

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST
FINANCIAL STATEMENTS
JUNE 30, 1998

AUDITORS' REPORT

To the Trustees of
Royal Canadian Air Force Association Trust

We have audited the balance sheet of the Royal Canadian Air Force Association Trust as at June 30, 1998 and the summary of receipts and disbursements for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether these financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Trust derives revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Trust and we were not able to determine whether any adjustments might be necessary to contribution revenue, assets and balance of trust equity.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contribution revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Trust as at June 30, 1998 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

McCay, Duff & Co.
Chartered Accountants

Ottawa, Ontario,
July 21, 1998.

McCay, Duff & Company

CHARTERED ACCOUNTANTS

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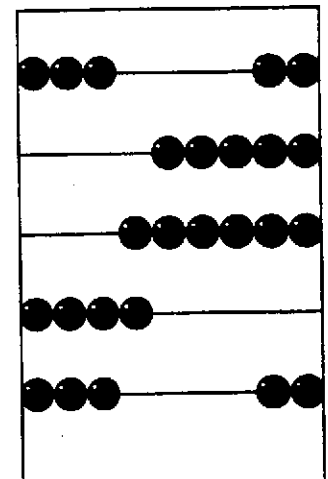
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ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

BALANCE SHEET

AS AT JUNE 30, 1998

ASSETS

	<u>1998</u>	<u>1997</u>	<u>1996</u>
CURRENT			
Cash	\$ 4,439	\$ 4,478	\$ 5,085
Cash held for 600 Wing	-	500	500
Cash held for Magazine 75th Anniversary Issue	30,616	8,050	-
Term deposits	16,000	16,000	16,000
Accrued interest receivable	<u>252</u>	<u>171</u>	<u>336</u>
	<u>\$ 51,307</u>	<u>\$ 29,199</u>	<u>\$ 21,921</u>

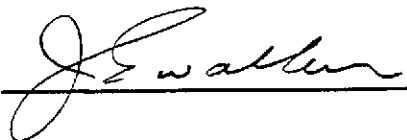
LIABILITY

CURRENT			
Due to Air Force Association of Canada	\$ 1,700	\$ -	\$ -

EQUITY

BALANCE - BEGINNING OF YEAR	29,199	21,921	24,298
Receipts	53,618	41,878	18,835
Disbursements	<u>(33,210)</u>	<u>(34,600)</u>	<u>(21,212)</u>
BALANCE - END OF YEAR	<u>49,607</u>	<u>29,199</u>	<u>21,921</u>
	<u>\$ 51,307</u>	<u>\$ 29,199</u>	<u>\$ 21,921</u>

Approved on behalf of the Trust:



 Trustee



 Trustee

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

SUMMARY OF RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED JUNE 30, 1998

	<u>1998</u>	<u>1997</u>	<u>1996</u>
RECEIPTS			
Contributions			
Individuals	\$ 2,476	\$ 2,519	\$ 2,460
484 Wing (for Cadet Squadrons)	11,500	15,000	6,000
484 Wing (for Flying Scholarship)	-	10,000	5,000
428 Wing (for Flying Scholarship)	1,000	1,000	1,000
F/O Steel's Memorial (for Flying Scholarship)	-	-	1,333
Life Members (for Flying Scholarship)	-	-	500
410 Wing (for Flying Scholarship)	200	-	-
412 Wing (for Halifax A/C Association)	-	-	1,000
443 Wing (for Halifax A/C Association)	-	100	-
441 Wing (for Halifax A/C Association)	1,000	-	-
Sen. Molson (Magazine 75th Anniversary Issue)	-	5,000	-
Bomber Harris Trust (Magazine 75th Anniversary Issue)	-	3,000	-
Individuals (Magazine 75th Anniversary Issue)	22,566	50	-
Individuals (for National Aviation Museum PMV)	250	-	-
422 Wing (for National Aviation Museum PMV)	500	-	-
600 Wing (for National Aviation Museum PMV)	500	-	-
412 Wing (for National Aviation Museum PMV)	1,000	-	-
408/437 Wing (for National Aviation Museum PMV)	1,000	-	-
600 Wing (for Hold)	(500)	-	500
AFAC Memorial to Mrs. Baldwin	-	150	150
422 Wing (for Museum Project)	350	-	-
484 Wing (for Niagara Air Group)	3,000	3,000	-
484 Wing (for Civil Air Search & Rescue Association)	3,000	1,000	-
422 Wing (Memorial Project)	-	500	-
#644 RC (AIR) CS. (CFTA)	300	-	-
484 Wing (for Royal Canadian Legion Branch 71)	2,000	-	-
410 Wing (for Rideau-Perley Veterans Health Centre)	3,000	-	-
Interest	<u>476</u>	<u>559</u>	<u>892</u>
RECEIPTS - CARRY FORWARD	\$ 53,618	\$ 41,878	\$ 18,835

