

**Aero Space Museum Association of Calgary
(o/a The Hangar Flight Museum)
Consolidated Financial Statements
Year Ended December 31, 2023**

**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)
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Year Ended December 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Aero Space Museum Association of Calgary (o/a The Hangar Flight Museum)

Opinion

We have audited the Consolidated financial statements of Aero Space Museum Association of Calgary (o/a The Hangar Flight Museum) (the Association), which comprise the consolidated statement of financial position as at December 31, 2023, 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 Association as at December 31, 2023, 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 Association 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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.

Calgary, Alberta
April 4, 2024




Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

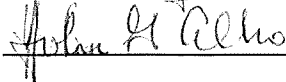
**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)
Statement of Financial Position
December 31, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash - unrestricted	\$ 214,820	\$ 174,151
Term deposits	610,000	660,000
Accounts receivable (Note 3)	208,383	15,574
Inventory	25,590	30,351
Prepaid expenses and deposits	40,043	41,825
Cash - restricted casino funds (Note 7)	90,169	45,831
	<u>1,189,005</u>	<u>967,732</u>
PROPERTY, PLANT AND EQUIPMENT (Note 4)	1,633,767	1,192,059
COLLECTIONS (Note 5)	1	1
	<u>\$ 2,822,773</u>	<u>\$ 2,159,792</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	\$ 252,216	\$ 83,057
Deferred contributions related to operations	262,930	127,900
Deferred contributions - casino (Note 7)	90,169	45,831
Deposit received	-	10,554
Current portion of capital lease obligations	-	1,450
CEBA loan (Note 8)	-	40,000
	<u>605,315</u>	<u>308,792</u>
DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (Note 9)	1,452,645	989,508
	<u>2,057,960</u>	<u>1,298,300</u>
NET ASSETS		
Unrestricted fund	323,691	400,389
Restricted reserve fund	260,000	260,000
Invested in property, plant and equipment	181,122	201,103
	<u>764,813</u>	<u>861,492</u>
	<u>\$ 2,822,773</u>	<u>\$ 2,159,792</u>

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)**

Statement of Revenues and Expenses

Year Ended December 31, 2023

	2023	2022
REVENUES		
Grant revenue <i>(Note 11)</i>	\$ 493,115	\$ 637,346
Admissions	208,085	197,503
Donations	127,259	67,504
Amortization of deferred contributions related to property, plant and equipment <i>(Note 9)</i>	115,406	75,209
Gift shop sales	106,687	107,906
Facility rentals	86,569	60,762
Education and tours	84,672	37,375
Casino	44,709	23,574
CF-100 restoration	44,000	70,000
Management service income	43,000	50,000
Education sponsorship	40,000	-
Interest and miscellaneous	31,883	8,847
Events / projects	19,574	39,216
Memberships	6,646	6,311
	1,451,605	1,381,553
EXPENSES <i>(Schedule 1)</i>	1,548,284	1,310,865
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	(96,679)	70,688
OTHER INCOME		
Covid Funding Repayment	-	(108,000)
Canada Emergency Wage Subsidy <i>(Note 12)</i>	-	73,170
Forgiveness of CEBA loan <i>(Note 8)</i>	-	20,000
	-	(14,830)
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	\$ (96,679)	\$ 55,858

See notes to financial statements

**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)**

Expenses

(Schedule 1)

Year Ended December 31, 2023

	2023	2022
Wages and benefits	\$ 779,630	\$ 593,008
Building operations	196,356	133,412
Amortization	182,220	156,914
Insurance	66,883	47,132
Gift shop cost of sales	52,985	54,459
CF-100 restoration expenses	44,000	70,000
Marketing and promotion	36,878	36,869
Collection, restoration and exhibit costs	30,719	32,551
Professional fees	30,324	14,895
Staff and volunteer recognition	27,800	19,056
Events	26,134	22,166
Programming (education)	25,737	5,935
Office and administration	22,694	22,218
Bank charges and interest	10,425	11,630
Other costs	6,149	81,301
Professional development (staff)	4,682	5,178
Dues subscriptions and memberships	4,668	4,141
	\$ 1,548,284	\$ 1,310,865

See notes to financial statements

**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)
Statement of Changes in Net Assets
Year Ended December 31, 2023**

	Unrestricted fund	Restricted reserve fund	Invested in property, plant and equipment	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 400,389	\$ 260,000	\$ 201,103	\$ 861,492	\$ 805,634
(Deficiency) Excess of revenues over expenses	(29,862)	-	(66,817)	(96,679)	55,858
Additions to property, plant and equipment	(623,929)	-	623,929	-	-
Contributions for capital assets	578,543	-	(578,543)	-	-
Payment of capital lease	(1,450)	-	1,450	-	-
NET ASSETS - END OF YEAR	\$ 323,691	\$ 260,000	\$ 181,122	\$ 764,813	\$ 861,492

