
FINANCIAL STATEMENTS

TRANS-HIMALAYAN AID SOCIETY

March 31, 2012

***TW* 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, 2012, 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 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.

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 (expenses) 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, 2012, 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

May 17, 2012

Chartered Accountants

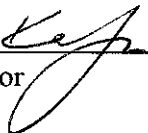
STATEMENT OF FINANCIAL POSITION

As at March 31

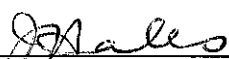
	2012	2011
	\$	\$
ASSETS		
Cash	105,041	51,381
Marketable securities [notes 3 and 4]	420,091	493,583
Accounts and HST recoverable	2,582	16,290
Prepaid expenses and deposits	1,500	—
	529,214	561,254
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable	1,032	2,432
Total liabilities	1,032	2,432
Fund balances		
Sponsorship funds	26,525	25,441
Project funds	106,481	102,930
Total sponsorship and project funds [Schedules 1 and 2]	133,006	128,371
Operating funds	395,176	430,451
Total fund balances	528,182	558,822
	529,214	561,254

See accompanying notes to the financial statements

On behalf of the Board:



Director



Director

Trans-Himalayan Aid Society

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended March 31

	2012				2011
	Sponsorships	Projects	Operating	Total	Total
	\$	\$	\$	\$	\$
REVENUES					
General donations	—	—	78,293	78,293	56,279
Investment income	—	—	18,878	18,878	20,049
Memberships and administration fees	—	—	11,759	11,759	11,552
Project receipts and transfers <i>[Schedule 1 & 2]</i>					
Society commitments (net of administration fees)	1,739	154,145	(155,884)	—	—
Portion funded by D & J Fund and Victoria Foundation		(30,947)	30,947	—	—
Project donations	—	36,740	—	36,740	19,351
Donations reducing Society commitments	—	(29,714)	29,714	—	—
Sponsorship funds <i>[Schedules 1 & 2]</i>	82,051	—	—	82,051	93,171
Crafts and fundraising	—	—	8,008	8,008	13,026
	83,790	130,224	21,715	235,729	213,428
EXPENDITURES					
Project and sponsorship disbursements <i>[Schedules 1 & 2]</i>					
Project disbursements	—	126,673	—	126,673	89,252
Sponsorships funded	82,706	—	—	82,706	124,436
Salaries and contractors	—	—	21,648	21,648	22,126
Office, insurance and other	—	—	10,729	10,729	7,554
Newsletter and publicity	—	—	1,283	1,283	3,013
Rent	—	—	9,680	9,680	8,778
Audit and accounting	—	—	4,425	4,425	900
Unclaimed HST	—	—	3,864	3,864	—
Crafts and fundraising	—	—	5,361	5,361	12,724
	82,706	126,673	56,990	266,369	268,783
Net revenues (expenditures) for the year	1,084	3,551	(35,275)	(30,640)	(55,355)
Fund balances, beginning of year	25,441	102,930	430,451	558,822	614,177
Fund balances, end of year	26,525	106,481	395,176	528,182	558,822

See accompanying notes to the financial statements

Trans-Himalayan Aid Society

STATEMENT OF CASH FLOWS

Year ended March 31

	2012				2011
	Sponsorships	Projects	Operating	Total	Total
	\$	\$	\$	\$	\$
OPERATING ACTIVITIES					
Net revenues (expenditures) for the year	1,084	3,551	(35,275)	(30,640)	(55,355)
Changes in non cash working capital items					
Accounts payable	—	—	(1,400)	(1,400)	(5,136)
Other assets	—	—	12,208	12,208	(12,312)
Deferred revenue	—	—	—	—	(691)
Cash provided by (used in) operating activities	1,084	3,551	(24,467)	(19,832)	(73,494)
FINANCING ACTIVITIES					
Proceeds from marketable securities	—	—	73,492	73,492	52,277
Cash provided by financing activities	—	—	73,492	73,492	52,277
Increase (decrease) in cash for the year	1,084	3,551	49,025	53,660	(21,217)
Cash grouped with operating account	(1,084)	(3,551)	4,635	—	—
Cash, beginning of year	—	—	51,381	51,381	72,598
Cash, end of year	—	—	105,041	105,041	51,381

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

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

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 Reporting Operating Revenues and Expenses

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

Financial Instruments

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

All financial instruments are recorded at fair value. Any changes in fair value, determined on a held-for-trading basis, are included as part of investment income for the year.

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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Furniture and Equipment

The Society's 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 organization has revenue that falls below \$500,000 per year.

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.

Future Accounting Changes

Next year, the Society will adopt Canadian accounting standards for not-for-profit organizations ("ASNPO") which were released by the Canadian Institute of Chartered Accountants ("CICA") in December, 2010. These accounting standards are contained in Part III of the CICA Handbook. Where specific standards are not provided in Part III of the CICA Handbook, the accounting standards for private enterprises ("ASPE") contained in Part II of the CICA Handbook, will be utilized. The adoption of ASNPO and ASPE is not expected to have a significant impact on the financial statements of the Society.

3. MARKETABLE SECURITIES

The Society's marketable securities are as follows:

	2012	2011
	\$	\$
Bank and trust company guaranteed investment certificates, at market value	420,091	493,583

The Society limits its risk exposure by ensuring that its investment certificates do not exceed \$100,000 per bank or trust company. The certificates have maturity dates in calendar years from 2012 to 2016 and bear interest at rates varying from 3% to 4.5%.

