

**Canadian Chinese Insurance
Professionals Association**

Financial Statements

April 30, 2021

Unaudited - See Review Engagement Report



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Independent Practitioner's Review Engagement Report

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To the members of the Canadian Chinese Insurance Professionals Association:

We have reviewed the accompanying financial statements of the Canadian Chinese Insurance Professionals Association that comprise the statement of financial position as at April 30, 2021, and the statements of operations and changes in members' equity 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, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Canadian Chinese Insurance Professionals Association as at April 30, 2021, 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.

Baker Tilly WM LLP

Chartered Professional Accountants, Licensed Public Accountants

July 21, 2021
Toronto, Ontario

AUDIT • TAX • ADVISORY

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Canadian Chinese Insurance Professionals Association
Statement of Financial Position
April 30, 2021

Unaudited - See Review Engagement Report

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 23,042	\$ 25,937
Accounts receivable	-	359
Prepaid expenses	<u>699</u>	<u>-</u>
	<u>\$ 23,741</u>	<u>\$ 26,296</u>
Liabilities		
Accounts payable and accrued liabilities	\$ -	\$ 359
Deferred revenue	<u>4,085</u>	<u>465</u>
	<u>4,085</u>	<u>824</u>
Members' Equity	<u>19,656</u>	<u>25,472</u>
	<u>\$ 23,741</u>	<u>\$ 26,296</u>

Impact of COVID-19 (note 4)

Director

Director

See accompanying notes to the financial statements

**Canadian Chinese Insurance Professionals Association
Statement of Operations and Changes in Members' Equity
Year Ended April 30, 2021**

Unaudited - See Review Engagement Report

	<u>2021</u>	<u>2020</u>
Revenue		
Membership fees	\$ 4,095	\$ 5,105
Member events		
Chinese New Year dinner meeting and seminar	250	9,729
Christmas dinner party	-	28,036
Golf day	-	15,676
Annual General Meeting dinner and seminar	-	1,445
	<u>4,345</u>	<u>59,991</u>
Operating expenses		
Dues and subscriptions	4,452	5,108
Office and general	4,351	1,224
Insurance	979	1,852
Member events	200	47,614
Interest and bank charges	179	19
	<u>10,161</u>	<u>55,817</u>
(Deficiency) excess of revenue over expenses	(5,816)	4,174
Members' equity, beginning of year	<u>25,472</u>	<u>21,298</u>
Members' equity, end of year	<u>19,656</u>	<u>25,472</u>

See accompanying notes to the financial statements

Canadian Chinese Insurance Professionals Association
Statement of Cash Flows
Year Ended April 30, 2021

Unaudited - See Review Engagement Report

	<u>2021</u>	<u>2020</u>
Operating activities		
(Deficiency) excess of revenue over expenses	\$ <u>(5,816)</u>	\$ <u>4,174</u>
Net change in non-cash working capital balances		
Accounts receivable	359	631
Prepaid expenses	(699)	1,500
Accounts payable and accrued liabilities	(359)	210
Deferred revenue	<u>3,620</u>	<u>465</u>
	<u>2,921</u>	<u>2,806</u>
Cash (used in) provided by operating activities	<u>(2,895)</u>	<u>6,980</u>
(Decrease) increase in cash during the year	(2,895)	6,980
Cash, beginning of year	<u>25,937</u>	<u>18,957</u>
Cash, end of year	<u>\$ 23,042</u>	<u>\$ 25,937</u>

See accompanying notes to the financial statements

Canadian Chinese Insurance Professionals Association
Notes to the Financial Statements
Year Ended April 30, 2021

Unaudited - See Review Engagement Report

1. Reporting entity

Canadian Chinese Insurance Professionals Association (the "association"), is incorporated in Ontario and is a not-for-profit organization under income tax legislation with members presently or previously engaged in insurance or related industries. The association was first established in 1988 and later incorporated under the name Chinese Insurers Social Club of Toronto in March 1991. The current name was adopted and approved in September 1997.

The association aims to develop fraternity and facilitate the exchange of views and information amongst members. It is also the intention of the association to help bridge the insurance needs and requirements of the Canadian Chinese community and the Canadian insurance markets (both Life and General). This is achieved through educational workshops and seminars, social networking functions, recreational functions, and involvement in the community to facilitate an exchange of views and information amongst members.

2. Accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The association follows the deferral method of accounting for revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions and restricted contributions for the purchase of capital assets that will not be amortized are not recognized as revenue. They are recognized as direct increases in net assets in the period in which they are received.

Membership fees are recognized as revenue proportionately over the fiscal year to which they relate.

Tangible Capital Assets

Tangible capital assets are carried at cost less accumulated amortization. Amortization is calculated annually except in the year of acquisition, at which time amortization is provided for at one half the annual rate.

When a tangible capital asset no longer has any long-term service potential to the association, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Canadian Chinese Insurance Professionals Association
Notes to the Financial Statements
Year Ended April 30, 2021

Unaudited - See Review Engagement Report

2. Accounting policies (continued)

Financial instruments

Measurement of financial instruments

The association measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions. Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in (deficiency) excess of revenue over expenses when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition of the instrument.

The association subsequently measures all of its financial assets and financial liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are assessed for indications of impairment at the end of each reporting period. If impairment is identified, the amount of the write down is recognized as an impairment loss in (deficiency) excess of revenue over expenses. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in (deficiency) excess of revenue over expenses.

Contributed Materials and Services

Contributed materials and services are not recognized in the financial statements unless they are substantial, a fair value can be reasonably estimated and the materials and services are used in the normal course of operations and would otherwise have been purchased. No contributed materials and services were recognized in the years ending 2021 and 2020.

3. Financial instruments

Risks and concentrations

The association is exposed to various risks through its financial instruments. The following analysis provides a measure of the association's risk exposure and concentrations at April 30, 2021.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The association's main credit risks relate to its cash. The association mitigates this risk by holding cash in financial institutions that are members of the Canada Deposit Insurance Corporation.

Canadian Chinese Insurance Professionals Association
Notes to the Financial Statements
Year Ended April 30, 2021

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3. Financial instruments (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The association is not exposed to such risks.

4. Impact of COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the association's environment and in the global markets, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of nonessential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the association's future operations and financial results.

The association cannot estimate the length and gravity of the COVID-19 pandemic. However, the association is continually monitoring and assessing new information and recommendations from health and government authorities as it becomes available and will continue to respond accordingly.

As of the date of the approval of the financial statements on July 22, 2021, certain events planned for the fiscal year have been postponed or cancelled due to the current measures enforced by the government. While this presents uncertainty over future revenues, management expects the association will have adequate cash to fund its operations during this crisis through existing cash, revenue sources and tight controls over operating expenses. Revenue is expected to decrease during the COVID-19 pandemic, however, it is expected to be sustainable due to the organization's reputation in the community.