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

SUMMARY OF RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED JUNE 30, 1998

	<u>1998</u>	<u>1997</u>	<u>1996</u>
RECEIPTS - CARRIED FORWARD	\$ 53,618	\$ 41,878	\$ 18,835
DISBURSEMENTS			
Grant to Flying Scholarship Trust	1,400	650	1,923
Grant to RCAF Benevolent Fund	-	600	-
Grant to RCAF Memorial (New Brunswick)	-	300	-
Grant to Normandy Foundation	100	100	100
Grant to Western Canada Aviation Museum	-	200	-
Grant to RCAFA (ACL) Scholarship Trust	-	11,000	10,000
Grant to 2966 Army Cadet Squadron	5,000	7,000	3,000
Grant to Halifax Aircraft Association	1,100	500	1,600
Grant to 337 Allan Troup A.C. Squadron	2,500	2,500	1,500
Grant to 23 Optimist A.C. Squadron	-	1,500	1,500
Grant to Yorkshire Air Museum	850	200	350
Grant to Commonwealth Air Training Plan Museum	-	-	339
Grant to National Council of Veterans Association	150	-	300
Grant to Bomber Command Association	-	-	300
Grant to 176 A.C. Squadron (Winnipeg)	-	-	150
Grant to 220 A.C. Squadron (Winnipeg)	-	-	150
Grant to 79 Davies Troop Air Cadet Squadron	-	2,000	-
Grant to Canadian Warplane Heritage Museum	-	200	-
Grant to 422 Wing Memorial Project	-	500	-
Grant to RCAF Memorial Museum	625	1,350	-
Grant to Niagara Air Group	3,000	3,000	-
Grant to 87 Eagle Squadron	2,500	2,000	-
Grant to Civil Air Search & Rescue Association	3,000	1,000	-
Grant to 422 Wing Museum Project	350	-	-
Grant to #644 RC (AIR) CS. (CFTA)	300	-	-
Grant to National Air Museum (Aerotek Mobility Vehicle)	3,995	-	-
Grant to Royal Canadian Legion Branch 71	2,000	-	-
Grant to 128 (Flying Tigers) RCAC	1,500	-	-
Grant to Rideau-Perley Veterans Health Centre	3,000	-	-
Grant to Ensigns to Ulster	140	-	-
Grant to Lincolns Inn Field Park Memorial Cairn	<u>1,700</u>	<u>-</u>	<u>-</u>
	<u>33,210</u>	<u>34,600</u>	<u>21,212</u>
CHANGE IN BALANCE OF TRUST FOR THE YEAR	<u>\$ 20,408</u>	<u>\$ 7,278</u>	<u>\$ (2,377)</u>

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

1. PURPOSE OF TRUST

The Trust is a subsidiary of the Air Force Association of Canada, created in accordance with the Trust Agreement, that is responsible for raising and distributing funds at the National Level for the Association charitable programs. The Trust is a registered charitable organization.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

Receipts and disbursements are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

(b) Volunteer Services

Volunteers assist the Trust in carrying out its service delivery activities. Due to the difficulty of determining their fair value, volunteer services are not recognized in the financial statements.

3. RELATED PARTIES

Royal Canadian Air Force Association Trust and Air Force Productions Limited are subsidiaries of the Air Force Association of Canada. All entities share office space and administrative services.

4. SUBSEQUENT EVENT

For the first time in the Trust's history, the Trust has launched an appeal for donations.

