

**CHI HENG FOUNDATION CANADA**

**FINANCIAL STATEMENTS**

**JULY 31, 2012**

# CHI HENG FOUNDATION CANADA

## Financial Statements July 31, 2012

### 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



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**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 **July 31, 2012** and the statements of operations, changes in net assets 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 generally accepted accounting principles, 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 position 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.

## **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 association 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.

In our opinion, except for the effect of adjustments, if any, which might have been required 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 July 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Kwan Chan Law*

**Professional Corporation, Authorized to practise public accounting by  
The Institute of Chartered Accountants of Ontario**

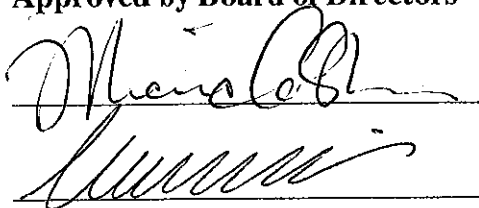
Toronto, Ontario  
January 28, 2013

# CHI HENG FOUNDATION CANADA

## Statement of Financial Position July 31, 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash	77,005	172,268
Accounts receivable	600	-
Government remittance receivable	<u>8,601</u>	<u>5,666</u>
	<u><b>86,206</b></u>	<u><b>177,934</b></u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	6,399	6,203
Deposits	<u>18,000</u>	<u>-</u>
	<u><b>24,399</b></u>	<u><b>6,203</b></u>
<b>Net Assets</b>		
General fund	<u><b>61,807</b></u>	<u><b>171,731</b></u>
	<u><b>86,206</b></u>	<u><b>177,934</b></u>

Approved by Board of Directors



Two handwritten signatures are present, each written over a horizontal line. The first signature is in cursive and appears to be 'Michael B...'. The second signature is also in cursive and is less legible.

# CHI HENG FOUNDATION CANADA

## Statement of Changes in Net Assets Year ended July 31, 2012

	<u>2012</u> \$	<u>2011</u> \$
<b>NET ASSETS</b>		
Balance, beginning of year	171,731	86,816
Excess (deficiency) of revenues over expenses	<u>(109,924)</u>	<u>84,915</u>
<b>Balance, end of year</b>	<u><b>61,807</b></u>	<u><b>171,731</b></u>

(See accompanying notes to financial statements)

# CHI HENG FOUNDATION CANADA

## Statement of Operations Year ended July 31, 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
<b>Revenues</b>		
Donations	458,161	594,874
Sponsorship	41,870	31,170
Fundraising events	40,372	5,165
Interest income	<u>1,760</u>	<u>2,409</u>
	<b><u>542,163</u></b>	<b><u>633,618</u></b>
<b>Expenses</b>		
Advertising and program books	29,995	12,411
Administrative costs	2,883	3,237
Donation	4,000	-
Interest and bank charges	8,960	3,976
Professional fees	7,699	7,236
Student sponsorship	570,919	498,300
Telethon	24,903	20,752
Travel	<u>2,728</u>	<u>2,791</u>
	<b><u>652,087</u></b>	<b><u>548,703</u></b>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b><u>(109,924)</u></b>	<b><u>84,915</u></b>

(See accompanying notes to financial statements)

# CHI HENG FOUNDATION CANADA

## Statement of Cash Flows Year ended July 31, 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
<b>Funds provided (used):</b>		
<b>Operating Activities</b>		
Excess (Deficiency) of Revenues Over Expenses	(109,924)	84,915
Changes in other non-cash working capital components (1)	<u>14,661</u>	<u>(204,188)</u>
	<u>(95,263)</u>	<u>(119,273)</u>
<b>Net decrease in cash</b>	<b>(95,263)</b>	<b>(119,273)</b>
Cash, beginning of year	<u>172,268</u>	<u>291,541</u>
<b>Cash, end of year</b>	<u><b>77,005</b></u>	<u><b>172,268</b></u>

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

Accounts receivable	(600)	-
Government remittance receivable	(2,935)	(4,624)
Accounts payable and accruals	196	(199,564)
Deposits	<u>18,000</u>	<u>-</u>
	<u>14,661</u>	<u>(204,188)</u>

(See accompanying notes to financial statements)



# CHI HENG FOUNDATION CANADA

## Notes to Financial Statements

July 31, 2012

### 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 generally accepted accounting principles 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.

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.