71,485	83,809
Scholarships paid	—	—	4,000	—	4,000	2,000
Salaries and contract fees	—	—	—	28,460	28,460	26,154
Office, insurance and other	—	—	—	6,484	6,484	8,952
Newsletter and publicity	—	—	—	1,541	1,541	1,010
Rent	—	—	—	9,851	9,851	9,755
Professional fees	—	—	—	5,007	5,007	4,782
Crafts and fundraising	—	—	—	1,085	1,085	2,084
	71,485	98,802	4,000	52,428	226,715	212,775
<b>Net revenues (expenditures) for the year</b>	<b>(2,524)</b>	<b>100,042</b>	<b>13,123</b>	<b>(183,192)</b>	<b>(72,551)</b>	<b>(72,829)</b>
Fund balances, beginning of year	11,688	41,795	95,219	353,942	502,644	575,473
<b>Fund balances, end of year</b>	<b>9,164</b>	<b>141,837</b>	<b>108,342</b>	<b>170,750</b>	<b>430,093</b>	<b>502,644</b>

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2015					2014
	Sponsorships	Projects	Designated	Operating	Total	Total
	\$	\$	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>						
Net revenues (expenditures) for the year	(2,524)	100,042	13,123	(183,192)	(72,551)	(72,829)
Changes in non cash items						
Accounts payable	—	—	—	(332)	(332)	(118)
Change in other assets	—	—	—	156	156	3,761
<b>Cash provided by (used in) operating activities</b>	<b>(2,524)</b>	<b>100,042</b>	<b>13,123</b>	<b>(183,368)</b>	<b>(72,727)</b>	<b>(69,186)</b>
<b>FINANCING ACTIVITIES</b>						
Change in marketable securities	—	—	—	84,336	84,336	(14,460)
<b>Cash provided by (used in) financing activities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>84,336</b>	<b>84,336</b>	<b>(14,460)</b>
<b>Increase (decrease) in cash for the year</b>	<b>(2,524)</b>	<b>100,042</b>	<b>13,123</b>	<b>(99,032)</b>	<b>11,609</b>	<b>(83,646)</b>
Cash grouped with operating account	2,524	(100,042)	(13,123)	110,641	—	—
Cash, beginning of year	—	—	—	52,699	52,699	136,345
<b>Cash, end of year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>64,308</b>	<b>64,308</b>	<b>52,699</b>

See accompanying notes to the financial statements

**NOTES TO FINANCIAL STATEMENTS**

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March 31, 2015

**1. NATURE OF ACTIVITIES**

The Trans-Himalayan Aid Society is a not-for-profit, non-governmental organization established in 1962 for the purpose of providing financial aid to support education, vocational training, community health and facilities improvement projects in the Trans-Himalayan region. The Society is administered by a Board of Directors who are responsible for distributing its net income, if any, and specified project receipts and sponsorships received from third parties, in accordance with these objectives.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**Restricted Fund Method of Accounting for Projects and Sponsorships**

The Society follows the restricted fund method of accounting for sponsorship and project funds. Donations received for projects and sponsorships are reported as income as they are received.

The Society reflects commitments to projects as an expense of the operating fund and as revenue to restricted project funds as grants are approved by the board of directors. When subsequent third party donations are received for projects already reflected as a project commitment they are reflected as a reduction in the Society's own commitment to those projects. Project and sponsorship funds are reflected as an expense of the restricted fund balances as they are disbursed.

**Deferral Method of Accounting for Operating Revenues and Expenses**

The Society's revenues and expenses are reported on the statement of operations and fund balances under the "operating" heading. These revenues are reported using the deferral method of accounting whereby revenues and expenses are reported as income as they are earned, using the accrual basis of accounting.

**Financial Instruments**

The Society has adopted CPA Canada Handbook Section 3856 dealing with financial instruments.

All financial instruments are recorded at fair value on their initial recognition. The Society subsequently records its financial instruments at amortized cost, except for marketable securities which are measured at fair value

Financial instruments measured at cost or amortized cost include cash, accounts and GST receivable. Marketable securities are measured at fair value, and any change in fair value is brought into income or loss as it occurs.

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2015

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Administrative Revenues

Administrative revenues are taken income as donations and sponsorships are received.

#### Investment Income

Investment income earned on the Society's marketable securities, consisting of bonds issued by Canadian banking institutions, represents the net interest earned, realized gains or losses on disposals and unrealized changes in quoted market values.

#### Property and Equipment

The Society's property and equipment, consisting of furniture and computer equipment, has been expensed as acquired, as permitted by Section 4431 of the CPA Canada Handbook when a not-for-profit organization has revenue that falls below \$500,000 per year.

#### Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 reported period. Actual results could differ from the estimates.

#### Contributed Services

Volunteers have donated their time to the Society's board and in its events and fundraising campaigns. However, since no objective basis exists for recording and assigning values to donated services, their value has not been reflected in the accompanying financial statements.

