
CANADIAN AVIATION HISTORICAL SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2011

CANADIAN AVIATION HISTORICAL SOCIETY

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INDEPENDENT AUDITORS' REPORT

To the Directors of the
CANADIAN AVIATION HISTORICAL SOCIETY

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Aviation Historical Society, which comprise the statement of financial position as at December 31, 2011 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 accounting principles generally accepted in Canada, 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.

Auditors' 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 that we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion

In common with many charitable organizations, Canadian Aviation Historical Society derives revenue from donations, memberships and miscellaneous fundraising sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was 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 donations, memberships and miscellaneous revenue, excess of revenue over expenditures, current assets and net assets.

Qualified opinion

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph the financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles general accepted in Canada. As required by the Canada Corporations Act, we report that in our opinion these principles have been applied on a basis consistent with that of the preceding year.

Ottawa, Ontario
February 12, 2015



Rheume Williams Kalbfleisch, LLP
Chartered Accountants, Licensed Public Accountants

CANADIAN AVIATION HISTORICAL SOCIETY

STATEMENT OF FINANCIAL POSITION

As at December 31,	2011	2010
ASSETS		
CURRENT ASSETS		
Cash	\$ 53,289	\$ 52,123
Short term investments (Note 4)	33,879	33,569
Accounts receivable	4,911	991
Prepays	1,080	-
	\$ 93,159	\$ 86,683
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 10,285	\$ 6,945
Funds held in trust	10,175	11,925
Deferred membership fees (Note5)	5,084	15,970
	25,544	34,840
NET ASSETS		
Unrestricted	67,615	51,843
	\$ 93,159	\$ 86,683

On behalf of the Board:

_____ Treasurer

See accompanying notes to the financial statements

CANADIAN AVIATION HISTORICAL SOCIETY

STATEMENT OF OPERATIONS

For the year ended December 31			2011	2010
	National	Branches	Total	Total
REVENUE				
Memberships	\$ 31,310	\$ 15,397	\$ 46,707	\$ 37,371
Donations	13,586	7,050	20,636	2,451
Annual Convention	16,178	-	16,178	12,626
Miscellaneous	2,637	10,319	12,956	15,582
	<u>63,711</u>	<u>32,766</u>	<u>96,477</u>	<u>68,030</u>
EXPENDITURES				
Audit	4,200	-	4,200	3,875
Bank charges	251	-	251	268
Computers and website service	1,870	1,961	3,831	11,069
Conventions and meetings	12,093	2,070	14,163	14,204
Grants and donations	240	5,845	6,085	5,272
Insurance	3,376	-	3,376	3,121
Legal and accounting	250	326	576	221
Office and administration	2,093	3,828	5,921	13,091
Postage	8,637	3,087	11,724	8,243
Rent	780	1,735	2,515	1,655
Telephone	899	100	999	254
Vehicle	-	-	-	9
Printing	23,695	3,369	27,064	30,666
	<u>58,384</u>	<u>22,321</u>	<u>80,705</u>	<u>91,948</u>
NET REVENUE				
(EXPENDITURES)	\$ 5,327	\$ 10,445	\$ 15,772	\$ (23,918)

See accompanying notes to the financial statements

CANADIAN AVIATION HISTORICAL SOCIETY

STATEMENT OF CASH FLOWS

For the year ended December 31	2011	2010
CASH PROVIDED BY (USED IN) OPERATIONS		
Net revenue (expenditures)	\$ 15,772	\$ (23,918)
Changes in non-cash working capital balances		
Accounts receivable	(3,920)	1,802
Prepaid expenses	(1,080)	-
Accounts payable and accrued liabilities	3,340	3,545
Funds held in trust	(1,750)	(250)
Deferred revenue	(10,886)	3,070
	1,476	(15,751)
INCREASE (DECREASE) IN CASH	1,476	(15,751)
CASH, beginning of year	85,692	101,443
CASH, end of year	\$ 87,168	\$ 85,692
CONSISTING OF:		
Cash	\$ 53,289	\$ 52,123
Short term investments	33,879	33,569
	\$ 87,168	\$ 85,692

STATEMENT OF CHANGE IN NET ASSETS

For the year ended December 31	2011	2010
UNRESTRICTED NET ASSETS, beginning of year	51,843	75,761
Net revenue (expenditures)	15,772	(23,918)
UNRESTRICTED NET ASSETS, end of year	\$ 67,615	\$ 51,843

See accompanying notes to the financial statements

CANADIAN AVIATION HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

The Canadian Aviation Historical Society is a not for profit organization within the meaning of the Income Tax Act (Canada). The organization is able to issue tax creditable receipts under Canada Revenue Agency registration number 11882 9589 RR0001 and is exempt from income taxes. The organization is dedicated to the preservation of Canada's flying heritage, to support and encourage research into Canadian aeronautical history, to foster the collection and dissemination of knowledge.

1. ACCOUNTING POLICIES:

(a) Basis of presentation:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(b) Revenue recognition:

The organization follows the deferral method of accounting, membership revenue is recognized in the year for which the fees were intended.

Revenue from miscellaneous sales, donations, interest and membership fees is recognized on a cash basis.

(c) Investments:

Investments classified as held for trading are recorded at fair market value.

Fair value of securities are determined by reference to published price quotations in an active market at year-end.

The purchase and sale of investments are accounted for using settlement date accounting.

(d) Capital assets:

Capital assets are expensed in the year of acquisition.

(e) Publication costs:

All costs associated with the publication the Canadian Aviation Historical Society Journal are expensed in the year they are incurred.

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2. FINANCIAL INSTRUMENTS:

The Canadian Aviation Historical Society's financial instruments consist of cash, short term investments, accounts receivable and accounts payable. The book values of accounts receivable and accounts payable approximate fair values due to their short-term nature.

The organization does not enter into any derivative financial instrument arrangements for hedging or speculative purposes.

Unless otherwise noted, it is management's opinion that The Canadian Aviation Historical Society, is not exposed to significant interest, currency or credit risks arising from these financial instruments.

3. CAPITAL DISCLOSURES:

The organization defines its capital as its unrestricted net assets which are not subject to external requirements. The organization's objectives with respect to managing capital are to hold sufficient unrestricted net assets to fund ongoing operations. The organization monitors its capital requirements and objectives through its budgeting process and its financial statement review process.

4. SHORT TERM INVESTMENTS:

	2011	2010
Short term investments (held for trading)		
TD Canada Trust, .05% GIC - term deposits		
Due October 11, 2014	\$ 33,879	\$ 33,569

5. DEFERRED MEMBERSHIP FEES:

	Deferred revenue beginning of year	Amounts received during year	Amounts applied to current year	Deferred revenue end of year
	\$ 15,970	\$ 20,424	\$ 31,310	\$ 5,084

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6. FINANCIAL RISK MANAGEMENT POLICY:

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at the reporting date.

Credit risk

The Society determines, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

Interest rate risk

The Society is exposed to interest rate risk on its fixed interest rate financial instrument, that exposes the organization to a fair value risk. As of the year end, the Society's term deposits mature in the very short term. The interest rate risk is therefore minimal.

Market risk

The market risk associated with investments is reduced to a minimum since these assets are invested in guaranteed investment certificates.