

FINANCIAL STATEMENTS
TRANS-HIMALAYAN AID SOCIETY

March 31, 2024



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, 2024 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, 2024, 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, 2024 and 2023, current assets as at March 31, 2024 and 2023, and fund balances as at April 1 and March 31 for both the 2024 and 2023 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.
- 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Vancouver, Canada
September 11, 2024

Tompkins Wozny LLP

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31

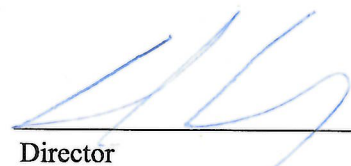
	2024	2023
	\$	\$
ASSETS		<i>Restated - Note 8</i>
Current		
Cash	97,213	62,979
Marketable securities <i>[note 3]</i>	278,848	338,011
Accounts receivable	1,601	5,675
Prepaid rent	400	400
GST rebate	148	132
	378,210	407,197
LIABILITIES		
Current		
Accounts payable	128	128
Deferred contributions <i>[note 4]</i>	47,069	80,163
	47,197	80,291
FUND BALANCES		
Internally restricted <i>[note 7]</i>	229,133	251,422
Unrestricted	101,880	75,484
	331,013	326,906
	378,210	407,197

See accompanying notes to the financial statements

On behalf of the Board:



 Director



 Director

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended March 31

	2024				2023	
	Sponsorships \$	Projects \$	Designated \$	Operating \$	Total \$	Total \$
						<i>Restated - Note 8</i>
REVENUES						
Donations - Projects <i>[note 4]</i>	—	81,718	4,173	—	85,891	93,685
- Sponsorship <i>[note 4]</i>	44,305	—	—	—	44,305	50,280
- Scholarship <i>[note 4]</i>	—	—	21,021	—	21,021	20,000
Donations and fundraising	—	—	—	26,961	26,961	28,333
Administration fees	—	—	—	12,535	12,535	9,240
Investment income	—	—	2,979	6,725	9,704	6,564
	44,305	81,718	28,173	46,221	200,417	208,102
EXPENSES						
Project disbursements	—	81,718	4,173	—	85,891	93,685
Sponsorship disbursements	44,305	—	—	—	44,305	50,280
Scholarships disbursements	—	—	24,000	—	24,000	20,000
Salaries and contract fees	—	—	—	23,241	23,241	21,815
Office, insurance and other	—	—	—	7,646	7,646	6,014
Rent	—	—	—	4,800	4,800	4,800
Professional fees	—	—	—	4,200	4,200	4,200
Crafts and fundraising	—	—	—	1,312	1,312	—
Newsletter and publicity	—	—	—	915	915	682
	44,305	81,718	28,173	42,114	196,310	201,476
Excess of revenue (expenses) for the year	—	—	—	4,107	4,107	6,626
Fund balances, beginning of year	—	—	—	326,906	326,906	320,280
Fund balances, end of year	—	—	—	331,013	331,013	326,906

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2024	2023
	\$	\$
		<i>Restated -</i>
		<i>Note 8</i>
OPERATING ACTIVITIES		
Excess of revenue (expenses) for the year	4,107	6,626
Changes in non cash items		
Accounts receivable	4,074	(5,675)
Prepaid rent	—	400
GST recoverable	(16)	(81)
Accounts payable	—	128
Deferred contributions	(33,094)	(61,474)
Cash used in operating activities	(24,929)	(60,076)
FINANCING ACTIVITIES		
Cash from marketable securities	59,163	16,260
Cash provided by financing activities	59,163	16,260
Increase (decrease) in cash for the year	34,234	(43,816)
Cash, beginning of year	62,979	106,795
Cash, end of year	97,213	62,979

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

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:

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants and contributions for particular programs or services are recognized as revenue as the programs or services are delivered and collection is reasonably assured.

Administrative revenues are taken income as donations and sponsorships are received.

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.

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, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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:

	2024	2023
	\$	\$
GICs issued by Canadian banks, at book value	271,328	330,268
Accrued interest	7,520	7,743
	278,848	338,011

The GICs have maturity dates in calendar years from 2024 to 2027 and bear interest at rates varying from 1.85% to 4.60% (2023: 1.41% to 4.60%).

