

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

FINANCIAL STATEMENTS

JUNE 30, 2016

REVIEW ENGAGEMENT REPORT

To the Trustees of the Royal Canadian Air Force Association Trust:

I have reviewed the balance sheet of the Royal Canadian Air Force Association Trust as at June 30, 2016 and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted accounting standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to me by the Trust management.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

The prior year's unaudited financial statements were prepared by another firm of public accountants without reservation.



Ottawa, September 2, 2016

Ted R. Lupinski, C.P.A., C.A. Professional Corporation,
Authorized to practise public accounting by CPA Ontario

Ted R. Lupinski, B.Sc., M.B.A., C.P.A., C.A.*

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*operating as Ted R. Lupinski, C.P.A., C.A. Professional Corporation

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

BALANCE SHEET - JUNE 30, 2016

ASSETS

	<u>2016</u>	<u>2015</u>
<u>Current Assets</u>		
Cash - unrestricted	\$ 17,767	\$ 12,636
- restricted (note 2)	22,116	17,377
Investments	23,484	23,181
Due from the Royal Canadian Air Force Association of Canada	<u>-</u>	<u>151</u>
	<u>\$ 63,367</u>	<u>\$ 53,345</u>

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	\$ 3,000	\$ -
Deferred contributions (note 5)	<u>22,116</u>	<u>17,377</u>
	25,116	17,377

NET ASSETS

<u>Net Assets</u>	<u>38,251</u>	<u>35,968</u>
	<u>\$ 63,367</u>	<u>\$ 53,345</u>

SIGNED ON BEHALF OF THE TRUST

_____ Trustee

_____ Trustee

TL **Ted R Lupinski**

 **CPA** CHARTERED
PROFESSIONAL
ACCOUNTANT

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
<u>Balance, beginning of year</u>	\$35,968	\$35,441
Excess of revenue over expenses	<u>2,283</u>	<u>527</u>
<u>Balance, end of year</u>	<u>\$38,251</u>	<u>\$35,968</u>

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED JUNE 30, 2016

<u>Revenue</u>	<u>2016</u>	<u>2015</u>
Contributions		
Individuals (Undesignated)	\$ 7,979	\$ 6,279
Individuals (for Fort McMurray & AB Forest Fire Disaster)	6,364	-
Individuals (for 100 Laval Squadron)	300	-
Individuals (for 416 Wings for Harvard Monument)	-	6,850
Individuals (for 427 Squadron Association)	600	650
Individuals (for 427 London Wing)	250	1,800
Individuals (for 422 Wing Air Cadet Awards Trust Fund)	200	725
Individuals (for Bomber Command Memorial)	-	16,271
Individuals (for RCAF Air Cadet Medals)	-	2,619
Humanitarian Operation	-	100,000
427 Squadron Association	450	-
Air Cadet League of Canada	20,390	-
Snowbirds 45th Annivesary Celebration	4,198	-
801 Wing Battle of Britain Project	2,236	-
150 Wing (The Honour 100)	-	5,000
ON Group - Computer for Air Cadet	-	2,458
Griesbach RCAF Commemorative Society	26,000	-
Bomber Command-Lincolnshire	8,202	12,960
Investment income	303	349
	<u>77,472</u>	<u>155,961</u>
<u>Expenses</u>		
Grant to 100 Laval Squadron	270	-
Grant to 416 Wings for Harvard Monument	-	6,175
Grant to 422 Wing Air Cadet Awards Program	-	683
Grant to 427 Squadron Association	545	585
Grant to 427 London Wing	675	1,620
Grant to 801 Wing Battle of Britain Project	2,276	-
Carried forward	<u>\$ 3,766</u>	<u>\$ 9,063</u>

