

FINANCIAL STATEMENTS
TRANS-HIMALAYAN AID SOCIETY

March 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of
Trans Himalayan Aid Society

Qualified Opinion

We have audited the financial statements of Trans Himalayan Aid Society (the Society), which comprise the statement of financial position as at March 31, 2023 and the statements of operations, changes in funds balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2023, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, net revenues over expenditures, and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and fund balances as at April 1 and March 31 for both the 2023 and 2022 years.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies 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 LLP

Vancouver, Canada
September 20, 2023

Chartered Professional Accountants



STATEMENT OF FINANCIAL POSITION

As at March 31

	2023	2022
	\$	\$
ASSETS		
Cash	62,979	106,795
Marketable securities <i>[note 3]</i>	338,011	354,271
Accounts receivable	5,675	—
Prepays and deposits	400	800
GST recoverable	132	51
	407,197	461,917
LIABILITIES AND FUND BALANCES		
Accounts payable	128	—
Total liabilities	128	—
Restricted funds		
Sponsorships	13,919	21,784
Projects	85,915	95,938
Designated	166,199	155,484
Total restricted funds <i>[Schedule 1 & 2]</i>	266,033	273,206
Operating funds	141,036	188,711
Total fund balances	407,069	461,917
	407,197	461,917

See accompanying notes to the financial statements

On behalf of the Board:


 Director


 Director

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended March 31

	2023				2022	
	Sponsorships	Projects	Designated	Operating	Total	Total
	\$	\$	\$	\$	\$	\$
REVENUES						
Project receipts and transfers <i>[Schedule 1 & 2]</i>						
Project donations	—	32,197	—	—	32,197	23,405
Donations reducing Society commitments	—	(25,640)	—	25,640	—	—
Society commitments (net of admin. fees)	—	77,105	—	(77,105)	—	—
Sponsorship funds received <i>[Schedule 1 & 2]</i>	42,415	—	—	—	42,415	52,246
General donations	—	—	—	28,263	28,263	64,913
Other funds received	—	—	18,310	—	18,310	75,328
Scholarship donations	—	—	9,569	—	9,569	24,120
Investment income	—	—	2,836	6,404	9,240	6,767
Memberships and administration fees	—	—	—	6,564	6,564	14,391
Crafts and fundraising	—	—	—	70	70	1,270
	42,415	83,662	30,715	(10,164)	146,628	262,440
EXPENSES						
Project and sponsorship disbursements <i>[Schedule 1 & 2]</i>						
Project disbursements	—	93,685	—	—	93,685	124,414
Sponsorships funded	50,280	—	—	—	50,280	45,019
Scholarships paid	—	—	20,000	—	20,000	20,000
Salaries and contract fees	—	—	—	21,815	21,815	20,265
Office, insurance and other	—	—	—	6,014	6,014	8,446
Rent	—	—	—	4,800	4,800	4,800
Professional fees	—	—	—	4,200	4,200	4,100
Newsletter and publicity	—	—	—	682	682	974
	50,280	93,685	20,000	37,511	201,476	228,018
Net revenues (expenses) for the year	(7,865)	(10,023)	10,715	(47,675)	(54,848)	34,422
Fund balances, beginning of year	21,784	95,938	155,484	188,711	461,917	427,495
Fund balances, end of year	13,919	85,915	166,199	141,036	407,069	461,917

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2023					2022
	Sponsorships	Projects	Designated	Operating	Total	Total
	\$	\$	\$	\$	\$	\$
OPERATING ACTIVITIES						
Net revenues (expenses) for the year	(7,865)	(10,023)	10,715	(47,675)	(54,848)	34,422
Changes in non cash items						
Accounts Receivable	—	—	—	(5,675)	(5,675)	—
Prepays and deposits	—	—	—	400	400	(400)
GST recoverable	—	—	—	(81)	(81)	154
Accounts Payable	—	—	—	128	128	—
Cash provided by (used in) operating activities	(7,865)	(10,023)	10,715	(52,903)	(60,076)	34,176
FINANCING ACTIVITIES						
Change in marketable securities	—	—	—	16,260	16,260	(54,051)
Cash provided by (used in) financing activities	—	—	—	16,260	16,260	(54,051)
Increase (decrease) in cash for the year	(7,865)	(10,023)	10,715	(36,643)	(43,816)	(19,875)
Cash grouped with operating account	7,865	10,023	(10,715)	(7,173)	—	—
Cash, beginning of year	—	—	—	106,795	106,795	126,670
Cash, end of year	—	—	—	62,979	62,979	106,795

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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

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, 2023

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.

