

**HONG KONG VETERANS'  
COMMEMORATIVE ASSOCIATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**HEISINGER and MONTGOMERY**  
**Chartered Accountants**  
**501 - 177 Lombard Avenue**  
**Winnipeg, Manitoba**  
**R3B 0W5**

**AUDITOR'S REPORT**

To the Members:

We have audited the balance sheet of **Hong Kong Veterans' Commemorative Association** as at December 31, 2008 and the statement of income and fund balances for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the organization derives income from fund raising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these activities were limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to income, expenses, assets, liabilities and accumulated surplus.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the fund raising activities referred to in the preceding paragraph, these financial statements represent fairly, in all material respects, the financial position of the organization as at December 31, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba  
June 4, 2009

*Heisinger & Montgomery*  
Chartered Accountants

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

**- BALANCE SHEET**

**AS AT DECEMBER 31, 2008**

	<b><u>ASSETS</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Current Assets			
Cash in Bank - National General Account		\$ 53,056	\$72,714
- National Book Account		6,635	5,752
GIC	<i>Wells donation</i>	80,000	---
Accrued Interest		1,507	---
Inventory- Note 4		<u>3,855</u>	<u>3,760</u>
	<i>books sent for sale</i>	<u>\$145,053</u>	<u>\$82,226</u>

**FUND BALANCES**

Balance - per statement		<u>145,053</u>	<u>82,226</u>
		<u>\$145,053</u>	<u>\$82,226</u>

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

**STATEMENT OF INCOME AND FUND BALANCES**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u> <u>Account</u>	<u>Book</u> <u>Account</u>	<u>2008</u> <u>Total</u>	<u>2007</u> <u>Total</u>
Income				
Dues	\$ 5,840	\$ ---	\$ 5,840	\$ 4,810
Donations	59,244	---	59,244	67,977
Videos	---	---	---	45
Grave Markers	---	801	801	391
Crests	1,063	---	1,063	95
Books	---	318	318	2,180
Miscellaneous	570	---	570	1,688
Medals	---	12	12	305
Interest	<u>1,507</u>	<u>---</u>	<u>1,507</u>	<u>---</u>
	<u>68,224</u>	<u>1,131</u>	<u>69,355</u>	<u>77,491</u>
Expenses				
Postage and Shipping	369	---	369	421
Supplies	203	---	203	701
Cheque Printing	---	---	---	83
Audit	420	---	420	412
National Convention	---	---	---	1,000
Decals	1,421	---	1,421	---
Annual Business Registration	30	---	30	30
Newsletter	3,143	---	3,143	3,276
Mailbox	188	---	188	190
Miscellaneous	601	180	781	8
Cost of Sales - Books	---	268	268	627
- Grave Markers	---	(315)	(315)	316
- Videos	---	30	30	26
- Crests	---	(10)	(10)	378
Memorial Wall	---	---	---	2,397
Ontario Resource Fair	<u>---</u>	<u>---</u>	<u>---</u>	<u>1,190</u>
	<u>6,375</u>	<u>153</u>	<u>6,528</u>	<u>11,055</u>
Excess of Income over Expenses	<u>61,849</u>	<u>978</u>	62,827	66,436
Fund Balances - beginning of year			<u>82,226</u>	<u>15,790</u>
Fund Balances - end of year			<u>\$145,053</u>	<u>\$82,226</u>

**HONG KONG VETERANS'**  
**COMMEMORATIVE ASSOCIATION**  
**NOTES-TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**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.

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**NOTES-TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**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 - CONSIGNMENT INVENTORY**

At year-end the Association had inventory on consignment of 120 books of Royal Rifles in Hong Kong. The market value is \$6,000. When these books are sold, the sale amount is payable to the Quebec Region.