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

FINANCIAL STATEMENT

JUNE 30, 1996

McCAY, DUFF & COMPANY

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Trustees of
Royal Canadian Air Force
Association Trust

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Except as explained in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, this financial statement presents fairly, in all material respects, the financial position of the Trust as at June 30, 1996 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

McCay, Duff & Company
Chartered Accountants.

Ottawa, Ontario,
September 6, 1996.

JOHN W. FRANKLIN, C.A.
THOMAS W. HOWARTH, C.A.
BRYAN E. SULLIVAN, C.A.
ALBERT G. MONSOUR, B.ADMN. C.A.
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G. WARREN TRICKEY, B.COMM. C.A.
ROBERT D. SHANTZ, B.MATH. C.A.
CONSULTANT - ELDER E. MCCONNELL, C.A.



ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST
 STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 1996 AND
 SUMMARY OF TRANSACTIONS AND BALANCE OF TRUST
 FOR THE YEAR ENDED JUNE 30, 1996

CURRENT	ASSETS	<u>1996</u>	<u>1995</u>	<u>1994</u>
Cash		\$ 5,085	\$ 7,802	\$14,980
Cash held for 600 Wing		500	-	-
Term deposits		16,000	16,000	6,000
Accrued interest receivable		336	496	185
		<u>\$21,921</u>	<u>\$24,298</u>	<u>\$21,165</u>

SUMMARY OF TRANSACTIONS AND BALANCE OF TRUST

BALANCE OF TRUST - BEGINNING OF YEAR	\$24,298	\$21,165	\$22,895
Contributions			
Individuals	2,460	4,240	100
484 Wing (for Cadet Squadrons)	6,000	-	-
484 Wing (for Flying Scholarship)	5,000	1,000	-
428 Wing (for Flying Scholarship)	1,000	1,000	-
F/O Steel's Memorial (for Flying Scholarship)	1,333	-	-
412 Wing (for Halifax Aircraft Assoc.)	1,000	-	-
600 Wing (for Hold)	500	-	-
Life Members (for Flying Scholarship)	500	-	-
AFAC Memorial to Mrs. Baldwin	150	-	-
426 Squadron Assoc. (for Flying Scholarship)	-	5,000	-
451 Wing Project	-	-	985
Logo Watch	-	-	216
Individuals (for 5 I.T.S. Plaque)	-	-	200
Alberta group raffle	-	-	150
Interest	892	563	419
	<u>43,133</u>	<u>32,968</u>	<u>24,965</u>
Disbursements			
Grant to Flying Scholarship Trust	1,923	2,550	1,050
Grant to Normandy Foundation	100	100	200
Grant to RCAF (ACL) Scholarship Trust	10,000	5,000	-
Grant to 2966 Arm Cadet Squadron	3,000	-	-
Grant to Halifax Aircraft Association	1,600	-	-
Grant to 337 Allan Troup A.C. Squadron	1,500	-	-
Grant to 23 Optimist A.C. Squadron	1,500	-	-
Grant to Yorkshire Air Museum	350	-	-
Grant to Commonwealth Air Training Plan Museum	339	-	-
Grant to National Council of Veterans Association	300	-	-
Grant to Bomber Command Association	300	-	-
Grant to 176 A.C. Squadron (Winnipeg)	150	-	-
Grant to 220 A.C. Squadron (Winnipeg)	150	-	-
Grant to 451 Wing's Project	-	985	-
Grant to J. Rankin-Lowe Publication	-	-	850
Grant to Bomber Harris Trust	-	-	500
Grant to RCAF Benevolent Fund	-	-	325
Grant to RCAF Memorial Museum	-	-	300
Grant to Western Canada Aviation Museum	-	-	275
Grant to 5 I.T.S. Plaque Installation	-	-	200
Grant to 832 (Twillick) A.C. Sqdn.	-	-	100
Bank charges	-	35	-
BALANCE OF TRUST - END OF YEAR	<u>\$21,921</u>	<u>\$24,298</u>	<u>\$21,165</u>

Approved on behalf of the Trust:

Trustee

Trustee

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

NOTE TO FINANCIAL STATEMENT

JUNE 30, 1996

1. PURPOSE OF TRUST

The Trust is a subsidiary of the Air Force Association of Canada, created in accordance with the Trust Agreement, that is responsible for raising and distributing funds at the National level for the Association charitable programs. The Trust is a registered charitable organization.