
FINANCIAL STATEMENTS

TRANS-HIMALAYAN AID SOCIETY

March 31, 2013

TOMPKINS, WOZNY, MILLER & Co.
Chartered Accountants

A partnership of incorporated professionals.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Trans-Himalayan Aid Society

We have audited the accompanying financial statements of Trans-Himalayan Aid Society which comprise the statement of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of operations and fund balances and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 audits. We conducted our audits 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 in our audits 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.

Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Trans-Himalayan Aid Society as at March 31, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 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 3, 2013

Chartered Accountants

Trans-Himalayan Aid Society

Incorporated 1962 under the Society Act of B.C.

STATEMENT OF FINANCIAL POSITION

As at

	March 31, 2013	March 31, 2012	April 1, 2011
	\$	\$	\$
ASSETS			
Cash	136,345	105,041	51,381
Marketable securities [note 4]	435,296	420,091	493,583
Accounts and HST recoverable	4,334	2,582	16,290
Prepaid expenses and deposits	81	1,500	—
	576,056	529,214	561,254
LIABILITIES AND FUND BALANCES			
Accounts payable	326	740	2,432
Government remittances payable	257	292	—
Total liabilities	583	1,032	2,432
Fund balances			
Sponsorship funds	21,722	26,525	25,441
Project funds	139,771	106,481	102,930
Total sponsorship and project funds [Schedules 1 and 2]	161,493	133,006	128,371
Operating funds	413,980	395,176	430,451
Total fund balances	575,473	528,182	558,822
	576,056	529,214	561,254

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended March 31

	2013				2012
	Sponsorships	Projects	Operating	Total	Total
	\$	\$	\$	\$	\$
REVENUES					
General donations	—	—	18,497	18,497	78,293
Investment income	—	—	14,876	14,876	18,878
Memberships and administration fees	—	—	21,891	21,891	11,759
Project receipts and transfers <i>[Schedule 1 & 2]</i>					
Society commitments (net of admin. fees)	774	37,515	(38,289)	—	—
Portion funded by D & J Fund		(30,391)	30,391	—	—
Project donations	—	130,253	—	130,253	36,740
Donations reducing Society commitments	—	(16,818)	16,818	—	—
Sponsorship funds received <i>[Schedules 1 & 2]</i>	79,109	—	—	79,109	82,051
Crafts and fundraising	—	—	14,370	14,370	8,008
	79,883	120,559	78,554	278,996	235,729
EXPENDITURES					
Project and sponsorship disbursements <i>[Schedules 1 & 2]</i>					
Project disbursements	—	87,269	—	87,269	126,673
Sponsorships funded	84,686	—	—	84,686	82,706
Salaries and contract fees	—	—	24,997	24,997	21,648
Office, insurance and other	—	—	8,083	8,083	10,729
Newsletter and publicity	—	—	2,134	2,134	1,283
Rent	—	—	9,751	9,751	9,680
Professional fees	—	—	4,722	4,722	4,425
Unclaimed HST	—	—	—	—	3,864
Crafts and fundraising	—	—	10,063	10,063	5,361
	84,686	87,269	59,750	231,705	266,369
Net revenues (expenditures) for the year	(4,803)	33,290	18,804	47,291	(30,640)
Fund balances, beginning of year	26,525	106,481	395,176	528,182	558,822
Fund balances, end of year	21,722	139,771	413,980	575,473	528,182

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2013				2012
	Sponsorships	Projects	Operating	Total	Total
	\$	\$	\$	\$	\$
OPERATING ACTIVITIES					
Net revenues (expenditures) for the year	(4,803)	33,290	18,804	47,291	(30,640)
Changes in non cash items					
Accounts payable	—	—	(449)	(449)	(1,400)
Change in other assets	—	—	(333)	(333)	12,208
Cash provided by (used in) operating activities	(4,803)	33,290	18,022	46,509	(19,832)
FINANCING ACTIVITIES					
Change in marketable securities	—	—	(15,205)	(15,205)	73,492
Cash provided by (used in) financing activities	—	—	(15,205)	(15,205)	73,492
Increase (decrease) in cash for the year	(4,803)	33,290	2,817	31,304	53,660
Cash grouped with operating account	4,803	(33,290)	28,487	—	—
Cash, beginning of year			105,041	105,041	51,381
Cash, end of year	—	—	136,345	136,345	105,041

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

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 CICA 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 HST receivable. Marketable securities are measured at fair value, and any change in fair value is brought into income or loss as they occur.

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

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 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 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. FIRST-TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

These are the Society's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The date of transition to ASNPO is April 1, 2011.