See notes to financial statements

**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)**

**Statement of Cash Flows
Year Ended December 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (96,679)	\$ 55,858
Items not affecting cash:		
Amortization of property, plant and equipment	182,220	156,914
Amortization of deferred contributions related to property, plant and equipment	(115,406)	(75,209)
Forgiveness of CEBA loan	-	(20,000)
	<u>(29,865)</u>	117,563
Changes in non-cash working capital:		
Accounts receivable	(192,809)	24,168
Accounts payable and accrued liabilities	169,160	(8,996)
Deposits and unearned revenue	(10,554)	8,661
Deferred contributions related to operations	135,030	(27,090)
Deferred contributions - casino	44,338	41,256
Inventory	4,761	(12,246)
Prepaid expenses and deposits	1,782	(14,195)
	<u>151,708</u>	11,558
Cash flow from operating activities	<u>121,843</u>	129,121
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(623,929)	(21,505)
Repayment (purchase) of term deposit	50,000	(500,000)
Cash flow used by investing activities	<u>(573,929)</u>	(521,505)
FINANCING ACTIVITIES		
Reimbursement related to capital expenditures	578,543	15,346
Repayment of CEBA loan	(40,000)	-
Repayment of obligations under capital lease	(1,450)	(8,433)
Cash flow from financing activities	<u>537,093</u>	6,913
INCREASE (DECREASE) IN CASH FLOW	85,007	(385,471)
Cash - beginning of year	<u>219,982</u>	605,453
CASH - END OF YEAR	\$ 304,989	\$ 219,982
CASH CONSISTS OF:		
Cash - unrestricted	\$ 214,820	\$ 174,151
Restricted cash	<u>90,169</u>	<u>45,831</u>
	\$ 304,989	\$ 219,982

See notes to financial statements

**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)
Notes to Financial Statements
Year Ended December 31, 2023**

1. INCORPORATION AND NATURE OF THE ORGANIZATION

Aero Space Museum Association of Calgary (the "Association") is a not-for-profit organization established in the Province of Alberta in 1975 and became a registered charity on January 1, 1979.

The Association promotes understanding and appreciation of Western Canadian aviation history and technology through the collection, acquisition, preservation, restoration and management of related artifacts and archives. The Association operates under the brand "The Hangar Flight Museum".

The Association cares for the City of Calgary collection of aircraft and engines which have been excluded from these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

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 Association holds an investment in 534921 Alberta Ltd., a wholly owned profit-oriented subsidiary, which is accounted for using the consolidation method.

The Association's consolidated financial statements include the accounts of its wholly-owned subsidiary, 534921 Alberta Ltd. Consolidated financial statements are prepared by aggregating the accounts of 534921 Alberta Ltd. with those of the Association. Transactions between the organizations and inter-organization balances have been eliminated in the consolidated financial statements.

Cash and cash equivalents

Cash is comprised of funds held in Canadian financial institutions. Cash subject to restrictions imposed by the Alberta Gaming, Liquor, and Cannabis Commission is included in restricted cash. Restricted cash is classified as a current asset as it is probable it will be utilized in the next fiscal year

Term deposits

Term deposits include Guaranteed Investment Certificates which are initially and subsequently measured at fair value. The term deposits earn annum interest at 4.95% and mature between July 2, 2024 to December 16, 2024.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Property, plant and equipment

Property, plant 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:

Leasehold improvements	20 years	straight-line method
Temporary building	20 years	straight-line method
Equipment	20%	declining balance method
Signs	20%	declining balance method

(continues)

**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)
Notes to Financial Statements
Year Ended December 31, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Computer equipment	55% declining balance method
Small tools	20% declining balance method

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

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

Capital Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives lease term. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- a) there is a change in contractual terms;
- b) a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- c) there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- d) there is a substantial physical change to the specified tangible asset.

Collections

Collections owned by the Association are recognized in the statement of financial position at a nominal value. Collections owned by the City of Calgary are not recognized as an asset of the Association. Purchases, including expenses for the City of Calgary's collection, are recorded as expenses in the year incurred.

Deferred contributions related to property and equipment

Deferred contributions related to property and equipment represent the unamortized portion of contributed property and equipment and restricted contributions that were used to complete building improvements. Recognition of these amounts as revenue is deferred to periods when the related property and equipment are amortized.

Contributed services

Volunteers contribute many hours per year to assist the Association in carrying out its activities. Due to the difficulty in determining their fair value, contributed services are not recognized in these financial statements

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**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)
Notes to Financial Statements
Year Ended December 31, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Sales

The Association follows the deferral method of accounting for contributions. Restricted contributions including grants and other externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions including donations, fundraising, membership and other revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Admissions, education tours and gift shop sales revenue is recognized at the time of purchase.

Rental revenue is recognized when rental services have been provided.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Financial instruments reported at amortized cost are cash-unrestricted, cash-restricted casino, term deposits, accounts receivable, inventory, prepaid expense and deposit, deferred contribution related to operation, deferred contributions casino and accounts payable and accrued liabilities. No financial instruments are currently being reported at market value.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the excess/deficiency of revenues over expenses.