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:

	2023	2022
	\$	\$
GICs issued by Canadian banks, at book value	330,268	347,543
Accrued interest	7,743	6,728
	338,011	354,271

The GICs have maturity dates in calendar years from 2023 to 2027 and bear interest at rates varying from 1.41% to 4.60% (2022: 1.41% to 3.05%).

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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, 2023.

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.

5. REMUNERATION TO DIRECTORS AND EMPLOYEES

For the fiscal year ended March 31, 2023, the Society did not remunerate the directors as these are volunteer positions. There were no employees who received total annual remuneration of \$75,000 or greater.

CHANGES IN RESTRICTED FUNDS

Year ended March 31, 2023

RESTRICTED FUNDS	Opening Balance	Specified Donations Received	Donations	Society Transfers/ Allocations	Funds Disbursed	Closing Balance
			Reducing Society Commitment			
Proj. No.	\$	\$	\$	\$	\$	\$
PROJECTS						
293 CTA Nurses	—	6,057	—	11,705	(5,762)	12,000
297 Voice of Children	50,964	1,521	(1,521)	—	(33,766)	17,198
300 READI Nepal	—	324	(324)	—	—	—
328 IDEA Midwifery	600	—	—	(600)	—	—
331 Lion PPE Project	2,075	—	—	—	(2,075)	—
332 Rocket Stoves Munsel-ling	1,000	—	—	—	(1,000)	—
339 STS School Repairs	900	900	(900)	—	(900)	—
340 VOC Remote Libraries	8,922	8,922	(8,922)	—	(8,922)	—
341 Munsel-ling Passive Solar	16,760	4,973	(4,973)	—	(16,760)	—
342 Manjushri Library	5,000	4,500	(4,500)	—	(4,500)	500
343 Manjushri Alphabet Blocks	4,500	5,000	(4,500)	—	(5,000)	—
344 Kunphen Centre Workshops	5,217	—	—	—	—	5,217
345 IDEA Skilled Birth Attend	—	—	—	66,000	(15,000)	51,000
	95,938	32,197	(25,640)	77,105	(93,685)	85,915
DESIGNATED						
Scholarship Fund	83,645	9,569	—	(63,000)	—	30,214
510 Spiti Scholarship	6,000	—	—	16,000	(6,000)	16,000
511 VOC Scholarship	9,000	—	—	33,000	(10,000)	32,000
512 Dekyiling Scholarship	6,000	—	—	14,000	(4,000)	16,000
Interest allocated	16,808	—	—	2,836	—	19,644
	121,453	9,569	—	2,836	(20,000)	113,858
M.E Fund	33,065	—	—	—	—	33,065
Bob Walker Fund	—	3,225	—	—	—	3,225
Wosk Family Grant	—	18,922	—	(18,422)	—	500
Georgina Henderson Fund	—	5,200	—	—	—	5,200
Robert Fitzpatrick Fund	—	10,000	—	—	—	10,000
Other funds and grants	966	375	—	(990)	—	351
	155,484	47,291	—	(16,576)	(20,000)	166,199
Total Projects and Fund Obligations	251,422	79,488	(25,640)	60,529	(113,685)	252,114
SPONSORSHIPS						
003 THF Mussoorie	300	400	—	—	(400)	300
008 Munseling Spiti	11,054	10,985	—	—	(17,010)	5,029
012 TWC Rajpur	950	3,825	—	—	(3,525)	1,250
015 TCV Suja	1,164	6,096	—	—	(6,820)	440
016 TCV Chauntra	1,659	11,988	—	—	(12,785)	862
017 Chauntra Settlement	820	1,180	—	—	(1,320)	680
092 Dekyiling Handicraft Centre	2,639	8,138	—	—	(8,420)	2,357
099 Other sponsorships	3,198	670	—	(867)	—	3,001
Total Sponsorships	21,784	43,282	—	(867)	(50,280)	13,919
TOTAL COMMITTED FUNDS	273,206	122,770	(25,640)	59,662	(163,965)	266,033

