

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

FINANCIAL STATEMENTS

JUNE 30, 2022

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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

I have reviewed the accompanying financial statements of the Royal Canadian Air Force Association Trust that comprise the balance sheet as at June 30, 2022 and the statements of revenue and expenses, 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 Canadian accounting standards for not-for-profit organizations 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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Royal Canadian Air Force Association Trust as at June 30, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Ottawa, August 15, 2022

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

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ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

BALANCE SHEET - JUNE 30, 2022

ASSETS

	<u>2022</u>	<u>2021</u>
<u>Current Assets</u>		
Cash - unrestricted	\$ 51,953	\$ 49,114
- restricted (note 2)	91,125	93,432
Investments	24,855	24,738
Prepaid expenses	1,481	-
	<u>\$ 169,414</u>	<u>\$ 167,284</u>

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	\$ 8,955	\$ 4,149
Deferred contributions (note 5)	91,125	93,432
	100,080	97,581

NET ASSETS

<u>Net Assets</u>	<u>69,334</u>	<u>69,703</u>
	<u>\$ 169,414</u>	<u>\$ 167,284</u>

SIGNED ON BEHALF OF THE TRUST

Trustee

Trustee

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
<u>Balance, beginning of year</u>	\$ 69,703	\$ 60,797
<u>Excess of (expenses over revenue) revenue over expenses</u>	<u>(369)</u>	<u>8,906</u>
<u>Balance, end of year</u>	<u>\$ 69,334</u>	<u>\$ 69,703</u>

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
<u>Revenue</u>		
Individual and corporate contributions		
Undesignated	\$ 10,085	\$ 13,136
227 Squadron Air Cadets	-	962
408 Squadron Association	970	1,440
427 London Wing	5,727	23,421
441 Wing	432	-
700 Wing	398	-
Air Cadet 714 and 102	-	2,000
Air Cadet League of Canada	13,000	12,875
Benevolence Fund	-	5,447
Bomber Command Memorial	-	2,880
Canadian Warplane Heritage Museum	-	500
Ligue des cadets de l'Air (CPQVO)	5,000	-
Queen's Jubilee Pageant June 2022	49,711	-
RAF Wick Gate Guardian	553	-
RCAF Foundation	753,991	425,883
Skywings Academy - CFTP ACL Bursary	-	2,500
SPAADS Legacy	-	2,214
Stocky Edwards Legacy Trust	1,486	5,740
Typhoon Memorial Maintenance	-	8,100
Donations in kind	210	1,988
Investment income	116	23
	<u>841,679</u>	<u>509,109</u>
<u>Expenses</u>		
Grant to 427 London Wing	5,610	23,440
Grant to Air Cadet League of Canada	13,000	12,525
Grant to Air Cadet 577	125	-
Grant to Air Cadet 714 and 102	-	1,683
Grant to Canadian Aviation Historical Society	-	1,500
Grant to Canadian Warplane Heritage Museum	1,500	500
Grant to Commonwealth Air Training Plan Museum	1,000	-
	<u>\$ 21,235</u>	<u>\$ 39,648</u>
Carried forward		

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
<u>Expenses</u>		
Brought forward	\$ 21,235	\$ 39,648
Grant to New Brunswick Aviation Museum	3,500	3,000
Grant to Queen's Jubilee Pageant June 2022	15,000	-
Grant to RMC Foundation	-	362
Grant to University of Toronto	-	5,000
441 Wing	430	-
700 Wing	398	-
227 Squadron Air Cadets	-	932
408 Squadron Association	944	1,403
Benevolence Fund	-	5,447
Bomber Command Memorial general expenses	-	2,880
Estevan Plane Crash 75	1,900	-
Ligue des cadets de l'Air (CPQVO)	5,000	-
Queen's Jubilee Pageant June 2022	49,519	-
RAF Wick Gate Guardian	553	-
RCAF Foundation	736,481	415,186
Skywings Academy - CFTP ACL Bursary	-	2,413
SPAADS Legacy	-	2,214
Stocky Edwards Legacy Trust	1,486	5,740
Typhoon Memorial Maintenance	-	7,817
Office	1,219	3,603
Bank charges	428	282
Professional fees	3,955	4,276
	<u>842,048</u>	<u>500,203</u>
<u>Excess of (expenses over revenue) revenue over expenses</u>	<u>\$ (369)</u>	<u>\$ 8,906</u>

