

**ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST**

**FINANCIAL STATEMENTS**

**JUNE 30, 2004**

## 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, 2004 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 Canadian 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 receipts, 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 receipts 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, 2004 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles. 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.

*McCay, Duff & Co. LLP*

Chartered Accountants

Ottawa, Ontario,  
August 26, 2004.

## McCay, Duff & Company LLP

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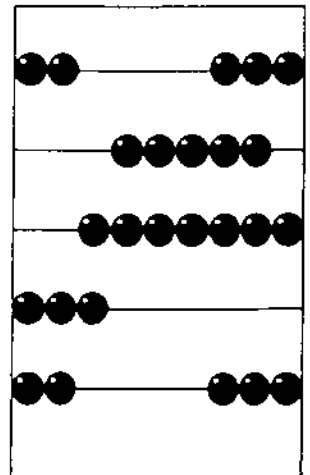
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**ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST**

**BALANCE SHEET**

**AS AT JUNE 30, 2004**

**ASSETS**

	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>CURRENT</b>			
Cash	\$ 4,666	\$ 10,153	\$ 6,805
Short-term investments (note 4)	22,596	31,552	30,209
Accounts receivable	1,581	1,581	-
Accrued interest receivable	<u>5</u>	<u>21</u>	<u>80</u>
	<u>\$ 28,848</u>	<u>\$ 43,307</u>	<u>\$ 37,094</u>

**LIABILITIES**

<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 1,232	\$ 1,232	\$ 6,147

**EQUITY**

<b>BALANCE - BEGINNING OF YEAR</b>	42,075	30,947	40,075
Receipts	49,502	158,431	86,331
Disbursements	<u>( 63,961)</u>	<u>( 147,303)</u>	<u>( 95,459)</u>
<b>BALANCE - END OF YEAR</b>	<u>27,616</u>	<u>42,075</u>	<u>30,947</u>
	<u>\$ 28,848</u>	<u>\$ 43,307</u>	<u>\$ 37,094</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, 2004**

	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>RECEIPTS</b>			
Contributions			
Individuals (Undesignated)	\$ 3,400	\$ 29,081	\$ 2,644
412 Wing Undesignated	1,000	-	-
Individuals & Wings (in Memory of Ed Walker)	3,245	-	-
Individuals (in Memory of Bob Bryce)	50	-	-
Alberta Group for Lethbridge Police	-	100	-
Atlantic Group to Support Christina Handler Award	1,000	-	-
438 Wing Bingo Account (for RCAFA Trust)	-	-	100
484 Wing (for Cadet Squadrons)	3,500	5,000	23,010
484 Wing (for Flying Scholarships)	5,000	7,500	2,600
700 Wing (for Flying Scholarships)	2,000	2,000	-
Historica Foundation for CFMAD	5,000	-	-
422 Wing for CFMAD	2,460	-	-
Individuals (for Flying Scholarships)	-	72,045	2,000
Individuals (for Heritage Hanger Line - Camp Borden)	-	500	-
Individuals (Magazine 75th Anniversary Issue)	-	-	250
422 Wing (for Air Cadet Project)	-	-	138
484 Wing (for Civil Air Search & Rescue Association)	-	3,000	-
Individuals (for 426 Squadron Association)	150	-	345
Individuals (for Memorials to Individuals/Wings)	-	331	4,130
Individuals (for Ottawa-Eastview Poppy Fund)	-	-	100
602 Wing (for Air Cadet League of Canada)	5,000	-	-
Individuals (for AFAC)	100	25	-
Individuals (for 422 Squadron Association)	-	1,050	-
Individuals/Wings (for RCAF Benevolent Fund)	100	11,302	7,162
AFAC in Memory	-	-	625
AFAC (for Conference of Defence Associations)	-	-	1,000
Individuals (for RCAF Memorial Museum)	250	500	250
Individuals (for #779 Squadron Air Cadets)	500	-	500
Individuals (for CWM - Passing the Torch)	250	350	250
Individuals (for Canadian Aviation Museum)	250	250	250
Individuals (for Typhoon Aircraft Memorial)	1,400	1,325	649
Individuals (for 8 Wing Trenton Pipe Band)	-	-	100
Individuals (for Cadet Squadrons)	-	-	4,000
Individuals (for 250 Wing Heritage Project)	-	13,600	4,150
Individuals (for Halifax Aircraft Association)	250	-	-
418 Wing (for RCAC Squadron)	-	-	1,200
Individuals (for 422 Wing Air Cadet Project)	-	-	7,635
Individuals (for 801 Wing Heritage Project)	95	118	625
Individuals (for 427 Wing The Spooner Memorials Fund)	4,925	7,830	18,716
Individuals (for Air Cadet League/OPC)	-	-	600
Concert Centrepointe Theatre	2,745	-	-
428 Wing (for Flying Scholarships)	500	-	-
Individuals (for 734 RC(Air) CS)	5,000	-	-
422 Wing (for Tony Stacey Centre)	300	-	-
In Memory of Christina Handler	-	470	1,090
Individuals (427 Wing for Air Cadet Squadron)	-	945	-
Interest	<u>1,032</u>	<u>1,109</u>	<u>2,212</u>
<b>RECEIPTS - CARRY FORWARD</b>	<b>\$ 49,502</b>	<b>\$ 158,431</b>	<b>\$ 86,331</b>

**ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST**

**SUMMARY OF RECEIPTS AND DISBURSEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2004**

	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>RECEIPTS - CARRIED FORWARD</b>	\$ 49,502	\$ 158,431	\$ 86,331
<b>DISBURSEMENTS</b>			
Grant to Flying Scholarship Trust	7,500	81,545	4,600
Grant to Air Cadet League of Canada Undesignated	5,000	-	-
Grant to RCAF Benevolent Fund	100	11,352	8,162
Grant to Base Borden Military Museum	1,000	500	-
Grant to Normandy Foundation	200	100	100
Grant to Halifax Aircraft Association	1,250	250	1,475
Grant to Yorkshire Air Museum	100	100	100
Grant to RCAF Memorial Museum	4,750	3,250	1,250
Grant to Civil Air Search & Rescue Association	-	3,000	-
Grant to Air Cadet / Army Cadet Units	3,500	5,945	29,250
Grant to CATP Museum	-	-	1,000
Grant to CF Museum of Aerospace Defence	8,460	-	1,000
Grant to 306 Wing Pipes & Drums	1,000	-	-
Grant to 447 Wing Heritage Building	500	-	-
Grant to Nanton Lancaster Air Museum	1,000	-	-
Grant to 426 Squadron Association	150	-	445
Grant to Air Force Productions Limited	35	-	-
Grant to John Neal re Book Project	500	-	-
Grant to Ottawa-Eastview Poppy Fund	-	-	100
Grant to 422 Squadron Association	-	1,050	-
Grant to Juno Beach Centre	100	-	500
Grant to NCFA "Boys of Kelvin High"	2,000	-	-
Grant to WWII Memorial - Anchorage Alaska	800	-	-
Grant to 8 Wing Trenton Pipe Band	3,000	3,000	3,200
Grant to 8 Wing Concert Band	1,000	-	-
Grant to 8 Wing for Memorial Gates	-	1,000	-
Grant to 440 Productions Association	3,000	-	-
Grant to Conference of Defence Associations	-	-	1,000
Grant to 408 Squadron Memorial Project	-	75	2,950
Grant to Y2K Spitfire Project	-	-	1,000
Grant to CWM - Passing the Torch	250	350	250
Grant to CAM (North Star Preservation Project)	1,050	-	-
Grant to Canadian Aviation Museum	250	250	250
Grant to 600 (Regina) Wing Project	-	-	1,000
Grant to Fondation Aerovision Quebec	1,000	1,000	1,000
Grant to Typhoon Aircraft Memorial	1,400	1,425	649
Grant to AV Roe Canada Aviation Museum	500	-	-
Grant to 416 Wing Harvard Memorial	-	-	800
Grant to Pier 21 Air Enhancement Photo Section	-	-	1,000
Grant to Dunbar Project at Greenwood	-	-	1,000
Grant to 250 Wing Heritage Project	-	13,600	4,150
Grant to 422 Wing Air Cadet Project	-	-	7,773
<b>DISBURSEMENTS - CARRY FORWARD</b>	\$ 49,395	\$ 127,792	\$ 74,004

**ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST**

**SUMMARY OF RECEIPTS AND DISBURSEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2004**

	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>DISBURSEMENTS - CARRIED FORWARD</b>	\$ 49,395	\$ 127,792	\$ 74,004
<b>DISBURSEMENTS</b>			
Grant to 801 Wing Heritage Project	95	118	624
Grant to Air Cadet League/OPC	-	-	600
Grant to 427 Wing The Spooner Memorial	4,925	7,830	19,716
Grant to Air Cadet Pipe Band Award	-	100	-
Grant to Canadian Warplane Heritage	100	500	-
Grant to 734 Squadron RC Air Cadets	5,000	-	-
Grant to 779 Squadron RC Air Cadets	500	-	-
Grant to miscellaneous charities	-	100	-
Grant to Tony Stacey Centre	1,300	-	-
Grant to Air Force Association of Canada	100	-	-
Airforce Concert expenses	2,535	-	-
"Ad Astra" Stone in Memory of Christina Handler	-	135	-
Guthrie Woods CD expenses	-	553	-
Administrative charges	<u>11</u>	<u>10,175</u>	<u>515</u>
	<u>63,961</u>	<u>147,303</u>	<u>95,459</u>
<b>CHANGE IN BALANCE OF TRUST FOR THE YEAR</b>	\$ <u>(14,459)</u>	\$ <u>11,128</u>	\$ <u>(9,128)</u>

# ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

### 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. FINANCIAL INSTRUMENTS

The Trust's financial instruments consist of cash, short-term investments, accounts receivable, accrued interest receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Trust is not exposed to significant interest rate or credit risk arising from these financial instruments.

#### Fair Value

The carrying amounts reported in the balance sheet for these financial instruments approximate fair values due to their immediate or short-term maturities.

### 4. SHORT-TERM INVESTMENTS

Short-term investments are recorded at cost, which equals market value.

### 5. 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.

During the year, the Trust disbursed grants of \$35 to Air Force Productions Limited and \$100 to Air Force Association of Canada. These transactions were measured at the exchange amount, which was the amount of consideration established and agreed to by the related parties.

**ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2004**

**6. STATEMENT OF CASH FLOWS**

This statement has not been prepared as all of the relevant information is apparent from the other financial statements.

