
FINANCIAL STATEMENTS

TRANS-HIMALAYAN AID SOCIETY

✓ **March 31, 2011 and 2010**

***TWM* TOMPKINS, WOZNY, MILLER & CO.**
Chartered 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, 2011, 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 generally accepted accounting principles, 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 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. 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments for unrecorded revenue might be necessary to donations, net revenues (expenditures) for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Trans-Himalayan Aid Society as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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
October 19, 2011

Chartered Accountants

Trans-Himalayan Aid Society

Incorporated 1962 under the Society Act of B.C.

BALANCE SHEET

As at March 31

	2011	2010
	\$	\$
ASSETS		
Cash	51,381	72,598
Marketable securities	493,583	545,860
Recoverable taxes and prepaid expenses	16,290	3,978
	561,254	622,436
LIABILITIES AND FUND BALANCES		
Accounts payable	2,432	7,568
Deferred revenue	—	691
Total liabilities	2,432	8,259
FUND BALANCES [Schedule 1 & 2]		
Sponsorship funds	25,441	56,706
Project funds	102,930	165,612
Total project and sponsorship funds	128,371	222,318
Operating funds	430,451	391,859
Total fund balances	558,822	614,177
	561,254	622,436

See accompanying notes

On behalf of the Board:



Director

Director

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended March 31

	2011			2010	
	Sponsorships \$	Projects \$	Operating \$	Total \$	Total \$
REVENUES					
General donations	—	—	56,279	56,279	49,187
Investment income	—	—	20,049	20,049	17,794
Memberships & administration fees	—	—	10,861	10,861	4,112
Project receipts and transfers <i>[Schedule 1]</i>					
Society commitments, net of admin.	—	27,136	(27,136)	—	—
Portion funded by D & J Fund and	—	(8,091)	8,091	—	—
Project donations received	—	19,351	—	19,351	36,362
Donations reducing Society		(11,826)	11,826	—	—
Sponsorship funds received <i>[Schedule 1]</i>	93,171	—	—	93,171	98,198
Deferred administration fees	—	—	691	691	(691)
Crafts and fundraising	—	—	13,026	13,026	14,960
	93,171	26,570	93,687	213,428	219,922
EXPENSES					
Project and sponsorship disbursements <i>[Schedules 1 & 2]</i>					
Project disbursements	—	89,252	—	89,252	80,383
Sponsorships funded	124,436	—	—	124,436	76,094
Salaries and sub contract fees	—	—	22,126	22,126	19,944
Office, insurance and other	—	—	7,554	7,554	8,300
Newsletter and publicity	—	—	3,013	3,013	600
Rent	—	—	8,778	8,778	8,785
Audit and accounting	—	—	900	900	6,050
Crafts and fundraising	—	—	12,724	12,724	10,792
	124,436	89,252	55,095	268,783	210,948
Net revenues (expenses) for the year	(31,265)	(62,682)	38,592	(55,355)	8,974
Fund balances, beginning of year	56,706	165,612	391,859	614,177	605,203
Fund balances, end of year	25,441	102,930	430,451	558,822	614,177

See accompanying notes

STATEMENT OF CASH FLOWS

Year ended March 31

	2011			2010	
	Sponsorships \$	Projects \$	Operating \$	Total \$	Total \$
OPERATING ACTIVITIES					
Net revenues (expenditures) for the year	(31,265)	(62,682)	38,592	(55,355)	8,974
Changes in non cash items:					
Changes in accounts payable	—	—	(5,136)	(5,136)	2,567
Change in other assets	—	—	(12,312)	(12,312)	(1,160)
Deferred revenue	—	—	(691)	(691)	691
Cash provided by(used in) operating	(31,265)	(62,682)	20,453	(73,494)	11,072
FINANCING ACTIVITIES					
Change in marketable securities	—	—	52,277	52,277	(17,794)
Cash provided by (used in) financing	—	—	52,277	52,277	(17,794)
Increase (decrease) in cash for the year	(31,265)	(62,682)	72,730	(21,217)	(6,722)
Cash grouped with operating account	31,265	62,682	(93,947)	—	—
Cash, beginning of year	—	—	72,598	72,598	79,320
Cash, end of year	—	—	51,381	51,381	72,598

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

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 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

Restricted Fund Method of Accounting for Projects and Sponsorships

The Society follows the restricted fund method of accounting for sponsorship and project funding. Donations for projects and sponsorships are reported as income as they are received, and disbursements of project and sponsorship funding are reported as an expense.

Commitments to projects by the Society as they are approved by the board of directors do not impact the statement of operations and fund balances under the restricted fund method; however, they are presented in Schedule of Changes in Committed Funds. These commitments do not represent an obligation as would be implied by receipt of donations to specific projects from donors.