The Association recognizes its transaction costs in excess/deficiency of revenues over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(continues)

**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)
Notes to Financial Statements
Year Ended December 31, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Asset impairment

The Association assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in the current year's excess of revenues over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues and expenses in the year the reversal occurs.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of property and equipment.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

3. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable	\$ 199,639	\$ 15,019
GST receivable	8,744	555
	\$ 208,383	\$ 15,574

**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)**

Notes to Financial Statements

Year Ended December 31, 2023

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Leasehold improvements	\$ 3,426,430	\$ 1,947,466	\$ 1,478,964	\$ 1,140,338
Tents	666,646	568,226	98,420	-
Temporary building	37,720	19,489	18,231	22,003
Equipment	166,452	154,665	11,787	14,734
Signs and Plaques	69,750	48,026	21,724	1,735
Computer and computer equipment	7,874	3,303	4,571	167
Small tools	16,587	16,517	70	87
Signs under capital lease	-	-	-	12,995
	\$ 4,391,459	\$ 2,757,692	\$ 1,633,767	\$ 1,192,059

5. COLLECTIONS

At December 31, 2023 the Association's collection consists of artifacts, archived materials, photographs, and other items related to Western Canadian aviation history.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade accounts payable and accruals	\$ 214,615	\$ 45,865
Vacation payable	28,811	20,509
Visa payable	8,790	6,615
GST	-	10,068
	\$ 252,216	\$ 83,057

7. DEFERRED CONTRIBUTIONS - CASINO

The Alberta Gaming, Liquor and 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, the Association 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. The Association received \$89,047 in 2023 (2022 - \$64,830). As at the year end, \$90,169 is still required to be spent. Management is confident the Association will comply with this spending requirement.

	2023	2022
Beginning balance	\$ 45,831	\$ 4,575
Funds received	89,047	64,830
Funds used	(44,709)	(23,574)
	\$ 90,169	\$ 45,831

**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)
Notes to Financial Statements
Year Ended December 31, 2023**

8. SHORT TERM DEBT

The amount of \$40,000 represents the unforgivable balance of the \$60,000 interest-free loan received under the Government of Canada COVID response programs. 33.3% of the loan will be eligible for loan forgiveness, up to \$20,000 which has been included in other income in year 2022. The loan was fully paid on December 21, 2023.

9. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of property and equipment. Recognition of these amounts as revenue is deferred to periods when the related property and equipment are amortized.

Changes in deferred contributions related to property and equipment are as follows:

	2023	2022
Beginning balance	\$ 989,508	\$ 1,049,372
Additions	578,543	15,345
Amounts amortized to revenue	(115,406)	(75,209)
Ending balance	\$ 1,452,645	\$ 989,508

10. OBLIGATIONS UNDER CAPITAL LEASE

Outdoor signs lease payable in equal monthly installments of \$730 including interest at 5.30%. It was fully paid off during the year.

11. CALGARY FOUNDATION FUND

The Association has a fund held and managed by the Calgary Foundation. The fund generates investment income which is used to provide a grant to the Association each year. The income received from the Calgary Foundation during 2023 was \$9,436 (2022 - \$9,418).

12. GOVERNMENT ASSISTANCE

In March 2020, the Government of Canada announced the introduction of the Canada Emergency Wage Subsidy (CEWS) to support employers that are hardest hit by the pandemic. During the year, the Association has recognized \$Nil (2022 - \$73,170) in assistance from the CEWS program.

13. COMMITMENTS

The Association leases its land and building premises from the Calgary Airport Authority. Rent is charged at a nominal amount. The lease expires on October 31, 2044.

**Aero Space Museum Association Of Calgary
(o/a The Hangar Flight Museum)**

Notes to Financial Statements

Year Ended December 31, 2023

14. CREDIT FACILITY

The Association has access to a demand revolving credit facility in 2023 ("Facility A"), to provide for ongoing operating and working capital requirements, authorized to a maximum of \$100,000 (2022 - \$100,000), of which \$NIL (2022 - \$NIL) has been drawn. The Facility A bears interest at RBC's prime rate plus 1.25% per annum. As at December 31, 2023, the RBC prime rate was 7.2% (2022 - 6.5%).

15. CITY OF CALGARY AGREEMENTS

The Association and the City have a ground lease for its parking lot which renews annually on April 1. There is a nominal lease cost of \$200 per year.

The Association and the City also have an operating agreement effective until December 31, 2026. This agreement covers City funding to the Association as well as the operations of the Association's facility and the terms of the aircraft and engine loans from the City to the Association.

The Association's primary source of revenue is the operating grant from the City of Calgary under the Investing in Partnership Program (One Calgary budget). While there are no specific conditions related to the grant, the Association must continue to operate The Hangar Flight Museum. The operating grant funding could be withdrawn or adjusted by the City of Calgary without notice. The Association's ability to continue viable operations is dependent on the operating grant.

16. INCOME TAXES

The Association is registered as a charitable organization under the Income Tax Act (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Association must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The Association's controlled entity, 534921 Alberta Ltd., is a profit-oriented entity and uses the taxes payable method.

17. FINANCIAL INSTRUMENTS

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments.

18. COMPARATIVE FIGURES

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