



Hong Kong Veterans Commemorative Association

Patron: H. Clifford Chadderton, CC, O.Ont., OStJ, CAE, DCL, LLD

June 21, 2013

Board of Directors—HKVCA
Regional Treasurers—HKVCA

Dear Directors & Treasurers:

I am pleased to enclose a copy of the audited financial statements for the Hong Kong Veterans Commemorative Association for the period ending December 31, 2012.

As most of you know, we have been availing ourselves of the services of Heisinger & Montgomery, Chartered Accountants, at either no charge or at a discounted rate and thus must wait our turn in their busy schedule.

I have just prepared our annual financial report for the Canada Revenue Agency and trust they will determine that we have carried out our business as a registered charity in an orderly manner.

Our audited statement shows that our financial activity in terms of income and expenses was very similar to the previous year. Inventory consists of books, videos, crests and grave markers at cost.

This is for your information.

Yours very truly,

Barry C. Mitchell
Treasurer

Audited Statement 2012-Letter to BOD

**HONG KONG VETERANS'
COMMEMORATIVE ASSOCIATION
FINANCIAL STATEMENTS
DECEMBER 31, 2012**

HEISINGER AND MONTGOMERY
CHARTERED ACCOUNTANTS
501 - 177 LOMBARD AVENUE
WINNIPEG, MANITOBA
R3B 0W5

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Hong Kong Veterans' Commemorative Association, which comprise the balance sheet as at December 31, 2012 and the statement of income, retained earnings and cash flows for the year then ended 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 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 audit. We conducted our audit 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 entity's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hong Kong Veterans' Commemorative Association as at December 31, 2012 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.

Winnipeg, Manitoba
JUNE 18, 2013

Heisinger and Montgomery
Chartered Accountants

HONG KONG VETERANS'
COMMEMORATIVE ASSOCIATION

BALANCE SHEET

AS AT DECEMBER 31, 2012

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Current Assets		
Cash in Bank - National General Account	\$43,554	\$43,806
- National Book Account	10,441	9,587
Inventory- Note 4	<u>2,110</u>	<u>2,447</u>
	<u>\$56,105</u>	<u>\$55,840</u>
<u>FUND BALANCES</u>		
Balance - per statement	<u>56,105</u>	<u>55,840</u>
	<u>\$56,105</u>	<u>\$55,840</u>

HONG KONG VETERANS'
COMMEMORATIVE ASSOCIATION

STATEMENT OF INCOME AND FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>General Account</u>	<u>Book Account</u>	<u>2012 Total</u>	<u>2011 Total</u>
Income				
Dues	\$ 5,110	\$ ---	\$ 5,110	\$ 6,150
Donations	7,773	---	7,773	4,629
Videos	---	20	20	215
Grave Markers	---	300	300	2,325
Crests	---	75	75	---
Books	---	403	403	1,284
Miscellaneous	---	56	56	14
	<u>12,883</u>	<u>854</u>	<u>13,737</u>	<u>14,617</u>
Expenses				
Postage and Shipping	864	---	864	422
Supplies	884	---	884	717
Audit	504	---	504	448
Adjustment of Prior Years Inventory	---	(433)	(433)	---
Annual Business Registration	30	---	30	30
Newsletter	2,865	---	2,865	2,363
Mailbox	232	---	232	232
Miscellaneous	5,130	---	5,130	4,350
Cost of Sales - Books	---	315	315	352
- Crests and Other	---	100	100	---
- Grave Markers	---	316	316	2,025
- Videos	---	40	40	61
Memorial Wall	<u>2,625</u>	<u>---</u>	<u>2,625</u>	<u>---</u>
	<u>13,134</u>	<u>338</u>	<u>13,472</u>	<u>11,000</u>
Excess of Income over Expenses	<u>(251)</u>	<u>516</u>	265	3,617
Fund Balances - beginning of year			<u>55,840</u>	<u>52,223</u>
Fund Balances - end of year			<u><u>\$56,105</u></u>	<u><u>\$55,840</u></u>

HONG KONG VETERANS'
COMMEMORATIVE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - PURPOSE OF THE ORGANIZATION

Hong Kong Veterans' Commemorative Association was organized to honour the Hong Kong Veterans. It is a not-for-profit Organization and is a registered charity under the Income Tax Act.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICES

Fund Accounting

Hong Kong Veterans' Commemorative Association follows the restricted fund method of accounting for contributions.

The general fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the general fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the general fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue of the general fund when earned.

Contributed Services

Volunteers contribute many hours per year to assist in carrying out its service activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Fixed Assets

Capital purchases are expensed when purchased. To date there have been no capital expenditures.

HONG KONG VETERANS'
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 2 - SIGNIFICANT ACCOUNTING POLICES (Continued)

Cash Flow Statement

A cash flow statement has not been included because the information is apparent from the other statements.

NOTE 3 - ACCOUNTING ESTIMATES

Accounting estimates are included in financial statements to approximate the effect of past business transactions or events, or to approximate the present status of an asset or liability. Examples include the allowance for doubtful accounts, loss provisions and the estimated useful life of an asset. It is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates.

NOTE 4 - CAPITAL DISCLOSURES

The Organization considers its capital to be its net assets. The Organization's objectives when managing its capital are to safeguard its ability to continue as a going concern so it can continue to provide services to its members. Annual budgets are developed and monitored to ensure the Organization's capital is maintained at an appropriate level.