

**Canada's Aviation Hall of Fame
Consolidated Financial Statements
Year Ended December 31, 2024**

Canada's Aviation Hall of Fame
Index to Consolidated Financial Statements
Year Ended December 31, 2024

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Revenues and Expenses	4
Consolidated Administration Expenses (<i>Schedule 1</i>)	5
Consolidated Statement of Changes in Net Assets	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 11

INDEPENDENT AUDITOR'S REPORT

To the Members of Canada's Aviation Hall of Fame

Opinion

We have audited the consolidated financial statements of Canada's Aviation Hall of Fame (the Organization), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



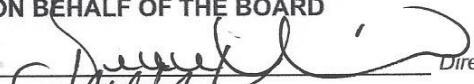

Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

Calgary, Alberta
May 21, 2025

Canada's Aviation Hall of Fame
Consolidated Statement of Financial Position
December 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 34,291	\$ 156,284
Term deposits	33,852	54,263
Restricted Casino cash (Notes 4, 6)	4,133	35,637
Accounts receivable	305	4,480
Goods and services tax recoverable	6,433	5,281
Prepaid expenses	32,056	19,499
	111,070	275,444
Property and equipment (Net of accumulated amortization) (Note 5)	4,478	5,740
Collections (Note 3)	100	100
	<u>\$ 115,648</u>	<u>\$ 281,284</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Account payable and accrued liabilities	\$ 36,932	\$ 34,606
Deferred casino contribution (Note 6)	4,133	35,637
Deferred contributions	-	5,000
Current portion of long term debt	-	40,000
	41,065	115,243
NET ASSETS		
Unrestricted funds	70,105	160,301
Invested in property and equipment	4,478	5,740
	74,583	166,041
	<u>\$ 115,648</u>	<u>\$ 281,284</u>

ON BEHALF OF THE BOARD

 Director
 Director

See notes to consolidated financial statements

Canada's Aviation Hall of Fame
Consolidated Statement of Revenues and Expenses
Year Ended December 31, 2024

	Unrestricted Fund 2024	Capital Asset Fund 2024	Total 2024	Total 2023
REVENUES				
Induction Ceremonies and Gala	\$ 126,052	\$ -	\$ 126,052	\$ 199,350
Casino (Note 6)	31,504	-	31,504	47,260
Donations	13,700	-	13,700	78,810
Government grants	6,346	-	6,346	8,646
Interest income	1,857	-	1,857	1,769
Newsletter Printing	1,597	-	1,597	2,708
	181,056	-	181,056	338,543
INDUCTION CEREMONIES AND GALA	96,687	-	96,687	152,354
EXCESS OF REVENUE OVER PROGRAM EXPENSES	84,369	-	84,369	186,189
ADMINISTRATIVE EXPENSES (Schedule 1)	174,566	1,262	175,828	169,048
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (90,197)	\$ (1,262)	\$ (91,459)	\$ 17,141

See notes to consolidated financial statements

Canada's Aviation Hall of Fame
Consolidated Administration Expenses
(Schedule 1)

Year Ended December 31, 2024

	Unrestricted Fund 2024	Capital Asset Fund 2024	Total 2024	Total 2023
ADMINISTRATIVE EXPENSES				
Professional fees	\$ 57,227	\$ -	\$ 57,227	\$ 11,702
Management fees (Note 7)	30,732	-	30,732	44,075
Historian fees	24,828	-	24,828	26,100
Archival and display matter	21,829	-	21,829	17,518
Office (Note 8)	17,552	-	17,552	40,226
Travel	11,539	-	11,539	7,644
Advertising and promotion	6,122	-	6,122	5,782
Interest and bank charges	1,807	-	1,807	5,108
Amortization	-	1,262	1,262	1,639
Purchases	1,046	-	1,046	4,420
Business taxes, licenses and memberships	881	-	881	845
Newsletter Printing	672	-	672	3,108
Meals and entertainment	199	-	199	-
Event expenses	132	-	132	683
Volunteer expenses	-	-	-	198
	\$ 174,566	\$ 1,262	\$ 175,828	\$ 169,048

See notes to consolidated financial statements

Canada's Aviation Hall of Fame
Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2024

	Unrestricted Fund 2024	Invested in property and equipment 2024	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 160,302	\$ 5,740	\$ 166,042	\$ 148,900
(Deficiency) Excess of revenues over administrative expenses	<u>(90,197)</u>	<u>(1,262)</u>	<u>(91,459)</u>	<u>17,141</u>
NET ASSETS - END OF YEAR	<u>\$ 70,105</u>	<u>\$ 4,478</u>	<u>\$ 74,583</u>	<u>\$ 166,041</u>

See notes to consolidated financial statements

Canada's Aviation Hall of Fame
Consolidated Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over administrative expenses	\$ (91,459)	\$ 17,141
Item not affecting cash:		
Amortization of property and equipment	1,262	1,639
	<u>(90,197)</u>	<u>18,780</u>
Changes in non-cash working capital:		
Accounts Receivable	4,175	27,739
Accounts payable and accrued liabilities	2,327	23,017
Deferred contributions	(36,504)	31,222
Prepaid expenses	(12,556)	(15,460)
Goods and Services Tax	(1,153)	-
	<u>(43,711)</u>	<u>66,518</u>
Cash flow from (used by) operating activities	<u>(133,908)</u>	<u>85,298</u>
FINANCING ACTIVITY		
Repayment of CEBA Loan	<u>(40,000)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	(173,908)	85,298
Cash - beginning of year	<u>246,184</u>	<u>160,886</u>
CASH - END OF YEAR	<u>\$ 72,276</u>	<u>\$ 246,184</u>
CASH CONSISTS OF:		
Cash	\$ 34,291	\$ 156,284
Term deposits	33,852	54,263
Restricted Casino cash	<u>4,133</u>	<u>35,637</u>
	<u>\$ 72,276</u>	<u>\$ 246,184</u>

See notes to consolidated financial statements

Canada's Aviation Hall of Fame
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

1. PURPOSE OF THE ORGANIZATION

Canada's Aviation Hall of Fame (hereinafter known as the "Organization") is incorporated under the Canadian Not for profit Corporations Act. The primary objective of the Organization is to honour those individuals and other organizations that have made outstanding contributions to aviation and aerospace in Canada and to collect, preserve, exhibit and interpret artifacts and documents, thereby inspiring and education Canadians.