**7. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current financial statement presentation.



24 Sept. 2004

**RCAFA TRUST DISBURSEMENTS**

	<u>1989-2003</u>	<u>2003-2004</u>	<u>2004/2005</u>
Air Cadet 50th Anniversary Trust Fund / CFTA	217,355	7,500	
Air/Army Cadet Units	118,600	9,000	
International Air Cadet Exchange	2,985		
Niagara Air (Cadet) Group	16,500		
Air Force Heritage Fund	2,300		
RCAF Benevolent Fund	24,484	100	*1,500
RCAF Memorial Museum	17,010	4,750	
Billy Bishop Memorial Museum	3,350		
Canadian Warplane Heritage	1,700	100	
Aerospace Heritage Foundation	1,000		
National Council of Veterans, Associations (NCVA)	1,950		
Canadian Air Search and Rescue Ass'n (CASARA)	28,000		
Western Canada Museum	475		
BCATP Museum	3,000		
Yorkshire Museum - Canada Branch	2,100	100	
Normandy Foundation/Canadian Battlefields Foundation	1,100	200	
National Aviation Museum	4,845	1,300	
Halifax Aircraft (Restoration) Association	10,450	1,250	
Canadian Forces Museum of Aerospace Defence	4,772	8,460	5,180
AFPL ("Airforce")	32,491	35	
426 Squadron Association Memorial Project	14,097	150	190
Project Flanders - 2000	84,875		
Birchall Cup - Air Skills Competition	8,000		
Royal Canadian Legion	15,500		
Beurling Trophy - Air Force Markmanship	314		
Ottawa Poppy Fund	300		
Bomber Harris Trust	500		
No 5 ITS Memorial Marker	200		
Bomber Command Association	300		
New Brunswick RCAF Memorial	300		
422 Wing Memorial Project	500		
Rideau-Perley Veterans' Health Care Centre	3,000		
Ensigns for Ulster	140		
Lincoln Inn Field Park Memorial Cairn	1,700		
413 Squadron Trust (Helicopter Crew)	3,000		
Canada/Netherlands Memorial Park	1,000		
Misc. Charities- In Memoriam	250		
Raymond Collishaw Air Terminal	1,000		
Battle of Britain Historical Society	1,500		
Bruyere Health Care Centre	150		
Airlift Support Competition Trophy	183		
No 16 SFTS Memorial Marker	1,850		
Barker VC - Documentary	1,000		
Air Force Association of Canada	149	100	
422 Squadron Association Memorial	3,868		
Canada/Normandy Project - Juno Beach Centre	1,000	100	
150 Wing Memorial Project	25		
8 Wing Trenton Pipe/Drum Band - International Competition	12,200	3,000	
Conference of Defence Associations	2,000		
252 Wing Memorial Project	1,000		
408 Squadron Association Memorial Project	7,425		

<u>RCAF Trust Disbursements</u>	<u>1989/2003</u>	<u>2003/04</u>	<u>2004/05</u>
Y2K Spitfire Restoration - Comox , BC	1,153		
Passing the Torch - Canadian War Museum	1,950	250	
Malta Aviation Museum Foundation	2,000		
600 Wing Memorial Project	1,000		
Fondation Aerovision Quebec - Aviation Hall of Fame	2,000	1,000	1,000
Typhoon Project	2,074	1,400	
416 Wing Harvard Memorial	800		
Pier 21 Air Enhancement Photo Section	1,000		
Dunbar Project - Greenwood	1,000		
250 Wing Heritage Project	17,750		
422 Wing Air Cadet Project	7,773		1,000
801 Wing Heritage Project	743	95	
427 Wing - Spooner , George Cross , Memorial	27,546	4,925	
Air Cadet League / OPC	600		
Guthrie Wood , CD/Musical Concert	553	2,535	
Air Cadet Pipe Band Award	100		
Memorial Gates - 8 Wing Trenton	1,000		
Heritage Hangars , 16 Wing Borden	500		
Tony Stacey Centre for Veterans' Care		1,300	
Air Cadet League of Canada		5,000	
A.V. Roe Aviation Museum		500	
8 Wing Trenton Brass and Reed Band - Canada Day in COS		1,000	
440 Productions Ltd.		3,000	500
Documentary- Boys of Kelvin High - (NCVA/War Amps)		2,000	
Administrative Costs/ National Appeals	28,092	11	
16 Wing's 80th RCAF Birthday celebration display		1,000	
WW11 Memorial - Anchorage Alaska		800	
Nanton Lancaster Museum (+ John Neal Book Project)		1,500	
306 Wing Pipes and Drums		1,000	1,500
447 Wing Heritage Project		500	1,600
Saskatchewan War Memorial			1,000
	1989-2003	759,427	
	2003-2004		63,961 *65,461
	1989-2004		823,388 *824,888
	2004-2005		11,970

\*Cheque made payable to RCAF Ben.Fund