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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Royal Aviation Museum of Western Canada Inc.

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2017, the summary consolidated statement of operations and summary consolidated schedule of expenses for the year then ended, are derived from the audited consolidated financial statements of Royal Aviation Museum of Western Canada Inc. for the year ended December 31, 2017. We expressed a qualified audit opinion on those consolidated financial statements in our report dated May 16, 2018. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Organization.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with criteria determined by the Board of Directors.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Royal Aviation Museum of Western Canada Inc. for the year ended December 31, 2017 are a fair summary of those consolidated financial statements, in accordance with the criteria noted above. However, the summary consolidated financial statements are misstated to the equivalent extent as the audited consolidated financial statements of Royal Aviation Museum of Western Canada Inc. for the year ended December 31, 2017.

The qualification described in our audit opinion dated May 16, 2018 for the consolidated financial statements of Royal Aviation Museum of Western Canada Inc. was based on the fact that the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Royal Aviation Museum of Western Canada Inc. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses and cash flows from operations for the year ended December 31, 2017 and current assets and net assets as at December 31, 2017. Our qualified audit opinion states that, except for the possible effects of the described matter, the consolidated financial statements present fairly, in all material respects, the financial position of Royal Aviation Museum of Western Canada Inc. as at December 31, 2017 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.

Chartered Professional Accountants

Winnipeg, Manitoba
May 24, 2018

Royal Aviation Museum of Western Canada Inc.
Summary Consolidated Statement of Operations

Year Ended December 31, 2017

	Operating Fund 2017	Capital Fund 2017	Total Both Funds 2017	Operating Fund 2016	Capital Fund 2016	Total Both Funds 2016
REVENUE						
Admission, memberships and programs	\$ 230,566	\$ -	\$ 230,566	\$ 181,521	\$ -	\$ 181,521
Museum shop and rentals	202,957	-	202,957	165,579	-	165,579
Fundraising events	145,510	-	145,510	165,634	-	165,634
Donations and contributions	15,707	1,419,590	1,435,297	21,723	1,761,978	1,783,701
Grants						
Province of Manitoba	56,700	-	56,700	56,700	-	56,700
City of Winnipeg	55,000	-	55,000	55,000	-	55,000
Investment income	52,368	21,831	74,199	50,924	24,558	75,482
Special projects	47,503	-	47,503	21,314	-	21,314
Maintenance income	14,559	-	14,559	16,647	-	16,647
Interest and other	6,428	-	6,428	18,766	-	18,766
	827,298	1,441,421	2,268,719	753,808	1,786,536	2,540,344
EXPENSES						
Exhibits, collections & research	419,336	-	419,336	379,220	-	379,220
Management and administration	214,119	12,132	226,251	210,164	32,699	242,863
Education and programs	206,010	-	206,010	176,923	-	176,923
Museum shop and rentals	167,342	-	167,342	139,851	-	139,851
Fund development	151,776	221,420	373,196	128,652	291,019	419,671
Donation to the Winnipeg Foundation for the museum's endowment	-	-	-	-	1,000,000	1,000,000
Project management	-	96,748	96,748	-	-	-
Depreciation	-	23,607	23,607	-	27,336	27,336
	1,158,583	353,907	1,512,490	1,034,810	1,351,054	2,385,864
Excess (deficiency) of Revenue over Expense:	\$ (331,285)	\$1,087,514	\$ 756,229	\$(281,002)	\$ 435,482	\$ 154,480

Royal Aviation Museum of Western Canada Inc.
Summary Consolidated Statement of Financial Position
December 31, 2017

	Operating Fund	Capital Fund	Total Both Funds 2017	Total Both Funds 2016
ASSETS				
CURRENT				
Cash	\$ 255,508	\$ 694,350	\$ 949,858	\$ 932,891
Cash - restricted	405,216	-	405,216	373,542
Investments	111,736	2,405,785	2,517,521	2,503,413
Accounts receivable	36,555	-	36,555	82,588
Inventory	36,418	-	36,418	48,408
Prepaid expenses	101,863	-	101,863	62,934
	947,296	3,100,135	4,047,431	4,003,776
INVESTMENTS	-	1,215,437	1,215,437	1,144,700
PROPERTIES AND CAPITAL ASSETS	-	3,040,484	3,040,484	2,360,097
	\$ 947,296	\$ 7,356,056	\$ 8,303,352	\$ 7,508,573
LIABILITIES				
CURRENT				
Accounts payable	\$ 102,631	\$ 350,038	\$ 452,669	\$ 439,609
Deferred revenue	20,168	-	20,168	22,959
Current portion of long-term debt	-	1,280	1,280	1,280
	122,799	351,318	474,117	463,848
LONG-TERM DEBT	-	11,610	11,610	12,890
DEFERRED CONTRIBUTIONS	408,527	-	408,527	378,966
	531,326	362,928	894,254	855,704
FUND BALANCES				
Operating	415,970	-	415,970	635,481
Capital	-	6,993,128	6,993,128	6,017,388
	415,970	6,993,128	7,409,098	6,652,869
	\$ 947,296	\$ 7,356,056	\$ 8,303,352	\$ 7,508,573

Royal Aviation Museum of Western Canada Inc.
Summary Consolidated Schedule of Expenses
Year Ended December 31, 2017

	2017	2016
Personnel costs and benefits	830,360	762,789
Building operations	280,434	263,962
Administration and general	146,109	140,229
Fundraising	67,751	47,476
Special projects	56,087	24,550
Museum shop	49,221	45,046
Children's programs	25,395	25,620
Depreciation	23,607	27,336
Altitude magazine	17,915	18,835
Facility rentals	7,856	8,480
Museum collections	7,755	21,541
Donation to the Winnipeg Foundation for the Royal Aviation Museum Endowment Funds	-	1,000,000
TOTAL EXPENSE	1,512,490	2,385,864