(Unaudited)

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Excess of (expenses over revenue) revenue over expenses	\$ (369)	\$ 8,906
Net change in non-cash working capital items	<u>901</u> <u>532</u>	<u>(976)</u> <u>7,930</u>
INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	532	7,930
CASH, BEGINNING OF YEAR	<u>142,546</u>	<u>134,616</u>
CASH, END OF YEAR	<u>\$ 143,078</u>	<u>\$ 142,546</u>

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, accounts receivable, investments, accounts payable and accrued liabilities and deferred contributions.

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.

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 becomes 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 408 Squadron Association, 410 Wing, 427 Squadron Association, 441 wing, 700 Wing, Air Cadet League of Canada, Air Cadet Medals, Air Force Magazine, Air Force Museum, Battle of Britain, Benevolence Fund, Bomber Command Lincolnshire, Canadian Warplane Heritage Museum, Centenary of the RCAF, Chris Ecklund Air Cadet Scholarships, Ligue des cadets de l'Air (CPQVO), Queen's Jubilee Pageant June 2022, the RAF Wick Gate Guardian, the RCAF Association Fund, the RCAF Association Ambassador Fund, the RCAF Foundation, the RCAF Heritage Fund, the Snowbirds Anniversary Fund, the SPAADS Legacy Fund, the Stocky Edwards Legacy Trust and the Vimy Flight. 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.

ROYAL CANADIAN AIR FORCE ASSOCIATION TRUST

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

5. DEFERRED CONTRIBUTIONS

	Balance - beginning of year	Amounts received during the year	Amounts recognized as revenue during the year	Funds transfer	Balance - end of year
408 Squadron Association	96	1,066	(970)	-	192
410 Wing	9,256	200	-	-	9,456
427 Squadron Association	245	-	-	-	245
441 Wing	-	480	(432)	-	48
700 Wing	-	398	(398)	-	-
Air Cadet League of Canada	616	528	-	-	1,144
Air Cadet Medals	4,232	-	-	-	4,232
Air Force Magazine	97	50	-	-	147
Air Force Museum	2,170	-	-	-	2,170
Battle of Britain	100	-	-	-	100
Benevolence Fund	325	-	-	-	325
Bomber Command Lincolnshire	-	3,000	-	-	3,000
Canadian Warplane Heritage Museum	110	48	-	-	158
Centenary of the RCAF	-	207	-	-	207
Chris Ecklund Air Cadet Scholarships	-	13,000	(13,000)	-	-
Ligue des cadets de l'Air (CPQVO)	-	5,000	(5,000)	-	-
Queen's Jubilee Pageant June 2022	-	52,327	(49,711)	-	2,616
RAF Wick Gate Guardian	-	577	(553)	-	24
RCAF Association Fund	8,000	100	-	-	8,100
RCAF Association Ambassador Fund	2,330	63	-	-	2,393
RCAF Foundation	12,573	741,491	(753,991)	-	73
RCAF Heritage Fund	48	-	-	-	48
Snowbirds Anniversary	695	-	-	-	695
SPAADS Legacy	4,435	2,440	-	-	6,875
Stocky Edwards Legacy Trust	48,054	2,259	(1,486)	-	48,827
Vimy Flight	50	-	-	-	50
	<u>\$ 93,432</u>	<u>\$ 823,234</u>	<u>\$ (825,541)</u>	<u>\$ -</u>	<u>\$ 91,125</u>