Financial Instruments

The Society has adopted CICA Handbook Sections 3855 and 3861 dealing with financial instruments. These Handbook sections established standards governing the recognition, measurements and reporting of the Society' financial instruments.

All financial instruments are recorded at fair value on their initial recognition. The Society has elected to measure the changes in their fair value on a held-for-trading basis, with the resultant changes in fair value being recognized in investment income as they occur.

Investment Income

Investment income earned on the Society's marketable securities, consisting principally of federal and provincial bonds and guaranteed investment certificates, represents the net interest earned on the investments adjusted for the change in their quoted market values.

Capital Assets

The Society's capital assets, consisting of furniture and computer equipment, have been expensed as acquired, as permitted by Section 4430 of the Canadian Institute of Chartered Accountants ("CICA") Handbook when a not-for-profit organizations has revenue that falls below \$500,000 per year.

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

3. MARKETABLE SECURITIES

The Society's portfolio of marketable securities is made up as follows:

	2011	2010
	\$	\$
Government and corporate bonds, GIC's, and interest coupons	457,304	468,791
Accrued interest and bond discounts earned	42,605	77,069
Marketable securities, at market value	499,909	545,860

4. FINANCIAL INSTRUMENTS

The Society is subject to credit risk arising from its cash balances which may periodically exceed the \$100,000 federally guaranteed amount. The Society is subject to credit and market risk relating to its marketable securities, which consist principally of government and corporate bonds.

The quoted fair value of the Society's investments varies based on market conditions and fluctuations in interest rates that impact bond yields.

5. CAPITAL DISCLOSURES

The Society defines its capital as its fund balances, as shown on the statement of financial position. The Society manages its capital by monitoring its revenue and expenditures and fund balances with the goal of ensuring that sufficient resources are available to meet its funding obligations and to achieve its purposes as disclosed in Note 1. The Society accomplishes this, in part, by depositing its cash with Canadian banks, and by investing in government and corporate bonds and money-market funds.

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

5. CAPITAL DISCLOSURES (CONT'D)

There are no external restrictions on the Society's operating funds. Project and sponsorship funds are restricted for their stated purpose. There were no changes in the Society's capital management policies during the year.

6. COMPARATIVE FIGURES

Certain of the comparative figures for the 2010 fiscal year have been reclassified to conform with the current year's presentation. The Schedule of Changes in Committed Funds for the 2011 fiscal year *[Schedule 1]* reflects an expanded breakdown of the sponsorship allocations brought forward from 2010, and the opening balances of sponsorship commitments have been amended to reflect the sponsorship reallocations showing on the Schedule of Changes in Committed funds for the 2010 fiscal year *[Schedule 2]*.

SCHEDULE OF CHANGES IN COMMITTED FUNDS

Year ended March 31, 2011

COMMITTED FUNDS	Opening Balance	Specified Donations Received	Donations		Funds Disbursed	Closing Balance
			Reducing Society Commitment	Society Transfers/ Allocations		
Proj. No.	\$	\$	\$	\$	\$	\$
PROJECTS						
101 Mundgod elderly	3,823	2,005	(2,005)	2,008	(5,831)	—
102 Mussoorie elderly	2,322	1,440	—	—	(3,762)	—
263 Buddha Academy Med. Dispensary	50	3,600	—	—	(3,600)	50
282 Little Flower Creche	2,500	854	(854)	7,500	(2,500)	7,500
283 Lhasa Yuthok - Tibet Development	16,618	—	—	(16,618)	—	—
284 Dekyiling - Creche Maintenance	6,342	917	(917)	—	(3,171)	3,171
285 Buddha Academy - Vocational Training	20,000	4,595	(4,595)	—	(10,000)	10,000
293 CTA Nurses	11,428	—	969	—	(4,823)	7,574
294 SHARE Vocation Training	12,667	—	—	—	(5,620)	7,047
296 SPITI Nurses Salaries	1,068	—	—	—	(1,068)	—
297 Voice of Children	500	525	(525)	11,620	(6,308)	5,812
298 Tuting Adult Literacy	2,650	—	—	—	(2,650)	—
299 Sikkim School Hostel	8,215	—	—	—	(8,215)	—
300 READI Nepal	8,000	2,389	(2,389)	3,469	(11,469)	—
301 AMAN Women's Health	—	705	—	—	(705)	—
302 STSS Children's Lit	—	1,330	(1,330)	9,137	(9,137)	—
304 Remote Libraries	—	180	(180)	5,019	(4,581)	438
305 AMAN Flood Disaster	—	811	—	5,001	(5,812)	—
	96,183	19,351	(11,826)	27,136	(89,252)	41,592
D & J Fund Projects	63,241	—	—	—	—	63,241
293 CTA Nurses	—	—	(1,903)	—	—	(1,903)
	63,241	—	(1,903)	—	—	61,338
Victoria Foundation	6,188	—	—	—	—	6,188
293 CTA Nurses	—	—	(4,473)	—	—	(4,473)
300 READI Nepal	—	—	—	(1,715)	—	(1,715)
	6,188	—	(4,473)	(1,715)	—	—
Total Projects	165,612	19,351	(18,202)	25,421	(89,252)	102,930
SPONSORSHIPS						
001 Doeguling Mundgod	1,845	1,910	—	—	(2,900)	855
002 TCV Dharamsala	1,330	1,750	—	—	(1,980)	1,100
003 THF Mussoorie	1,795	2,105	—	—	(3,135)	765
004 Miao	145	—	—	—	(145)	—
006 Incarnation Convent	420	570	—	—	(840)	150
008 Munseling Spiti	17,365	23,350	—	—	(37,815)	2,900
012 TWC Rajpur	450	970	—	—	(1,080)	340
015 TCV Suja	2,700	7,685	—	—	(8,465)	1,920
050 TWA Mundgod	2,414	4,495	—	—	(6,301)	608
077 Buddha Academy	13,892	39,717	—	—	(39,106)	14,503
092 Dekyiling Handicraft Centre	14,350	10,619	—	—	(22,669)	2,300
Total Sponsorships	56,706	93,171	—	—	(124,436)	25,441
TOTAL COMMITTED FUNDS	222,318	112,522	(18,202)	25,421	(213,688)	128,371

