
FINANCIAL STATEMENTS

TRANS-HIMALAYAN AID SOCIETY

March 31, 2016

TOMPKINS, WOZNY, MILLER & Co.
Chartered Professional Accountants

A partnership of incorporated professionals.

INDEPENDENT AUDITOR'S REPORT

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, 2016, 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, 2016, 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 9, 2016

Chartered Professional Accountants

Trans-Himalayan Aid Society

Incorporated 1962 under the Society Act of B.C.

STATEMENT OF FINANCIAL POSITION

As at March 31

	2016	2015
	\$	\$
ASSETS		
Cash	109,752	64,308
Marketable securities <i>[note 3]</i>	318,440	365,420
Prepays and deposits	400	—
GST recoverable	338	498
	428,930	430,226
LIABILITIES AND FUND BALANCES		
Accounts payable	—	133
Total liabilities	—	133
Restricted funds		
Sponsorships	13,523	9,164
Projects	64,757	141,837
Designated	121,201	108,342
Total restricted funds <i>[Schedule 1 and 2]</i>	199,481	259,343
Operating funds	229,449	170,750
Total fund balances	428,930	430,093
	428,930	430,226

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended March 31

	2016				2015	
	Sponsorships	Projects	Designated	Operating	Total	Total
	\$	\$	\$	\$	\$	\$
REVENUES						
Project receipts and transfers <i>[Schedule 1 & 2]</i>						
Project donations	—	73,322	—	—	73,322	27,625
Donations reducing Society commitments	—	(36,921)	—	36,921	—	—
Society commitments (net of admin. fees)	—	(21,288)	—	21,288	—	—
Sponsorship funds received <i>[Schedule 1 & 2]</i>	50,094	—	—	—	50,094	68,961
General donations	—	—	—	33,282	33,282	26,039
Memberships and administration fees	—	—	—	11,211	11,211	9,786
Scholarship donations	—	—	15,890	(5,000)	10,890	9,000
Investment income	—	—	2,969	5,616	8,585	11,061
Crafts and fundraising	—	—	—	3,835	3,835	1,692
	50,094	15,113	18,859	107,153	191,219	154,164
EXPENDITURES						
Project and sponsorship disbursements <i>[Schedule 1 & 2]</i>						
Project disbursements	—	92,193	—	—	92,193	98,802
Sponsorships funded	45,735	—	—	—	45,735	71,485
Scholarships paid	—	—	6,000	—	6,000	4,000
Salaries and contract fees	—	—	—	26,560	26,560	28,460
Office, insurance and other	—	—	—	7,687	7,687	6,484
Rent	—	—	—	5,930	5,930	9,851
Professional fees	—	—	—	5,100	5,100	5,007
Crafts and fundraising	—	—	—	1,683	1,683	1,085
Newsletter and publicity	—	—	—	1,494	1,494	1,541
	45,735	92,193	6,000	48,454	192,382	226,715
Net revenues (expenditures) for the year	4,359	(77,080)	12,859	58,699	(1,163)	(72,551)
Fund balances, beginning of year	9,164	141,837	108,342	170,750	430,093	502,644
Fund balances, end of year	13,523	64,757	121,201	229,449	428,930	430,093

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2016				2015	
	Sponsorships \$	Projects \$	Designated \$	Operating \$	Total \$	Total \$
OPERATING ACTIVITIES						
Net revenues (expenditures) for the year	4,359	(77,080)	12,859	58,699	(1,163)	(72,551)
Changes in non cash items						
Prepays and deposits	—	—	—	(400)	(400)	—
GST recoverable	—	—	—	160	160	156
Accounts payable	—	—	—	(133)	(133)	(332)
Cash provided by (used in) operating activities	4,359	(77,080)	12,859	58,326	(1,536)	(72,727)
FINANCING ACTIVITIES						
Change in marketable securities	—	—	—	46,980	46,980	84,336
Cash provided by financing activities	—	—	—	46,980	46,980	84,336
Increase (decrease) in cash for the year	4,359	(77,080)	12,859	105,306	45,444	11,609
Cash grouped with operating account	(4,359)	77,080	(12,859)	(59,862)	—	—
Cash, beginning of year	—	—	—	64,308	64,308	52,699
Cash, end of year	—	—	—	109,752	109,752	64,308

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

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 the marketable securities which are measured at fair value.