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 2. These accounting policies have been used throughout all periods presented in the financial statements.

The Society has applied CICA handbook section 1501 First-time Adoption in preparing these first financial statements under ASNPO.

The transition to the new standards had no effect on the statement of financial position, statement of operations and fund balances, and statement of cash flows.

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

4. MARKETABLE SECURITIES

The Society's marketable securities are as follows:

	2013	2012	2011
	\$	\$	\$
Bonds issued by Canadian banks, at fair value	397,734	381,322	450,977
Accrued interest and discounts earned	37,562	38,769	42,605
	435,296	420,091	493,582

The bonds have maturity dates in calendar years from 2013 to 2018 and bear interest at rates varying from 2.45% to 4.65%.

5. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to risk as at March 31, 2013.

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 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 rates that may change on their maturity date.

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 COMMITTED FUNDS

Year ended March 31, 2013

COMMITTED FUNDS	Opening Balance	Specified Donations Received	Donations	Society Transfers/ Allocations	Funds Disbursed	Closing Balance
			Reducing Society Commitment			
Proj. No.	\$	\$	\$	\$	\$	\$
PROJECTS						
101 Mundgod elderly	—	333	—	—	(333)	—
102 Mussoorie elderly	—	1,035	—	270	(1,305)	—
263 Buddha Academy Med. Dispensary	50	3,600	—	—	(3,600)	50
282 Little Flower Creche	5,000	36	(36)	—	(2,500)	2,500
284 Dekyiling - Creche Maintenance	2,044	657	(657)	—	(2,044)	—
285 Buddha Academy - Vocational Training	27,050	4,887	(4,887)	—	(13,525)	13,525
293 CTA Nurses	3,151	—	—	4,402	(4,400)	3,153
294 SHARE Vocation Training	5,767	—	—	—	—	5,767
297 Voice of Children	8,445	1,332	(1,332)	18,461	(17,491)	9,415
298 Tuting Adult Literacy	—	360	—	—	—	360
300 READI Nepal	15,688	4,475	(4,475)	2,188	(17,432)	444
304 VOC Remote Libraries	—	13,500	—	—	(13,500)	—
307 Spiti Solar Water Heating	462	—	—	—	(462)	—
308 Spiti Science Lab	3,433	—	—	—	(3,433)	—
309 Dechen Choling Nuns	5,000	—	—	—	—	5,000
310 Kailash Both School Support	—	—	—	4,545	(2,273)	2,272
311 Ngoenga Water Treatment	—	3,600	(3,600)	3,600	(3,600)	—
312 Sikkim School Nutrition	—	522	(522)	2,740	(62)	2,678
313 VOC Libraries Maintenance	—	1,425	(1,309)	1,309	(1,309)	116
	76,090	35,762	(16,818)	37,515	(87,269)	45,280
D & J Fund Projects	30,391	—	—	—	—	30,391
293 CTA Nurses	—	—	—	(3,153)	—	(3,153)
297 Voice of Children	—	—	—	(10,935)	—	(10,935)
300 READI Nepal	—	—	—	(11,303)	—	(11,303)
309 Dechen Choling Nuns	—	—	—	(5,000)	—	(5,000)
	30,391	—	—	(30,391)	—	—
501 M & J Fund	—	4,491	—	—	—	4,491
502 Scholarship Fund	—	90,000	—	—	—	90,000
	30,391	94,491	—	(30,391)	—	94,491
Total Project and Fund obligations	106,481	130,253	(16,818)	7,124	(87,269)	139,771
SPONSORSHIPS						
001 Doeguling Mundgod	375	1,050	—	180	(1,530)	75
002 TCV Dharamsala	(450)	2,455	—	540	(2,520)	25
003 THF Mussoorie	791	2,010	—	(156)	(2,100)	545
006 Incarnation Convent	(120)	655	—	—	(685)	(150)
008 Munseling Spiti	1,091	22,696	—	830	(23,110)	1,507
012 TWC Rajpur	225	1,555	—	—	(1,915)	(135)
015 TCV Suja	2,030	8,953	—	(510)	(8,150)	2,323
050 TWA Mundgod	411	670	—	—	(1,030)	51
077 Buddha Academy	19,127	30,785	—	30	(34,136)	15,806
092 Dekyiling Handicraft Centre	3,045	8,280	—	(140)	(9,510)	1,675
Total Sponsorships	26,525	79,109	—	774	(84,686)	21,722
TOTAL COMMITTED FUNDS	133,006	209,362	(16,818)	7,898	(171,955)	161,493

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 VOC 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