SCHEDULE OF CHANGES IN COMMITTED FUNDS

Year ended March 31, 2010

[Note 6]

COMMITTED FUNDS Proj. No.	Opening Balance \$	Specified Donations Received \$	Donations Reducing Society Commitment \$	Society Transfers/ Allocations \$	Funds Disbursed \$	Closing Balance \$
PROJECTS						
101 Mundgod elderly	772	3,051	—	—	—	3,823
101(a) Mussoorie elderly	990	1,332	—	—	—	2,322
259 SHARE Manali Env. Educ.	956	—	—	—	(956)	—
263 Buddha Academy Med. Dispensary	3,650	3,600	(3,600)	—	(3,600)	50
282 Little Flower Creche	5,000	209	(209)	—	(2,500)	2,500
283 Lhasa Yuthok - Tibet Development	24,792	3,780	(3,690)	804	(9,068)	16,618
284 Dekyiling - Creche Maintenance	9,513	45	(45)	—	(3,171)	6,342
285 Buddha Academy - Vocational Training	20,000	9,434	(9,434)	—	—	20,000
289 Spiti Dispensary	292	—	—	—	(292)	—
290 Spiti School Bedding	29,108	—	—	—	(29,108)	—
291 Spiti Water Tank	11,046	—	—	—	(11,046)	—
293 CTA Nurses	9,487	—	—	9,530	(7,589)	11,428
294 SHARE Vocation Training	—	—	—	12,667	—	12,667
295 Spiti Greenhouse	—	7,485	—	—	(7,485)	—
296 SPIT Nurses Salaries	—	2,136	—	—	(1,068)	1,068
297 Voice of Children	—	2,808	(2,808)	5,000	(4,500)	500
298 Tuting Adult Literacy	—	2,432	(2,432)	2,650	—	2,650
299 Sikkim School Hostel	—	50	(50)	8,215	—	8,215
300 READI Nepal	—	—	—	8,000	—	8,000
	115,606	36,362	(22,268)	46,866	(80,383)	96,183
D & J Fund Projects	79,406	—	—	—	—	79,406
299 Sikkim School Hostel	—	—	—	(8,165)	—	(8,165)
300 READI Nepal	—	—	—	(8,000)	—	(8,000)
	79,406	—	—	(16,165)	—	63,241
Victoria Foundation						
Transfer from Project 278	20,950	—	—	—	—	20,950
294 SHARE Vocation Training	—	—	—	(12,667)	—	(12,667)
Administration fee	—	—	—	(2,095)	—	(2,095)
	20,950	—	—	(14,762)	—	6,188
Total Projects	215,962	36,362	(22,268)	15,939	(80,383)	165,612
SPONSORSHIPS						
077 Buddha Academy	24,242	41,222	—	(12,039)	(39,533)	13,892
092 Dekyiling Handicraft Centre	3,259	12,266	—	3,905	(5,080)	14,350
002 Tibetan Children's Vill.	2,017	3,060	—	1,239	(4,986)	1,330
015 Tibetan Children's Vill.	2,229	7,549	—	572	(7,650)	2,700
008 Spiti	620	21,483	—	4,862	(9,600)	17,365
050 Mundgod Women's Centre	2,014	5,290	—	355	(5,245)	2,414
Other Sponsorships	221	7,328	—	1,106	(4,000)	4,655
Total Sponsorships	34,602	98,198	—	—	(76,094)	56,706
TOTAL COMMITTED FUNDS	250,564	134,560	(22,268)	15,939	(156,477)	222,318