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED JUNE 30, 2016

Expenses

Brought forward	\$	3,766	\$	9,063
Grant to Air Cadet League of Canada and Flying Scholarships		17,416		2,700
Grant to Air Cadet League of Canada		258		-
Grant to Air Cadet League of Canada (Quebec & Ottawa Valley)		500		-
Grant to 58 Squadron Sponsoring Committee		750		-
Grant to Fondation Aerovision Quebec		500		-
Grant to RCAF Air Cadet Medals		-		3,195
Grant to Snowbirds 45th Anniversary Celebration		3,988		-
Grant to Humanitarian Operation		-		90,000
Grant to University of Calgary-Student's Union		-		1,500
Grant to University of Victoria-Military History Project		-		1,000
Grant to Canada Science and Technology Museum		-		500
Grant to The Canadian Aviation Historical Society		-		1,000
Grant to New Brunswick Aviation Museum		-		1,500
Grant to Vintage Wings of Canada		-		1,705
Grant to 150 Wing (The Honour 100)		-		4,500
ON Group - Computer for Air Cadet		-		2,227
The Canadian Warplane Heritage Museum		3,000		-
Bomber Command Memorial general expenses		1,107		15,967
Bomber Command-Lincolnshire		4,067		12,522
Griesbach RCAF Commemorative Society		23,920		-
Fort McMurray & Alberta Forest Fires Appeal		6,046		-
Office		3,088		3,522
Bank charges		110		78
Professional fees		6,673		4,455
		<u>75,189</u>		<u>155,434</u>
<u>Excess of revenue over expenses</u>	\$	<u>2,283</u>	\$	<u>527</u>

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 2,283	\$ 527
Net change in non-cash working capital items	<u>7,587</u>	<u>(16,022)</u>
	<u>9,870</u>	<u>(15,495)</u>
INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	9,870	(15,495)
CASH, BEGINNING OF YEAR	<u>30,013</u>	<u>45,508</u>
CASH, END OF YEAR	<u>\$ 39,883</u>	<u>\$ 30,013</u>

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

PURPOSE OF THE ORGANIZATION

The Royal Canadian Air Force Association Trust (the "Trust") is affiliated with the Royal Canadian Air Force Association of Canada/Association de l'Aviation royale canadienne, created in accordance with the Trust Agreement, and is responsible for raising and distributing funds at the national level for the Association's charitable programs. The Trust is a registered charitable organization.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Trust's significant accounting policies are as follows:

(a) Revenue Recognition

The Trust follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related restrictions are met. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

(b) Volunteer Services

The Trust receives the services of volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expense has been included in these financial statements.

(c) Financial Instruments

The Trust's financial instruments consist of cash, investments due from the Royal Canadian Air Force Association of Canada/Association de l'Aviation royale canadienne and accounts payable and accrued liabilities.

It is management's opinion that the Trust is not exposed to significant interest rate, currency, liquidity or credit risks arising from these financial instruments.

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from management's best estimates as additional information become available in the future.

(e) Investments

Investments consist of a mutual fund recorded at fair market value.

2. CASH RESTRICTED

During the year the Trust acted as administrator for the projects of the Typhoon Memorial Maintenance Fund, Bomber Command Memorial, RAF Leeming Service, Bomber Command Memorial Book, Battle of Britain Fund, 408 Squadron Association, Air Cadet Medals, Air Cadet League of Canada and the Snowbirds 40th Anniversary. Funds held in the Trust bank account relating to these projects which have not yet been disbursed are recorded in deferred revenue (note 5). The amounts will be recognized as revenue and expenses when the funds are disbursed.

3. RELATED PARTY TRANSACTIONS

The Royal Canadian Air Force Association Trust is affiliated with the Royal Canadian Air Force Association of Canada/Association de l'Aviation royale canadienne. The entities share office space and administrative services.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Trust had no liability for either sales taxes or payroll and withholding taxes on its balance sheet.

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

5. DEFERRED CONTRIBUTIONS

	Typhoon Memorial Maintenance	Bomber Command Memorial	RAF Leeming Service	Bomber Command Memorial Book	Battle of Britain	408 Squadron Association	Air Cadet Medals	Air Cadet League of Canada	Snowbirds 40th Anniversary	Total
Balance - beginning of year	\$ 7,600	\$ 508	\$ 1,040	\$ 1,443	\$ 955	\$ 100	\$ 5,731	\$ -	\$ -	\$ 17,377
Amounts received during the year	500	10,125	-	-	1,281	724	150	22,787	4,198	39,765
Amounts recognized as revenue during the year	-	(8,202)	-	-	(2,236)	-	-	(20,390)	(4,198)	(35,026)
Balance - end of year	\$ 8,100	\$ 2,431	\$ 1,040	\$ 1,443	\$ -	\$ 824	\$ 5,881	\$ 2,397	\$ -	\$ 22,116