
CANADIAN AVIATION HISTORICAL SOCIETY
FINANCIAL STATEMENTS
DECEMBER 31, 2016

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, 2016 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, 2016 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 9, 2017




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

CANADIAN AVIATION HISTORICAL SOCIETY
STATEMENT OF FINANCIAL POSITION

As at December 31,	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 60,980	\$ 45,816
Short term investments (Note 3)	40,956	41,192
Accounts receivable	4,568	10,561
Prepays	1,737	1,667
	\$ 108,241	\$ 99,236
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 7,034	\$ 4,771
Funds held in trust	12,805	13,305
Deferred membership fees (Note 4)	7,101	4,073
	26,940	22,149
NET ASSETS		
Unrestricted	81,301	77,087
	\$ 108,241	\$ 99,236

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				2016	2015
	National	Branches		Total	Total
REVENUE					
Memberships	\$ 26,125	\$ 7,253	\$	33,378	\$ 36,427
Donations	12,850	6,685		19,535	24,247
Annual Convention	-	21,102		21,102	15,461
Miscellaneous	3,485	1,150		4,635	3,949
Fundraising	2,826	1,183		4,009	8,237
Publication sales	821	708		1,529	357
Exchange gains	-	647		647	-
Interest revenue	266	13		279	307
	46,373	38,741		85,114	88,985
EXPENDITURES					
Audit	5,085	-		5,085	4,500
Bank charges	715	152		867	675
Computers and website service	3,034	-		3,034	4,122
Conventions	1,715	15,156		16,871	11,128
Fundraising costs	1,669	515		2,184	1,914
Community grants and donations	700	2,380		3,080	16,911
Insurance	3,673	-		3,673	1,803
Office and administration	660	6,036		6,696	6,965
Postage	6,471	1,271		7,742	8,439
Rent	1,734	1,266		3,000	2,319
Telephone	158	-		158	161
Travel	-	-		-	40
Printing	23,007	5,503		28,510	24,592
	48,621	32,279		80,900	83,569
NET REVENUE					
(EXPENDITURES)	\$ (2,248)	\$ 6,462	\$	4,214	\$ 5,416

See accompanying notes to the financial statements

CANADIAN AVIATION HISTORICAL SOCIETY

STATEMENT OF CASH FLOWS

For the year ended December 31	2016	2015
CASH PROVIDED BY (USED IN) OPERATIONS		
Net revenue (expenditures)	\$ 4,214	\$ 5,416
Changes in non-cash working capital balances		
Accounts receivable	5,993	(5,672)
Prepaid expenses	(70)	(1,667)
Accounts payable and accrued liabilities	2,263	(13,050)
Funds held in trust	(500)	(500)
Deferred revenue	3,028	(2,157)
	14,928	(17,630)
INCREASE (DECREASE) IN CASH	14,928	(17,630)
CASH, beginning of year	87,008	104,638
CASH, end of year	\$ 101,936	\$ 87,008
CONSISTING OF:		
Cash	\$ 60,980	\$ 45,816
Short term investments	40,956	41,192
	\$ 101,936	\$ 87,008

STATEMENT OF CHANGE IN NET ASSETS

For the year ended December 31	2016	2015
UNRESTRICTED NET ASSETS, beginning of year	77,087	71,671
Net revenue	4,214	5,416
UNRESTRICTED NET ASSETS, end of year	\$ 81,301	\$ 77,087

See accompanying notes to the financial statements

CANADIAN AVIATION HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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, 2016

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

	2016	2015
Short term investments		
RBC, 0.5% Cashable GIC, due December 25, 2017	\$ 3,566	\$ 4,048
TD Canada Trust, .67% GIC, due December 15, 2017	37,390	37,144
	\$ 40,956	\$ 41,192

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NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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
\$ 4,073	\$ 29,153	\$ 26,125	\$ 7,101