The Organization is a registered charity under the Income Tax Act (Canada). As such, it is exempt from income tax and able to issue donation receipts for income tax purposes.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

The consolidated financial statements consist of Canada's Aviation Hall of Fame and Canada's Aviation Hall of Fame (Alberta Division). These entities are consolidated based on the same Board of Directors.

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed services

The Organization benefits from the value of services donated by members interest in furthering its objectives. No amount is recorded for the year ended December 31, 2023 since the value is not readily determinable.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Equipment	7 years	straight-line method
Computer equipment	3 years	straight-line method
Signs	5 years	straight-line method

The Organization regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

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Canada's Aviation Hall of Fame
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Financial instruments

Initial measurement

The Organization's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. The Organization uses the effective interest method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash, prepaids, accounts receivable, accounts payable and accrued liabilities. The carrying value of financial instruments approximates their fair value due to the short-term nature, unless otherwise noted.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Government assistance

Government assistance received to cover current period expenses are accounted for as a separate line item in revenue. When government assistance received is specified to relate to future expenses are deferred and amortized as a separate line item in revenue.

Collections

The Organization is responsible for the maintenance, preservation and acquisition of a variety of aviation and aerospace collection pieces. Collections consist of the books and pictures of each inductee inducted in the Organization, aircraft models, plaques, documentation materials, and artifacts that have been donated or purchased. During the year the Organization received donations of \$nil (2023 - \$nil) related to their collection. The Organization has chosen to record collections at cost at a nominal value of \$100 (2023 - \$100) in accordance with ASNPO Section 4441.

Measurement uncertainty

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to reported amounts of revenues and expenses, reported amounts of assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the Organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, the Organization uses estimates for the valuation of accrued liabilities.

Canada's Aviation Hall of Fame
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

4. CASH

Included in cash are restricted cash funds of \$4,133 (2023 - \$35,637) required to be spent on expenditure approved by The Alberta Gaming, Liquor and Cannabis Commission (AGLC).

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 19,730	\$ 18,931	\$ 798	\$ 1,140
Signs	16,995	13,315	3,680	4,600
	<u>\$ 36,725</u>	<u>\$ 32,246</u>	<u>\$ 4,478</u>	<u>\$ 5,740</u>

6. DEFERRED CASINO CONTRIBUTIONS

The Alberta Gaming, Liquor & Cannabis Commission "AGLC" requires the distribution of gaming profits to be made within 36 months of receipt of the funds. If the Association fails to comply; it will be subject to AGLC board-directed sanctions such as suspension of gaming licenses, revocation of gaming licenses, and/or directives to donate all gaming funds to other eligible charitable organizations. As at the year end, the Association had \$4,133 (2023 - \$35,637) of unspent AGLC funds. Management is confident the Association will comply with the spending requirement.

	2024	2023
Balance, beginning of the year	\$ 35,637	\$ 2,318
Add: casino proceeds received in the year	-	80,579
Less: amounts recognized as revenue in the year	(31,504)	(47,260)
	<u>\$ 4,133</u>	<u>\$ 35,637</u>

7. MANAGEMENT SERVICE AGREEMENT

The Organization entered into a ten-year License and Services Agreement beginning March 1, 2022 with Aero Space Museum Association of Calgary ("Association") under which (i) The Organization has relocated to Calgary, Alberta and become situated within the Associations premises, and (ii) the Association will subsume certain administrative operations of Organization. As part of the agreement, the Organization pays the Association a minimum fee of \$2,500 plus applicable taxes per month, subject to escalations over the term of the agreement. Total management service fee incurred during the year was \$30,732 (2023 - \$44,075).

Part way through the year the agreement was amended. Under the new terms of this agreement, the Association no longer employs the Organization's staff nor does it provide bookkeeping services, or assists with fundraising for the Organization. The Association will however, continue to house the Organization's collections as required for display. The Organization provides volunteer support for display of the collection and maintains insurance coverage on the collection.

On May 1, 2023 the Organization entered into a service agreement with the Air Transport Association of Canada ("ATAC"). The services provided pertain to duties and responsibilities carried out by the Managing Director role, which is currently a part-time role. As part of the agreement, the Organization pays ATAC a minimum fee of \$2,833 plus applicable taxes per month,

Canada's Aviation Hall of Fame
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

8. OFFICE EXPENSES

Office expenses are comprised of a variety of expenses which include, but are not limited to office supplies, postage, portrait artist expenses and managing director costs.

9. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2024.

Liquidity risk

The Organization's liquidity risk represents the risk that the Hall of Fame could encounter difficulty in meeting obligations associated with its financial liabilities. The Hall of Fame is, therefore, exposed to liquidity risk with respect to its accounts payable and accrued liabilities. There was no significant change in exposure from the prior year.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.