Financial instruments measured at cost or amortized cost include cash, GST receivable, and accounts payable. 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

March 31, 2016

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:

	2016	2015
	\$	\$
Bonds issued by Canadian banks, at book value	303,586	353,161
Accrued interest and discounts earned	14,854	12,259
	318,440	365,420

The bonds have maturity dates in calendar years from 2016 to 2020 and bear interest at rates varying from 2.00% to 3.00% (2015: 2.00% to 3.75%)

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

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, 2016.

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.

CHANGES IN RESTRICTED FUNDS

Year ended March 31, 2016

RESTRICTED FUNDS	Opening Balance	Specified Donations Received	Donations Reducing Society Commitment	Society Transfers/ Allocations	Funds Disbursed	Closing Balance
PROJECTS						
282 Little Flower Creche	72	—	—	(72)	—	—
284 Dekyiling - Creche Maintenance	1,000	—	—	—	(1,000)	—
285 Buddha Academy - Vocational Training	46,554	—	—	(46,554)	—	—
293 CTA Nurses	10,772	20,548	(20,548)	—	(5,434)	5,338
294 SHARE Vocation Training	1,701	—	—	(1,701)	—	—
297 Voice of Children	62,489	5,477	(5,477)	—	(23,962)	38,527
298 Tuting Adult Literacy	225	—	—	(225)	—	—
300 READI Nepal	—	4,992	(4,992)	21,000	(21,000)	—
302 STSS Children's Lit	270	—	—	(270)	—	—
309 Dechen Choling Nuns	—	—	—	—	—	—
312 Sikkim School Nutrition	3,609	1,215	(1,215)	1,800	(5,409)	—
313 VOC Libraries Maintenance	4,898	4,686	(4,686)	4,734	(9,632)	—
318 Munsel-ling Agriculture	7,135	—	—	—	(7,135)	—
319 Munsel-ling School Furniture	—	—	—	—	—	—
320 READI Nepal Humla Cafe	2,462	—	—	—	(2,462)	—
321 Sangam Women's Computer Literacy	250	3	(3)	—	(250)	—
322 Sikkim Greenhouse	400	—	—	—	(400)	—
323 SFSS Toilet Project	—	36,401	—	—	(15,509)	20,892
	141,837	73,322	(36,921)	(21,288)	(92,193)	64,757
DESIGNATED						
Scholarship Fund	102,851	10,890	—	—	—	113,741
510 Spiti Scholarship	1,000	—	—	5,000	(6,000)	—
Interest allocated	—	—	—	2,969	—	2,969
	103,851	10,890	—	7,969	(6,000)	116,710
M & J Fund	4,491	—	—	—	—	4,491
	108,342	10,890	—	7,969	(6,000)	121,201
Total Projects and Fund Obligations	250,179	84,212	(36,921)	(13,319)	(98,193)	185,958
SPONSORSHIPS						
001 Doeguling Mundgod	(192)	180	—	—	—	(12)
002 TCV Dharamsala	40	220	—	—	(360)	(100)
003 THF Mussoorie	(15)	2,425	—	—	(1,480)	930
006 Incarnation Convent	(300)	300	—	—	(370)	(370)
008 Munseling Spiti	(320)	27,323	—	—	(23,405)	3,598
012 TWC Rajpur	930	2,050	—	—	(2,070)	910
015 TCV Suja	2,204	10,085	—	—	(9,790)	2,499
050 TWA Mundgod	(309)	549	—	—	120	360
077 Buddha Academy	5,481	(3,265)	—	—	—	2,216
092 Dekyiling Handicraft Centre	1,405	10,227	—	—	(8,380)	3,252
099 Other sponsorships	240	—	—	—	—	240
Total Sponsorships	9,164	50,094	—	—	(45,735)	13,523
TOTAL COMMITTED FUNDS	259,343	134,306	(36,921)	(13,319)	(143,928)	199,481

CHANGES IN RESTRICTED FUNDS

Year ended March 31, 2015

RESTRICTED FUNDS	Opening Balance	Specified Donations Received	Donations	Society Transfers/ Allocations	Funds Disbursed	Closing Balance
			Reducing Society Commitment			
Proj. No.	\$	\$	\$	\$	\$	\$
PROJECTS						
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
DESIGNATED						
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
Total Project and Fund obligations	137,014	36,625	(19,601)	198,943	(102,802)	250,179
SPONSORSHIPS						
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
Total Sponsorships	11,688	68,961	—	—	(71,485)	9,164
TOTAL COMMITTED FUNDS	148,702	105,586	(19,601)	198,943	(174,287)	259,343