

HIMALAYAN CHILDREN'S CHARITIES, INC.

FINANCIAL STATEMENTS

For the Years Ended December 2012 and 2011

**with
Accountant's Compilation Report**



HIMALAYAN CHILDREN'S CHARITIES, INC.

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December 31, 2012 and 2011

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Himalayan Children's Charities, Inc.
Alpharetta, Georgia

We have compiled the accompanying statements of financial position—cash basis of Himalayan Children's Charities, Inc. (a nonprofit organization) as of December 31, 2012 and 2011 and the related statements of activities—cash basis and statement of cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, net assets, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Warren Averett, LLC

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March 8, 2013

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HIMALAYAN CHILDREN'S CHARITIES, INC.

STATEMENTS OF FINANCIAL POSITION (CASH BASIS)

December 31, 2012 and 2011

	ASSETS	
	2012	2011
Current Assets		
Cash	\$ 92,207	\$ 78,363
Certificate of Deposit	129,029	128,027
TOTAL CURRENT ASSETS	<u>221,236</u>	<u>206,390</u>
Other Assets		
Escrow for Nepal Government	7,149	0
TOTAL CURRENT ASSETS	<u>7,149</u>	<u>206,390</u>
TOTAL ASSETS	<u>\$ 228,385</u>	<u>\$ 206,390</u>
	LIABILITIES AND NET ASSETS	
Net Assets		
Unrestricted - available for operations	<u>228,386</u>	<u>206,390</u>
TOTAL NET ASSETS	<u>228,386</u>	<u>206,390</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 228,386</u>	<u>\$ 206,390</u>

See accountants' compilation report.

HIMALAYAN CHILDREN'S CHARITIES, INC.

STATEMENTS OF ACTIVITIES (CASH BASIS)

For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue		
Contributions	\$ 132,619	\$ 179,938
Special Event Income	10,106	9,113
Interest Income	11,212	1,754
	<u>153,937</u>	<u>190,805</u>
Expenses		
Program Service Expenses		
Creating Possibilities Nepal	112,794	183,150
Management and General Expenses		
Bank charges	742	611
Other operating expenses	3,563	1,355
Fundraising Expenses		
Fundraising Expenses	14,842	15,861
	<u>131,941</u>	<u>200,977</u>
INCREASE (DECREASE) IN NET ASSETS	21,996	(10,172)
Net Assets at Beginning of Year	<u>206,390</u>	<u>216,562</u>
Net Assets at End of Year	<u>\$ 228,386</u>	<u>\$ 206,390</u>

See accountants' compilation report.

HIMALAYAN CHILDREN'S CHARITIES, INC.

**STATEMENT OF CASH FLOWS
(CASH BASIS)**

December 31, 2012

Cash Flows used in Operating Activities	
Increase in net assets	\$ 21,996
	<u>21,996</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>21,996</u>
INCREASE IN CASH AND CASH EQUIVALENTS	21,996
Cash and Cash Equivalents at Beginning of Year	<u>206,390</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 228,386</u></u>

See accountants' compilation report.

HIMALAYAN CHILDREN'S CHARITIES, INC.

NOTES TO FINANCIAL STATEMENTS (CASH BASIS)

December 31, 2012 and 2011

NOTE 1—ORGANIZATION AND MISSION

Himalayan Children's Charities, Inc. (HCC) is a nonprofit organization incorporated in September 2000 under the laws of the state of Florida. In July 2009 HCC transferred to a nonprofit organization incorporated under the laws of the state of Georgia. HCC raises funds to provide better care, living facilities, and education for Nepalese orphaned and abandoned children. HCC's goal is to upgrade the quality of life for as many of these children as possible so they can have the same opportunities in life afforded to children in more fortunate situations. HCC also strives to teach the children values and responsibility which would be learned from their parents in a normal home environment.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: HCC prepares its financial statements in accordance with the cash basis of accounting.

Cash and Cash Equivalents: HCC considers all cash investments and highly liquid investments to be cash equivalents.

Contributions: Unconditional promises to give and contributions received are recorded as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Functional Allocation of Expenses: The costs of providing the program have been summarized on a functional basis in the statements of activities.