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

4. DEFERRED CONTRIBUTIONS

	Opening Balance \$	Donations Received \$	Transferred To / (From) \$	Earned During the Year \$	Ending Balance \$
PROJECTS					
CTA Nurses' Trng	—	3,952	2,912	6,864	—
VOC Education Project	—	—	17,198	17,198	—
READI Nepal	—	135	(135)	—	—
Manjushri Library	—	—	500	500	—
IDEA Skilled Birth	—	5,274	11,726	17,000	—
Munselling Library Books	—	2,025	675	2,700	—
Munselling Exam floor	—	1,008	16,492	17,500	—
CTA Dept of Home Floor	—	1,000	4,000	5,000	—
Hope for Children AMAN	—	2,202	5,462	7,664	—
Hope for Children VIMARSH	—	2,202	5,090	7,292	—
THF Mussoorie Diet	—	60	(60)	—	—
	—	17,858	63,860	81,718	—
SPONSORSHIPS					
THF Mussoorie	—	1,000	—	700	300
Munseling Spiti	—	11,940	—	10,690	1,250
TWC Rajpur	—	3,663	87	3,750	—
TCV Suja	—	7,086	(220)	6,800	66
TCV Lower Chauotra	—	13,896	(200)	12,630	1,066
Chanutra Settlement	—	2,311	—	1,651	660
Dekyling Handicraft Center	—	8,419	—	8,084	335
Other sponsorships	—	50	(50)	—	—
	—	48,365	(383)	44,305	3,677
DESIGNATED					
Scholarship Fund	—	28,745	—	21,021	7,724
Restricted Funds and Grants	51,990	13,730	(31,869)	—	33,851
Other Funds and Grants	28,173	9,425	(31,608)	4,173	1,817
	80,163	51,900	(63,477)	25,194	43,392
	80,163	118,123	—	151,217	47,069

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

5. 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, 2024.

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.

6. REMUNERATION TO DIRECTORS AND EMPLOYEES

For the fiscal year ended March 31, 2024, 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.

7. INTERNALLY RESTRICTED

The following schedule provides the outstanding balance for internally committed projects and scholarships, along with associated donations and disbursements, as of the fiscal year ending March 31, 2024:

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

7. INTERNALLY RESTRICTED (CONT'D)

Commitments over the next three years are as follows:

	Project #	2025 \$	2026 \$	2027 + \$	TOTAL \$
PROJECTS					
CTA Nurses' Trng	293	6,000	—	—	6,000
IDEA Skilled Birth Attend	345	17,000	17,000	17,000	51,000
Hope for Children AMAN	349	15,548	7,884	—	23,432
Hope for Children VIMARSH	350	14,296	7,004	—	21,300
STSS School Support	353	8,798	—	—	8,798
		61,642	31,888	17,000	110,530
DESIGNATED					
Spiti Scholarship	510	6,000	4,000	2,000	12,000
VOC Scholarship	511	12,000	8,000	4,000	24,000
Dekyiling Scholarship	512	6,000	4,000	2,000	12,000
General Scholarship Fund		—	—	70,603	70,603
		24,000	16,000	78,603	118,603
		85,642	47,888	95,603	229,133

8. RESTATEMENT

During the current fiscal year, the Society changed its accounting policy for its revenue recognition from the restricted fund method of accounting to the deferral method of accounting . The impact to the previously reported 2023 figures are as follows:

	As Previously Reported \$	Adjustment \$	Restated Amount \$
March 31, 2023			
Statement of Financial Position			
Deferred contributions	—	80,163	80,163
Restricted Funds	266,033	(266,033)	—
Operating Funds / Fund balances	141,036	185,870	326,906
Statement of Operations			
Revenues	146,628	61,474	208,102
Excess of revenue (expenses) for the year	(54,848)	61,474	6,626

9. COMPARATIVE FIGURES

Certain 2023 comparative figures have been reclassified where necessary to conform to the current year's presentation.