

*Summary Consolidated Financial Statements of*

**ROYAL AVIATION MUSEUM OF WESTERN  
CANADA INC.**

*December 31, 2022*

## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENT

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

### Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2022, and the summary consolidated statement of operations for the year then ended, and notes to the financial statements, are derived from the audited financial statements of Royal Aviation Museum of Western Canada Inc. (the "Organization") for the year ended December 31, 2022. We expressed a qualified opinion on those financial statements in our report dated May 24, 2023.

In our opinion, the accompanying financial statements are a fair summary of the audited consolidated financial statements, in accordance with the criteria discussed in Note 1 to the summary consolidated financial statements.

### Summary 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 and the auditor's report thereon, therefore, is not a substitute for reading the Organization's audited consolidated financial statements and the auditor's report thereon.

### The Audited Consolidated Financial Statements and Our Report Thereon

We expressed a qualified opinion on the audited consolidated financial statements in our report dated May 24, 2023. The basis for our qualified audit opinion was 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, 2022 and current assets and net assets as at December 31, 2022. 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, 2022 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.

## Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the criteria disclosed in Note 1 to the summary consolidated financial statements.

## Auditor's Responsibility

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

The logo for Deloitte, featuring the word "Deloitte" in a stylized, handwritten-style font, followed by a small graphic element resembling a stylized "up" or a checkmark.

Chartered Professional Accountants

Winnipeg, Manitoba

May 24, 2023

## TABLE OF CONTENTS

|  | <u>Page</u> |
|--|-------------|
| Summary Consolidated Statement of Operations           | 1           |
| Summary Consolidated Statement of Financial Position   | 2           |
| Notes to the Summary Consolidated Financial Statements | 3           |

**ROYAL AVIATION MUSEUM OF WESTERN CANADA**  
**Summary Consolidated Statement of Operations**  
**Year Ended December 31, 2022**

|  | <b>Operating<br/>Fund<br/>2022</b> | <b>Capital<br/>Fund<br/>2022</b> | <b>Endowment<br/>Fund<br/>2022</b> | <b>Total All<br/>Funds<br/>2022</b> | <b>Total All<br/>Funds<br/>2021</b> |
|--|------------------------------------|----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| <b>REVENUE</b>                               |                                    |                                  |                                    |                                     |                                     |
| Admission, annual passes, and tour revenue   | \$ 585,573                         | \$ -                             | \$ -                               | \$ 585,573                          | \$ 13,855                           |
| Museum shop and rentals                      | 601,655                            | -                                | -                                  | 601,655                             | -                                   |
| Education department                         | 42,249                             | -                                | -                                  | 42,249                              | -                                   |
| Donations and contributions                  | 51,509                             | 7,042,484                        | 222,277                            | 7,316,270                           | 10,148,339                          |
| Grants                                       |                                    |                                  |                                    | -                                   | -                                   |
| Province of Manitoba                         | 115,964                            | -                                | -                                  | 115,964                             | 140,019                             |
| City of Winnipeg                             | 64,500                             | -                                | -                                  | 64,500                              | 49,500                              |
| Parking                                      | 78,619                             |                                  |                                    | 78,619                              | -                                   |
| Realized gain on sale of investments         |                                    | 15,709                           |                                    | 15,709                              |                                     |
| Investment income                            | 140,152                            | 10,047                           | -                                  | 150,199                             | 208,899                             |
| Government subsidies                         | -                                  | 162,857                          | -                                  | 162,857                             | 505,301                             |
| Special projects                             | 29,702                             | -                                | -                                  | 29,702                              | -                                   |
| Interest and other                           | 24,964                             | -                                | -                                  | 24,964                              | -                                   |
|  | <b>1,734,887</b>                   | <b>7,231,097</b>                 | <b>222,277</b>                     | <b>9,188,261</b>                    | <b>11,065,913</b>                   |
| <b>EXPENSES</b>                              |                                    |                                  |                                    |                                     |                                     |
| Exhibits, collections & research             | 801,169                            | -                                | -                                  | 801,169                             | 418,959                             |
| Management and administration                | 565,515                            | 20,438                           | -                                  | 585,953                             | 532,869                             |
| Education and programs                       | 96,088                             | -                                | -                                  | 96,088                              | 6,248                               |
| Museum shop and rentals                      | 240,800                            | -                                | -                                  | 240,800                             | -                                   |
| Parking                                      | 12,688                             | -                                | -                                  | 12,688                              |                                     |
| Personnel costs and benefits                 | 1,128,744                          | 115,812                          | -                                  | 1,244,556                           | 942,137                             |
| Interest on loan                             | 197,941                            | -                                | -                                  | 197,941                             | 60,472                              |
| Loss on disposal of fixed assets             | -                                  | -                                | -                                  | -                                   | 9,026                               |
| Depreciation                                 | -                                  | 1,764,486                        | -                                  | 1,764,486                           | 49,972                              |
|  | <b>3,042,945</b>                   | <b>1,900,736</b>                 | <b>-</b>                           | <b>4,943,681</b>                    | <b>2,019,683</b>                    |
| Excess (deficiency) of Revenue over Expenses | <b>\$ (1,308,058)</b>              | <b>\$ 5,330,361</b>              | <b>\$ 222,277</b>                  | <b>\$ 4,244,580</b>                 | <b>\$ 9,046,230</b>                 |