### 3. MARKETABLE SECURITIES

The Society's marketable securities are as follows:

	2015	2014
	\$	\$
Bonds issued by Canadian banks, at book value	353,161	414,243
Accrued interest and discounts earned	12,259	35,513
	<b>365,420</b>	<b>449,756</b>

The bonds have maturity dates in calendar years from 2015 to 2019 and bear interest at rates varying from 2.00% to 3.75% (2014: 2.45% to 3.75%)

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2015

### 4. FINANCIAL INSTRUMENTS

The Society is exposed to various risks relating to its financial instruments. The following analysis presents the Society's exposures to risk as at March 31, 2015.

#### **Credit Risk**

The Society is exposed to credit risk with respect to its bank and credit union deposits, marketable securities (bonds) and accounts receivable. The Society reduces this risk by placing its cash with Canadian chartered banks or credit unions and by investing in bonds issued by Canadian banking institutions, in amounts that generally fall within federal and provincial guarantee limits.

#### **Liquidity Risk**

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due as a result of possible delays in realizing the fair value of financial instruments.

The Society manages its liquidity risk by monitoring forecasted and actual cash flows and the timing of its obligations to fund operating costs and project and sponsorship commitments, and by holding assets that can be readily converted into cash.

#### **Interest Rate Risk**

The Society is exposed to interest rate risk on its marketable securities which carry fixed rates that impact their value if they are not held to maturity, and which impact yields if renewed on their maturity dates.

#### **Price and Market Risk**

The Society is exposed to price and market risk relating to its marketable securities whose value fluctuates based on prevailing interest rates and expected market yields.



## CHANGES IN RESTRICTED FUNDS

Year ended March 31, 2015

RESTRICTED FUNDS	Opening Balance	Specified Donations Received	Donations		Funds Disbursed	Closing Balance
			Reducing Society Commitment	Society Transfers/ Allocations		
Proj. No.	\$	\$	\$	\$	\$	\$
<b>PROJECTS</b>						
101 Mundgod elderly	—	1,499	—	—	(1,499)	—
102 Mussoorie elderly	—	2,700	—	—	(2,700)	—
263 Buddha Academy Med. Dispensary	50	3,600	—	—	(3,650)	—
282 Little Flower Creche	72	—	—	—	—	72
284 Dekyiling - Creche Maintenance	1,500	900	(900)	1,000	(1,500)	1,000
285 Buddha Academy - Vocational Training	13,525	3,471	(3,471)	46,554	(13,525)	46,554
293 CTA Nurses	4,700	4,725	(4,725)	11,132	(5,060)	10,772
294 SHARE Vocation Training	1,701	—	—	—	—	1,701
297 Voice of Children	9,577	558	(558)	73,976	(21,064)	62,489
298 Tuting Adult Literacy	—	225	—	—	—	225
300 READI Nepal	—	1,808	(1,808)	21,306	(21,306)	—
302 STSS Children's Lit	270	—	—	—	—	270
309 Dechen Choling Nuns	5,000	—	—	(5,000)	—	—
312 Sikkim School Nutrition	5,400	608	(608)	3,609	(5,400)	3,609
313 VOC Libraries Maintenance	—	383	(383)	4,898	—	4,898
318 Munsel-ling Agriculture	—	419	(419)	14,270	(7,135)	7,135
319 Munsel-ling School Furniture	—	5,250	(5,250)	8,750	(8,750)	—
320 READI Nepal Humla Cafe	—	405	(405)	4,925	(2,463)	2,462
321 Sangam Women's Computer Literacy	—	1,074	(1,074)	5,000	(4,750)	250
322 Sikkim Greenhouse	—	—	—	400	—	400
	41,795	27,625	(19,601)	190,820	(98,802)	141,837
<b>DESIGNATED</b>						
Scholarship Fund	90,728	9,000	—	—	—	99,728
510 Spiti Scholarship	—	—	—	5,000	(4,000)	1,000
Interest allocated	—	—	—	3,123	—	3,123
	90,728	9,000	—	8,123	(4,000)	103,851
M & J Fund	4,491	—	—	—	—	4,491
	95,219	9,000	—	8,123	(4,000)	108,342
<b>Total Project and Fund obligations</b>	<b>137,014</b>	<b>36,625</b>	<b>(19,601)</b>	<b>198,943</b>	<b>(102,802)</b>	<b>250,179</b>
<b>SPONSORSHIPS</b>						
001 Doeguling Mundgod	78	180	—	—	(450)	(192)
002 TCV Dharamsala	(190)	1,710	—	—	(1,480)	40
003 THF Mussoorie	585	1,140	—	—	(1,740)	(15)
006 Incarnation Convent	(400)	480	—	—	(380)	(300)
008 Munseling Spiti	1,311	18,799	—	—	(20,430)	(320)
012 TWC Rajpur	420	2,190	—	—	(1,680)	930
015 TCV Suja	2,199	8,640	—	—	(8,635)	2,204
050 TWA Mundgod	291	120	—	—	(720)	(309)
077 Buddha Academy	5,689	27,512	—	—	(27,720)	5,481
092 Dekyiling Handicraft Centre	1,705	7,950	—	—	(8,250)	1,405
099 Other sponsorships	—	240	—	—	—	240
<b>Total Sponsorships</b>	<b>11,688</b>	<b>68,961</b>	<b>—</b>	<b>—</b>	<b>(71,485)</b>	<b>9,164</b>
<b>TOTAL COMMITTED FUNDS</b>	<b>148,702</b>	<b>105,586</b>	<b>(19,601)</b>	<b>198,943</b>	<b>(174,287)</b>	<b>259,343</b>

