
CANADIAN AVIATION HISTORICAL SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2014

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WILLIAMS
KALDFLEIGH

CANADIAN AVIATION HISTORICAL SOCIETY

DECEMBER 31, 2014

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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, 2014 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, 2014 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
June 18, 2015

Rheume Williams Kalbfleisch, LLP
Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

CANADIAN AVIATION HISTORICAL SOCIETY

STATEMENT OF FINANCIAL POSITION

As at December 31,	2014	2013
ASSETS		
CURRENT ASSETS		
Cash	\$ 63,239	\$ 35,520
Short term investments (Note 3)	41,399	34,218
Accounts receivable	4,889	6,789
	<u>\$ 109,527</u>	<u>\$ 76,527</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 17,821	\$ 12,600
Funds held in trust	13,805	9,305
Deferred membership fees (Note 4)	6,230	11,690
	<u>37,856</u>	<u>33,595</u>
NET ASSETS		
Unrestricted	71,671	42,932
	<u>\$ 109,527</u>	<u>\$ 76,527</u>

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			2014	2013
	National	Branches	Total	Total
REVENUE				
Memberships	\$ 29,808	\$ 11,095	\$ 40,903	\$ 39,430
Donations	17,972	7,749	25,721	24,460
Annual Convention	-	12,421	12,421	16,890
Miscellaneous	12,282	24,171	36,453	19,222
	60,062	55,436	115,498	100,002
EXPENDITURES				
Audit	4,500	-	4,500	4,200
Bank charges	214	-	214	221
Computers and website service	2,237	180	2,417	3,959
Conventions and meetings	5,003	10,673	15,676	21,721
Grants and donations	790	7,698	8,488	14,321
Insurance	3,438	-	3,438	3,416
Legal and accounting	3,224	192	3,416	256
Office and administration	7,826	6,174	14,000	9,802
Postage	6,772	2,868	9,640	15,991
Rent	-	1,041	1,041	-
Telephone	371	-	371	380
Travel	-	316	316	-
Printing	19,609	3,633	23,242	27,686
	53,984	32,775	86,759	101,953
NET REVENUE				
(EXPENDITURES)	\$ 6,078	\$ 22,661	\$ 28,739	\$ (1,951)

See accompanying notes to the financial statements

CANADIAN AVIATION HISTORICAL SOCIETY

STATEMENT OF CASH FLOWS

For the year ended December 31	2014	2013
CASH PROVIDED BY (USED IN) OPERATIONS		
Net revenue (expenditures)	\$ 28,739	\$ (1,951)
Changes in non-cash working capital balances		
Accounts receivable	1,900	(214)
Prepaid expenses	-	1,918
Accounts payable and accrued liabilities	5,221	1,262
Funds held in trust	4,500	(239)
Deferred revenue	(5,460)	511
	34,900	1,287
INCREASE (DECREASE) IN CASH	34,900	1,287
CASH, beginning of year	69,738	68,451
CASH, end of year	\$ 104,638	\$ 69,738
CONSISTING OF:		
Cash	\$ 63,239	\$ 35,520
Short term investments	41,399	34,218
	\$ 104,638	\$ 69,738

STATEMENT OF CHANGE IN NET ASSETS

For the year ended December 31	2014	2013
UNRESTRICTED NET ASSETS, beginning of year	42,932	44,883
Net revenue (expenditures)	28,739	(1,951)
UNRESTRICTED NET ASSETS, end of year	\$ 71,671	\$ 42,932

See accompanying notes to the financial statements

CANADIAN AVIATION HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the organization to make estimates and assumptions that affect the reported amounts of 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 the organization's best estimates, as additional information becomes available in the future..

(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) Capital assets

Capital assets are expensed in the year of acquisition.

(d) Publication costs

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

(e) Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, accounts receivable and investments.

Financial liabilities measured at amortized cost include accounts payable.

CANADIAN AVIATION HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

2. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments.

Credit risk

The organizations accounts receivable consist of HST rebates recoverable. The organization is not exposed to any credit risks.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of delay in realizing the fair value of financial instruments.

The assets of the organization can be readily converted into cash. The liabilities of the organization are limited to accounts payable. The organization's liquidity risk is low.

Interest rate risk

The organization is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed rate instruments subject the organization to a fair value risk. The risk associated with the investments is reduced to a minimum since these assets are short term in nature and are secured by a chartered Canadian banking institution.

Other price risk

The market risk associated with the short term investments is low as the investment is in the form of a Guaranteed Investment Certificate - term deposit.

3. SHORT TERM INVESTMENTS

	2014	2013
Short term investments		
RBC, 1.2% Cashable GIC, due December 15, 2015	\$ 4,500	\$ -
TD Canada Trust, .67% GIC, due December 15, 2017	36,899	34,218
	\$ 41,399	\$ 34,218

4. DEFERRED MEMBERSHIPS FEES

Deferred membership fees beginning of year	Amounts received during year	Amounts applied to current year	Deferred membership fees end of year
\$ 11,690	\$ 24,348	\$ 29,808	\$ 6,230