CHANGES IN RESTRICTED FUNDS

Year ended March 31, 2022

RESTRICTED FUNDS	Opening Balance	Specified Donations Received	Donations	Society Transfers/ Allocations	Funds Disbursed	Closing Balance
			Reducing Society Commitment			
Proj. No.	\$	\$	\$	\$	\$	\$
PROJECTS						
293 CTA Nurses	—	2,340	—	3,528	(5,868)	—
297 Voice of Children	84,952	2,466	(2,466)	—	(33,988)	50,964
300 READI Nepal	—	774	(774)	15,300	(15,300)	—
328 IDEA Midwifery	600	2,750	—	(2,750)	—	600
329 Munsel-ling Flush Toilets	3,970	—	—	—	(3,970)	—
330 VOC Covid-19 Emergency	—	90	—	(90)	—	—
331 Lion PPE Project	7,000	5,102	(5,102)	2,075	(7,000)	2,075
332 Rocket Stoves Munsel-ling	9,236	8,636	(8,636)	2	(8,238)	1,000
333 STS Senior Block Reno	—	7,815	—	—	(7,815)	—
334 STS Musical Instruments	—	3,312	—	—	(3,312)	—
335 CTA Emergency Response	—	5,090	—	4,910	(10,000)	—
336 STS Sport Equipment	—	14,980	—	—	(14,980)	—
337 STS Library & Science Lab	—	7,317	—	—	(7,317)	—
338 Dekyiling Computers	—	—	—	1,626	(1,626)	—
339 STS School Repairs	—	5,000	—	900	(5,000)	900
340 VOC Remote Libraries	—	—	—	8,922	—	8,922
341 Munsel-ling Passive Solar	—	—	—	16,760	—	16,760
342 Manjushri Library	—	—	—	5,000	—	5,000
343 Manjushri Alphabet Blocks	—	—	—	4,500	—	4,500
344 Kunphen Centre Workshops	—	—	—	5,217	—	5,217
	105,758	65,672	(16,978)	65,900	(124,414)	95,938
DESIGNATED						
Scholarship Fund	64,525	24,120	—	(5,000)	—	83,645
510 Spiti Scholarship	10,000	—	—	2,000	(6,000)	6,000
511 VOC Scholarship	15,000	—	—	3,000	(9,000)	9,000
512 Dekyiling Scholarship	11,000	—	—	—	(5,000)	6,000
Interest allocated	14,474	—	—	2,334	—	16,808
	114,999	24,120	—	2,334	(20,000)	121,453
Ray Yee Fund	970	42,263	—	(42,267)	—	966
M.E Fund	—	33,065	—	—	—	33,065
	115,969	99,448	—	(39,933)	(20,000)	155,484
Total Projects and Fund Obligations	221,727	165,120	(16,978)	25,967	(144,414)	251,422
SPONSORSHIPS						
003 THF Mussoorie	300	400	—	—	(400)	300
008 Munseling Spiti	4,559	12,759	—	—	(6,264)	11,054
012 TWC Rajpur	1,360	3,390	—	—	(3,800)	950
015 TCV Suja	689	9,751	—	—	(9,276)	1,164
016 TCV Chauntra	1,247	14,236	—	—	(13,824)	1,659
017 Chauntra Settlement	590	2,120	—	—	(1,890)	820
092 Dekyiling Handicraft Centre	2,234	9,970	—	—	(9,565)	2,639
099 Other sponsorships	3,578	(380)	—	—	—	3,198
Total Sponsorships	14,557	52,246	—	—	(45,019)	21,784
TOTAL COMMITTED FUNDS	236,284	217,366	(16,978)	25,967	(189,433)	273,206