



# Hong Kong Veterans' Commemorative Association

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

June 27, 2011

Board of Directors--HKVCA  
Regional Treasurers--HKVCA

*Jim*  
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, 2010.

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 am about to prepare 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 a significant decrease in the level of financial activity due to us reaching the final phase of the construction of the Memorial Wall in Ottawa. Inventory consists of books, videos, crests and grave markers at cost.

This is for your information.

Yours very truly,

*Barry*  
Barry C. Mitchell  
Treasurer

Audited Statement 2010-Letter to BOD

Manitoba Region - P.O. Box 381, Winnipeg, Manitoba R3C 2H6

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 sheets as at December 31, 2010 and December 31, 2009 and the statements of income, retained earnings and cash flows for the years ended December 31, 2010 and December 31, 2009 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 private enterprises, 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.

**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, 2010 and December 31, 2009, and the results of its operations and its cash flows for the years ended December 31, 2010 and December 31, 2009 in accordance with Canadian accounting standards for private enterprises.

Winnipeg, Manitoba  
June 24, 2011

*Heisinger and Montgomery*  
Chartered Accountants

**HONG KONG VETERANS'**  
**COMMEMORATIVE ASSOCIATION**

**BALANCE SHEET**

**AS AT DECEMBER 31, 2010**

<b><u>ASSETS</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Current Assets		
Cash in Bank - National General Account	\$36,531	\$134,677
- National Book Account	6,038	33,578
Convention Deposit	5,000	---
Inventory- Note 4	<u>4,890</u>	<u>5,524</u>
	<u>\$52,459</u>	<u>\$173,779</u>
<b><u>LIABILITIES</u></b>		
Accounts Payable	\$ 236	\$ ---
Regional Loans - Manitoba	---	15,000
- British Columbia	---	7,000
- Quebec	<u>---</u>	<u>5,000</u>
	<u>236</u>	<u>27,000</u>
<b><u>FUND BALANCES</u></b>		
Balance - per statement	<u>52,223</u>	<u>146,779</u>
	<u>\$52,459</u>	<u>\$173,779</u>

HONG KONG VETERANS'  
COMMEMORATIVE ASSOCIATION

STATEMENT OF INCOME AND FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>General Account</u>	<u>Book Account</u>	<u>2010 Total</u>	<u>2009 Total</u>
Income				
Dues	\$ 4,580	\$ ---	\$ 4,580	\$ 4,550
Donations	52,867	159	53,026	247,141
Videos	---	1,430	1,430	20
Grave Markers	---	525	525	983
Crests	---	45	45	---
Books	20	1,082	1,102	1,152
Miscellaneous	---	248	248	8,298
Interest	---	---	---	18
	<u>57,467</u>	<u>3,489</u>	<u>60,956</u>	<u>262,162</u>
Expenses				
Postage and Shipping	1,014	207	1,221	1,190
Supplies	480	---	480	836
Printing	---	---	---	8,027
Audit	448	---	448	420
Adjustment of Prior Years Inventory	---	3,431	3,431	(2,630)
Annual Business Registration	30	---	30	30
Newsletter	2,621	---	2,621	2,585
Mailbox	215	---	215	215
Miscellaneous	473	15	488	481
Cost of Sales - Books	---	252	252	383
- Grave Markers	---	443	443	569
- Videos	---	551	551	9
Memorial Wall	<u>145,332</u>	<u>---</u>	<u>145,332</u>	<u>248,321</u>
	<u>150,613</u>	<u>4,899</u>	<u>155,512</u>	<u>260,436</u>
Excess of Expenses over Income	<u>(93,146)</u>	<u>(1,410)</u>	(94,556)	1,726
Fund Balances - beginning of year			<u>146,779</u>	<u>145,053</u>
Fund Balances - end of year			<u>\$ 52,223</u>	<u>\$146,779</u>

**HONG KONG VETERANS'**  
**COMMEMORATIVE ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**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'**  
**COMMEMORATIVE ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**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.