

FINANCIAL STATEMENTS
TRANS-HIMALAYAN AID SOCIETY

March 31, 2021



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, 2021, 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, 2021, 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, 2021 and 2020, current assets as at March 31, 2021 and 2020, and fund balances as at April 1 and March 31 for both the 2021 and 2020 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

- 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 8, 2021

Tompkins Wozny LLP

Chartered Professional Accountants



Trans-Himalayan Aid Society

Incorporated 1962 under the Society Act of B.C.

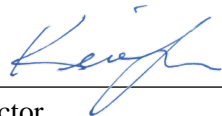
STATEMENT OF FINANCIAL POSITION

As at March 31


	2021	2020
	\$	\$
ASSETS		
Cash	126,670	211,873
Marketable securities [note 3]	300,220	272,011
Rent deposit	400	400
GST rebate	205	134
	427,495	484,418
LIABILITIES AND FUND BALANCES		
Accounts payable	—	—
Total liabilities	—	—
Restricted funds		
Sponsorships	14,557	20,472
Projects	105,758	23,570
Designated	115,969	127,327
Total restricted funds [Schedule 1 and 2]	236,284	171,369
Operating funds	191,211	313,049
Total fund balances	427,495	484,418
	427,495	484,418

See accompanying notes to the financial statements

On behalf of the Board:



Director



Director



STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended March 31

	2021				2020	
	Sponsorships	Projects	Designated	Operating	Total	Total
	\$	\$	\$	\$	\$	\$
REVENUES						
Project receipts and transfers <i>[Schedule 1 & 2]</i>						
Project donations	—	51,174	—	—	51,174	31,493
Donations reducing Society commitments	—	(13,569)	—	13,569	—	—
Society commitments (net of admin. fees)	—	140,208	—	(140,208)	—	—
Sponsorship funds received <i>[Schedule 1 & 2]</i>	46,083	—	—	—	46,083	54,148
General donations	—	—	—	30,299	30,299	133,569
Scholarship donations	—	—	2,430	—	2,430	10,226
Other funds received	—	—	970	—	970	970
Memberships and administration fees	—	—	—	10,718	10,718	9,906
Investment income	—	—	2,242	2,792	5,034	7,092
Crafts and fundraising	—	—	—	160	160	1,806
	46,083	177,813	5,642	(82,670)	146,868	249,210
EXPENDITURES						
Project and sponsorship disbursements <i>[Schedule 1 & 2]</i>						
Project disbursements	—	95,625	—	—	95,625	77,688
Sponsorships funded	51,998	—	—	—	51,998	51,992
Scholarships paid	—	—	17,000	—	17,000	18,000
Salaries and contract fees	—	—	—	21,317	21,317	23,986
Office, insurance and other	—	—	—	7,077	7,077	5,684
Rent	—	—	—	4,800	4,800	4,800
Professional fees	—	—	—	4,100	4,100	4,100
Newsletter and publicity	—	—	—	1,798	1,798	1,167
Crafts and fundraising	—	—	—	76	76	1,403
	51,998	95,625	17,000	39,168	203,791	188,820
Net revenues (expenditures) for the year	(5,915)	82,188	(11,358)	(121,838)	(56,923)	60,390
Fund balances, beginning of year	20,472	23,570	127,327	313,049	484,418	424,028
Fund balances, end of year	14,557	105,758	115,969	191,211	427,495	484,418

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2021					2020
	Sponsorships	Projects	Designated	Operating	Total	Total
	\$	\$	\$	\$	\$	\$
OPERATING ACTIVITIES						
Net revenues (expenditures) for the year	(5,915)	82,188	(11,358)	(121,838)	(56,923)	60,390
Changes in non cash items						
Prepays and deposits	—	—	—	—	—	—
GST recoverable	—	—	—	(71)	(71)	94
Cash provided by (used in) operating activities	(5,915)	82,188	(11,358)	(121,909)	(56,994)	60,484
FINANCING ACTIVITIES						
Change in marketable securities	—	—	—	(28,209)	(28,209)	73,301
Cash provided by financing activities	—	—	—	(28,209)	(28,209)	73,301
Increase (decrease) in cash for the year	(5,915)	82,188	(11,358)	(150,118)	(85,203)	133,785
Cash grouped with operating account	5,915	(82,188)	11,358	64,915	—	—
Cash, beginning of year	—	—	—	211,873	211,873	78,088
Cash, end of year	—	—	—	126,670	126,670	211,873

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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, 2021

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:

	2021	2020
	\$	\$
GICs issued by Canadian banks, at book value	295,192	266,948
Accrued interest and discounts earned	5,028	5,063
	300,220	272,011

The GICs have maturity dates in calendar years from 2021 to 2026 and bear interest at rates varying from 1.41% to 3.05% (2020: 2.05% to 3.05%)

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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, 2021.

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, 2021, 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.

6. COVID-19

The outbreak of the coronavirus, also known as COVID-19, continues to be a significant health issue on a global scale, with impact to worldwide economic activity. To the audit report date, there has been no significant influence on the Society's activities or financial budget. The board of directors continues to monitor the situation, but as any future effects of the virus remains highly uncertain, the Society cannot reasonably determine the impact to the financial statements, if any, at this time.