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

4. FINANCIAL INSTRUMENTS

The Society is subject to credit risk arising from its cash and marketable securities which may periodically exceed the \$100,000 federally guaranteed amount.

The quoted fair value of the Society's marketable securities varies based on market conditions and fluctuations in interest rates that impact yields to maturity.

5. COMPARATIVE FIGURES

Certain of the comparative figures for the 2011 fiscal year have been reclassified to conform with the current year's presentation.

CHANGES IN COMMITTED FUNDS

Year ended March 31, 2012

COMMITTED FUNDS	Opening Balance	Specified Donations Received	Donations Reducing Society Commitment	Society & D&J Fund Transfers/ Allocations	Funds Disbursed	Closing Balance
PROJECTS						
101 Mundgod elderly	—	828	—	—	(828)	—
102 Mussoorie elderly	—	1,575	—	—	(1,575)	—
263 Buddha Academy Med. Dispensary	50	3,600	—	—	(3,600)	50
282 Little Flower Creche	7,500	931	(931)	150	(2,650)	5,000
284 Dekyiling - Creche Maintenance	3,171	297	(297)	2,044	(3,171)	2,044
285 Buddha Academy - Vocational Training	10,000	12,377	(12,377)	40,575	(23,525)	27,050
293 CTA Nurses	7,574	936	(936)	200	(4,623)	3,151
294 SHARE Vocation Training	7,047	—	—	800	(2,080)	5,767
297 Voice of Children	5,812	693	(693)	15,720	(13,087)	8,445
298 Tuting Adult Literacy	—	1,686	(1,686)	3,838	(3,838)	—
299 Sikkim School Hostel	—	180	(180)	4,100	(4,100)	—
300 READI Nepal	—	2,519	(2,519)	28,964	(13,276)	15,688
301 AMAN Women's Health	—	1,023	—	23	(1,046)	—
302 STSS Children's Lit	—	90	(90)	4,181	(4,181)	—
304 Remote Libraries	438	4,757	(4,757)	(12)	(426)	—
306 Mother Teresa Comic Book	—	—	—	4,262	(4,262)	—
307 Spiti Solar Water Heating	—	5,000	(5,000)	25,100	(24,638)	462
308 Spiti Science Lab	—	248	(248)	14,200	(10,767)	3,433
309 Dechen Choling Nuns	—	—	—	10,000	(5,000)	5,000
	41,592	36,740	(29,714)	154,145	(126,673)	76,090
D & J Fund Projects	61,338					61,338
307 Spiti Solar Water Heating			(20,100)			(20,100)
308 Spiti Science Lab			(5,847)			(5,847)
309 Dechen Choling Nuns			(5,000)			(5,000)
	61,338		(30,947)			30,391
Total Projects	102,930	36,740	(60,661)	154,145	(126,673)	106,481
SPONSORSHIPS						
001 Doeguling Mundgod	855	1,390	—	180	(2,050)	375
002 TCV Dharamsala	1,100	1,160	—	(810)	(1,900)	(450)
003 THF Mussoorie	765	2,171	—	—	(2,145)	791
006 Incarnation Convent	150	480	—	—	(750)	(120)
008 Munseling Spiti	2,900	23,131	—	1,215	(26,155)	1,091
012 TWC Rajpur	340	1,080	—	90	(1,285)	225
015 TCV Suja	1,920	7,620	—	990	(8,500)	2,030
050 TWA Mundgod	608	1,190	—	(122)	(1,265)	411
077 Buddha Academy	14,503	34,049	—	16	(29,441)	19,127
092 Dekyiling Handicraft Centre	2,300	9,780	—	180	(9,215)	3,045
Total Sponsorships	25,441	82,051	—	1,739	(82,706)	26,525
TOTAL COMMITTED FUNDS	128,371	118,791	(60,661)	155,884	(209,379)	133,006

SCHEDULE OF CHANGES IN COMMITTED FUNDS

Year ended March 31, 2011

COMMITTED FUNDS	Opening Balance	Specified Donations Received	Donations Reducing Society Commitment	Society Commitments	Funds Disbursed	Closing Balance
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 Literature	—	1,330	(1,330)	9,137	(9,137)	—
304 Remote Libraries	—	180	(180)	5,019	(4,581)	438
305 AMAN Flood Disaster	—	811	—	5,000	(5,812)	(1)
	96,183	19,351	(12,795)	28,104	(89,252)	41,591
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	—	(6,188)	—	—	—
Total Projects	165,612	19,351	(20,886)	28,104	(89,252)	102,929
SPONSORSHIPS						
001 Doeguling Mundgod	1,170	1,910	675	—	(2,900)	855
002 TCV Dharamsala	91	1,750	1,239	—	(1,980)	1,100
003 THF Mussoorie	1,030	2,105	765	—	(3,135)	765
004 Miao	145	—	—	—	(145)	—
006 Incarnation Convent	270	570	150	—	(840)	150
008 Munseling Spiti	12,503	23,350	4,862	—	(37,815)	2,900
012 TWC Rajpur	110	970	340	—	(1,080)	340
015 TCV Suja	2,128	7,685	572	—	(8,465)	1,920
050 TWA Mundgod	2,059	4,495	355	—	(6,301)	608
077 Buddha Academy	25,931	39,717	(12,039)	—	(39,106)	14,503
092 Dekyiling Handicraft Centre	10,445	10,619	3,905	—	(22,669)	2,300
Other	824	—	(824)	—	—	—
Total Sponsorships	56,706	93,171	—	—	(124,436)	25,441
TOTAL COMMITTED FUNDS	222,318	112,522	(20,886)	28,104	(213,688)	128,370