## CHANGES IN RESTRICTED FUNDS

Year ended March 31, 2014

RESTRICTED FUNDS	Opening Balance	Specified Donations Received	Donations	Society Transfers/ Allocations	Funds Disbursed	Closing Balance
			Reducing Society Commitment			
Proj. No.	\$	\$	\$	\$	\$	\$
<b>PROJECTS</b>						
101 Mundgod elderly	—	720	—	—	(720)	—
102 Mussoorie elderly	—	900	—	—	(900)	—
263 Buddha Academy Med. Dispensary	50	3,600	—	—	(3,600)	50
282 Little Flower Creche	2,500	72	—	—	(2,500)	72
284 Dekyiling - Creche Maintenance	—	180	(180)	3,000	(1,500)	1,500
285 Buddha Academy - Vocational Training	13,525	4,184	(4,184)	—	—	13,525
293 CTA Nurses	3,153	180	(180)	6,298	(4,751)	4,700
294 SHARE Vocation Training	5,767	—	—	(4,066)	—	1,701
297 Voice of Children	9,415	828	(828)	18,830	(18,668)	9,577
298 Tuting Adult Literacy	360	—	—	927	(1,287)	—
300 READI Nepal	444	2,988	(2,988)	16,860	(17,304)	—
302 STSS Children's Lit	—	270	—	—	—	270
309 Dechen Choling Nuns	5,000	—	—	—	—	5,000
310 Kailash Bodh School Support	2,272	—	—	—	(2,272)	—
312 Sikkim School Nutrition	2,678	567	(567)	4,030	(1,308)	5,400
313 VOC Libraries Maintenance	116	935	(935)	4,684	(4,800)	—
314 Flood Disaster Relief	—	629	—	5,000	(5,629)	—
315 VOC Disaster Preparedness	—	618	(618)	5,075	(5,075)	—
316 BABS Bedding Project	—	540	(540)	1,376	(1,376)	—
317 Sambhota Tibetan DVDs	—	—	—	2,539	(2,539)	—
	45,280	17,211	(11,020)	64,553	(74,229)	41,795
<b>DESIGNATED</b>						
Scholarship Fund	90,000	—	—	—	—	90,000
510 Spiti Scholarship	—	—	—	—	(2,000)	(2,000)
Interest allocated	—	—	—	2,728	—	2,728
	90,000	—	—	2,728	(2,000)	90,728
M & J Fund	4,491	—	—	—	—	4,491
	94,491	—	—	2,728	(2,000)	95,219
<b>Total Project and Fund obligations</b>	<b>139,771</b>	<b>17,211</b>	<b>(11,020)</b>	<b>67,281</b>	<b>(76,229)</b>	<b>137,014</b>
<b>SPONSORSHIPS</b>						
001 Doeguling Mundgod	75	913	—	—	(910)	78
002 TCV Dharamsala	25	1,435	—	—	(1,650)	(190)
003 THF Mussoorie	545	1,790	—	—	(1,750)	585
006 Incarnation Convent	(150)	280	—	—	(530)	(400)
008 Munseling Spiti	1,507	19,509	—	—	(19,705)	1,311
012 TWC Rajpur	(135)	2,115	—	—	(1,560)	420
015 TCV Suja	2,323	9,460	—	—	(9,584)	2,199
050 TWA Mundgod	51	240	—	—	—	291
077 Buddha Academy	15,806	29,213	—	—	(39,330)	5,689
092 Dekyiling Handicraft Centre	1,675	8,820	—	—	(8,790)	1,705
<b>Total Sponsorships</b>	<b>21,722</b>	<b>73,775</b>	<b>—</b>	<b>—</b>	<b>(83,809)</b>	<b>11,688</b>
<b>TOTAL COMMITTED FUNDS</b>	<b>161,493</b>	<b>90,986</b>	<b>(11,020)</b>	<b>67,281</b>	<b>(160,038)</b>	<b>148,702</b>