CHANGES IN RESTRICTED FUNDS

Year ended March 31, 2021

RESTRICTED FUNDS	Opening Balance	Specified Donations Received	Donations	Society Transfers/ Allocations	Funds Disbursed	Closing Balance
			Reducing Society Commitment			
Proj. No.	\$	\$	\$	\$	\$	\$
PROJECTS						
293 CTA Nurses	—	5,464	—	(286)	(5,178)	—
297 Voice of Children	14,000	13,569	(13,569)	102,370	(31,418)	84,952
300 READI Nepal	—	13,044	—	3,956	(17,000)	—
328 IDEA Midwifery	600	—	—	2,400	(2,400)	600
329 Munsel-ling Flush Toilets	8,970	—	—	—	(5,000)	3,970
330 VOC Covid-19 Emergency	—	8,124	—	10,268	(18,392)	—
331 Lion PPE Project	—	10,973	—	3,027	(7,000)	7,000
332 Rocket Stoves Munsel-ling	—	—	—	18,473	(9,237)	9,236
	23,570	51,174	(13,569)	140,208	(95,625)	105,758
DESIGNATED						
Scholarship Fund	60,095	2,430	—	2,000	—	64,525
510 Spiti Scholarship	16,000	—	—	—	(6,000)	10,000
511 VOC Scholarship	23,000	—	—	—	(8,000)	15,000
512 Dekyiling Scholarship	16,000	—	—	(2,000)	(3,000)	11,000
Interest allocated	12,232	—	—	2,242	—	14,474
	127,327	2,430	—	2,242	(17,000)	114,999
Ray Yee Fund	—	970	—	—	—	970
	127,327	3,400	—	2,242	(17,000)	115,969
Total Projects and Fund Obligations	150,897	54,574	(13,569)	142,450	(112,625)	221,727
SPONSORSHIPS						
002 TCV Dharamsala	(20)	—	—	20	—	—
003 THF Mussoorie	300	400	—	—	(400)	300
008 Munseling Spiti	8,524	10,531	—	—	(14,496)	4,559
012 TWC Rajpur	1,650	3,670	—	—	(3,960)	1,360
015 TCV Suja	1,910	7,373	—	—	(8,594)	689
016 TCV Chauntra	2,698	11,807	—	—	(13,258)	1,247
017 Chauntra Settlement	570	2,220	—	—	(2,200)	590
077 Buddha Academy	2,216	—	—	(2,216)	—	—
092 Dekyiling Handicraft Centre	2,384	8,940	—	—	(9,090)	2,234
095 CTA Sponsorship	—	—	—	—	—	—
099 Other sponsorships	240	1,142	—	2,196	—	3,578
Total Sponsorships	20,472	46,083	—	—	(51,998)	14,557
TOTAL COMMITTED FUNDS	171,369	100,657	(13,569)	142,450	(164,623)	236,284

CHANGES IN RESTRICTED FUNDS

Year ended March 31, 2020

RESTRICTED FUNDS	Opening Balance	Specified Donations Received	Donations	Society Transfers/ Allocations	Funds Disbursed	Closing Balance
			Reducing Society Commitment			
Proj. No.	\$	\$	\$	\$	\$	\$
PROJECTS						
102 Mussoorie Elderly	—	2,970	—	—	(2,970)	—
293 CTA Nurses	6,949	2,208	(2,208)	(1,220)	(5,729)	—
297 Voice of Children	42,240	1,254	(1,254)	10	(28,250)	14,000
300 READI Nepal	—	4,236	—	18,058	(22,294)	—
326 Munsel-ling Laundry	—	5,400	—	(5,400)	—	—
327 Munsel-ling Roofing	—	8,498	—	4,947	(13,445)	—
328 IDEA Midwifery	—	6,927	—	(1,327)	(5,000)	600
329 Munsel-ling Flush Toilets	—	—	—	8,970	—	8,970
	49,189	31,493	(3,462)	24,038	(77,688)	23,570
DESIGNATED						
Scholarship Fund	103,899	11,196	—	(55,000)	—	60,095
510 Spiti Scholarship	6,000	—	—	16,000	(6,000)	16,000
511 VOC Scholarship	6,000	—	—	24,000	(7,000)	23,000
512 Dekyiling Scholarship	6,000	—	—	15,000	(5,000)	16,000
Interest allocated	9,297	—	—	2,935	—	12,232
	131,196	11,196	—	2,935	(18,000)	127,327
Total Projects and Fund Obligations	180,385	42,689	(3,462)	26,973	(95,688)	150,897
SPONSORSHIPS						
002 TCV Dharamsala	(60)	400	—	—	(360)	(20)
003 THF Mussoorie	300	400	—	—	(400)	300
008 Munseling Spiti	7,993	18,270	—	—	(17,739)	8,524
012 TWC Rajpur	730	4,710	—	—	(3,790)	1,650
015 TCV Suja	2,088	9,081	—	—	(9,259)	1,910
016 TCV Chauntra	1,800	10,793	—	—	(9,895)	2,698
017 Chauntra Settlement	—	1,394	—	—	(824)	570
077 Buddha Academy	2,216	—	—	—	—	2,216
092 Dekyiling Handicraft Centre	2,749	9,100	—	—	(9,465)	2,384
095 CTA Sponsorship	—	0	—	130	(130)	—
099 Other sponsorships	240	—	—	—	—	240
Total Sponsorships	18,056	54,148	—	130	(51,862)	20,472
TOTAL COMMITTED FUNDS	198,441	96,837	(3,462)	27,103	(147,550)	171,369