

CHI HENG FOUNDATION CANADA
FINANCIAL STATEMENTS
DECEMBER 31, 2016



23 2016-12-31 85416 7053 RR 0001 3042577

CHI HENG FOUNDATION CANADA

Financial Statements December 31, 2016

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7



C.C.L. Chartered Professional Accountants
Professional Corporation
(Member of LAWCPA network)

Terence Chan MBA, CPA (ILL, US), CPA, CA
Michele Chan MBA, CPA (ILL, US), CPA, CA
Anne Law B.Comm, CPA, CA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of CHI HENG FOUNDATION CANADA

Report on the Financial Statements

We have audited the accompanying statement of financial position of **CHI HENG FOUNDATION CANADA** as at **December 31, 2016** and the statements of operations, changes in net assets and cash flows for the year 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, 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 procedures 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 is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many registered charities, the Foundation receives fundraising revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of fundraising revenue was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess (deficiency) of revenues over expenses, current assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which might have been determined to be necessary had we been able to satisfy ourselves with respect to the completeness of fundraising revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the **CHI HENG FOUNDATION CANADA** as at December 31, 2016 and the statements of operations, changes in net assets and its cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.

C.C.I

**Chartered Professional Accountants Professional Corporation
Licensed Public Accountants**

Toronto, Ontario
June 27, 2017



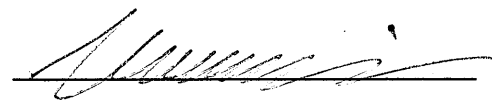
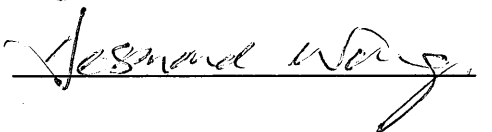
23 2016-12-31 85416 7053 RR 0001 3042577

CHI HENG FOUNDATION CANADA

**Statement of Financial Position
December 31, 2016**

	<u>2016</u>	<u>2015</u>
	\$	\$
Assets		
Current		
Cash	253,963	339,625
Accounts receivable	5,369	16,040
Government remittances receivable	<u>6,888</u>	<u>7,003</u>
	<u>266,220</u>	<u>362,668</u>
Liabilities		
Current		
Accounts payable and accruals	28,730	59,867
Net Assets		
General fund	<u>237,490</u>	<u>302,801</u>
	<u>266,220</u>	<u>362,668</u>

Approved by Board of Directors



23 2016-12-31 85416 7053 RR 0001 3042577

(See accompanying notes to financial statements)

CHI HENG FOUNDATION CANADA

Statement of Changes in Net Assets Year Ended December 31, 2016

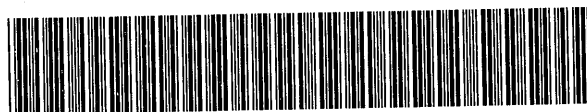
	<u>2016</u>	<u>2015</u>
	\$	\$
NET ASSETS		
Balance, beginning of year	302,801	371,801
(Deficiency) excess of revenues over expenses	<u>(65,311)</u>	<u>(69,000)</u>
Balance, end of year	<u>237,490</u>	<u>302,801</u>

(See accompanying notes to financial statements)

CHI HENG FOUNDATION CANADA

Statement of Operations Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
Revenues		
Donations	455,154	432,492
Sponsorship	18,470	20,500
Interest income	<u>1,571</u>	<u>2,739</u>
	<u>475,195</u>	<u>455,731</u>
Expenses		
Advertising and program books	24,974	16,188
Administrative costs	2,735	1,798
Fundraising events	59,189	38,725
Interest and bank charges	16,609	12,002
Professional fees	7,068	7,068
Student sponsorship	377,750	320,820
Telethon	45,229	29,168
Travel	6,952	8,962
Youth vocational program	<u>-</u>	<u>90,000</u>
	<u>540,506</u>	<u>524,731</u>
(Deficiency) excess of revenues over expenses	<u>(65,311)</u>	<u>(69,000)</u>



23 2016-12-31 85416 7053 RR 0001 3042577

CHI HENG FOUNDATION CANADA

Statement of Cash Flows Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
Funds provided (used):		
Operating Activities		
(Deficiency) excess of revenues over expenses	(65,311)	(69,000)
Changes in other non-cash working capital components (1)	<u>(20,351)</u>	<u>77,674</u>
	<u>(85,662)</u>	<u>8,674</u>
Net (decrease) increase in cash	(85,662)	8,674
Cash, beginning of year	<u>339,625</u>	<u>330,951</u>
Cash, end of year	<u>253,963</u>	<u>339,625</u>

(1) Changes in other non-cash working capital components represented by:

Accounts receivable	10,671	25,160
Government remittances receivable	115	(551)
Accounts payable and accruals	<u>(31,137)</u>	<u>53,065</u>
	<u>(20,351)</u>	<u>77,674</u>



23 2016-12-31 85416 7053 RR 0001 3042577

CHI HENG FOUNDATION CANADA

Notes to Financial Statements December 31, 2016

1. Purpose of the Organization

The Chi Heng Foundation Canada is a Canadian registered charitable organization. The main objective of the Foundation is to sponsor AIDS - impacted children by providing scholarships and living expense assistance. In addition, the organization provides courses, seminars and workshops about the effects of poverty on HIV and its related diseases.

2. Significant Accounting Policies

The general fund reports revenue from sponsorship, advertising and other fund raising activities.

Measurement Uncertainty:

The preparation of financial statements in accordance 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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates.

Revenue recognition:

The Foundation receives donations from corporate sponsors and private donors, as well as annual fundraising campaigns for operating purposes and for providing scholarships. Revenue was recorded upon receipt.

Financial instruments:

The Foundation initially measures its financial assets and liabilities at fair value.

The entity subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable and government remittance receivable.

Financial liabilities measured at amortized cost include accounts payable.

The entity has not designated any financial asset or financial liability to be measured at fair value.

3. Remuneration

No remuneration and benefits were paid by the Foundation to its Board, executives and volunteers since the incorporation of the Foundation.



23 2016-12-31 85416 7053 RR 0001 3042577