**ROYAL AVIATION MUSEUM OF WESTERN CANADA INC.**  
**Consolidated Statement of Financial Position**  
**December 31, 2022**

|  | <b>Operating<br/>Fund</b> | <b>Capital<br/>Fund</b> | <b>Endowment<br/>Fund</b> | <b>Total All<br/>Funds<br/>2022</b> | <b>Total All<br/>Funds<br/>2021</b> |
|--|---------------------------|-------------------------|---------------------------|-------------------------------------|-------------------------------------|
| <b>ASSETS</b>                            |                           |                         |                           |                                     |                                     |
| <b>CURRENT</b>                           |                           |                         |                           |                                     |                                     |
| Cash                                     | \$ 528                    | \$ 49,419               | \$ -                      | \$ 49,947                           | \$ 53,463                           |
| Cash - restricted                        | 7,500                     | -                       | -                         | 7,500                               | -                                   |
| Investments                              | -                         | 576,526                 | 222,277                   | 798,803                             | 1,371,224                           |
| Accounts receivable                      | 134,643                   | -                       | -                         | 134,643                             | 212,451                             |
| Inventory                                | 143,733                   | -                       | -                         | 143,733                             | 94,573                              |
| Prepaid expenses                         | 37,769                    | -                       | -                         | 37,769                              | 22,139                              |
|  | 324,173                   | 625,945                 | 222,277                   | 1,172,395                           | 1,753,850                           |
| <b>PROPERTIES AND<br/>CAPITAL ASSETS</b> |                           |                         |                           |                                     |                                     |
|  | -                         | 39,421,088              | -                         | 39,421,088                          | 37,708,053                          |
|  | \$ 324,173                | \$ 40,047,033           | \$ 222,277                | \$ 40,593,483                       | \$ 39,461,903                       |
| <b>LIABILITIES</b>                       |                           |                         |                           |                                     |                                     |
| <b>CURRENT</b>                           |                           |                         |                           |                                     |                                     |
| Bank indebtedness                        | \$ 9,581                  | \$ -                    | \$ -                      | \$ 9,581                            | \$ 474,804                          |
| Accounts payable                         | 103,987                   | 68,889                  | -                         | 172,876                             | 1,069,768                           |
| Deferred revenue                         | 63,953                    | -                       | -                         | 63,953                              | -                                   |
| Current portion<br>of long-term debt     | -                         | 3,480,137               | -                         | 3,480,137                           | 5,124,454                           |
|  | 177,521                   | 3,549,026               | -                         | 3,726,547                           | 6,669,026                           |
| <b>LONG-TERM DEBT</b>                    |                           |                         |                           |                                     |                                     |
|  | -                         | 69,050                  | -                         | 69,050                              | 69,050                              |
| <b>DEFERRED<br/>CONTRIBUTIONS</b>        |                           |                         |                           |                                     |                                     |
|  | -                         | -                       | -                         | -                                   | 27,570                              |
|  | 177,521                   | 3,618,076               | -                         | 3,795,597                           | 6,765,646                           |
| <b>FUND BALANCES</b>                     |                           |                         |                           |                                     |                                     |
| Operating                                | 146,652                   | -                       | -                         | 146,652                             | 198,714                             |
| Capital                                  | -                         | 36,428,957              | -                         | 36,428,957                          | 32,354,592                          |
| Endowment                                | -                         | -                       | 222,277                   | 222,277                             | 142,951                             |
|  | 146,652                   | 36,428,957              | 222,277                   | 36,797,886                          | 32,696,257                          |
|  | \$ 324,173                | \$ 40,047,033           | \$ 222,277                | \$ 40,593,483                       | \$ 39,461,903                       |

**ROYAL AVIATION MUSEUM OF WESTERN CANADA INC.**  
**Notes to the Summary Consolidated Financial Statements**  
**December 31, 2022**

---

**1. SUMMARY CONSOLIDATED FINANCIAL STATEMENTS**

The summary consolidated financial statements are derived from the complete audited consolidated financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at and for the year ended December 31, 2022.

The preparation of these summary consolidated financial statements require management to determine the information that needs to be reflected in the summary consolidated financial statements so that they are consistent, in all material respects, with or represent a fair summary of the audited consolidated financial statements.