
CANADIAN AVIATION HISTORICAL SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2015

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, 2015 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, 2015 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 1, 2016

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

CANADIAN AVIATION HISTORICAL SOCIETY

STATEMENT OF FINANCIAL POSITION

As at December 31,	2015	2014
ASSETS		
CURRENT ASSETS		
Cash	\$ 45,816	\$ 63,239
Short term investments (Note 3)	41,192	41,399
Accounts receivable	10,561	4,889
Prepays	1,667	-
	<u>\$ 99,236</u>	<u>\$ 109,527</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 4,771	\$ 17,821
Funds held in trust	13,305	13,805
Deferred membership fees (Note 4)	4,073	6,230
	<u>22,149</u>	<u>37,856</u>
NET ASSETS		
Unrestricted	<u>77,087</u>	<u>71,671</u>
	<u>\$ 99,236</u>	<u>\$ 109,527</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				2015	2014
	National	Branches		Total	Total
REVENUE					
Memberships	\$ 26,437	\$ 9,990		\$ 36,427	\$ 40,903
Donations	13,467	10,780		24,247	25,183
Annual Convention	15,461	-		15,461	16,171
Miscellaneous	3,267	682		3,949	8,159
Fundraising	5,680	2,557		8,237	20,983
Publication sales	304	53		357	1,412
Interest revenue	297	10		307	2,687
	64,913	24,072		88,985	115,498
EXPENDITURES					
Audit	4,500	-		4,500	4,500
Bank charges	476	199		675	848
Computers and website service	3,622	500		4,122	2,417
Conventions	11,008	120		11,128	12,894
Fundraising costs	823	1,091		1,914	5,206
Community grants and donations	250	16,661		16,911	8,487
Insurance	1,803	-		1,803	3,438
Legal and accounting	-	-		-	3,224
Office and administration	1,728	5,237		6,965	11,005
Postage	6,158	2,281		8,439	9,640
Rent	1,526	793		2,319	978
Telephone	161	-		161	371
Travel	40	-		40	316
Printing	20,426	4,166		24,592	23,435
	52,521	31,048		83,569	86,759
NET REVENUE					
(EXPENDITURES)	\$ 12,392	\$ (6,976)		\$ 5,416	\$ 28,739

See accompanying notes to the financial statements

CANADIAN AVIATION HISTORICAL SOCIETY
STATEMENT OF CASH FLOWS

For the year ended December 31	2015	2014
CASH PROVIDED BY (USED IN) OPERATIONS		
Net revenue (expenditures)	\$ 5,416	\$ 28,739
Changes in non-cash working capital balances		
Accounts receivable	(5,672)	1,900
Prepaid expenses	(1,667)	-
Accounts payable and accrued liabilities	(13,050)	5,221
Funds held in trust	(500)	4,500
Deferred revenue	(2,157)	(5,460)
	(17,630)	34,900
INCREASE (DECREASE) IN CASH	(17,630)	34,900
CASH, beginning of year	104,638	69,738
CASH, end of year	\$ 87,008	\$ 104,638
CONSISTING OF:		
Cash	\$ 45,816	\$ 63,239
Short term investments	41,192	41,399
	\$ 87,008	\$ 104,638

STATEMENT OF CHANGE IN NET ASSETS

For the year ended December 31	2015	2014
UNRESTRICTED NET ASSETS, beginning of year	71,671	42,932
Net revenue	5,416	28,739
UNRESTRICTED NET ASSETS, end of year	\$ 77,087	\$ 71,671

See accompanying notes to the financial statements

CANADIAN AVIATION HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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 donations, annual convention, miscellaneous, fundraising, publication sales and interest are 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, 2015

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

	2015	2014
Short term investments		
RBC, 0.5% Cashable GIC, due December 15, 2016	\$ 4,048	\$ 4,500
TD Canada Trust, .67% GIC, due December 15, 2017	37,144	36,899
	\$ 41,192	\$ 41,399

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NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4. DEFERRED NATIONAL MEMBERSHIPS FEES

Deferred membership fees beginning of year	Memberships received during year	Memberships applied to current year	Deferred membership fees end of year
\$ 6,230	\$ 24,280	\$ 26,437	\$ 4,073

5. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.