



# 2020 Annual Report

## NAVIGATING TURBULENCE

## MUSEUM STAFF

Brian Desjardins *Executive Director*

Cassandra Cummings *Collections Manager*

Herb Grieder *Events and Operations Manager*

Lauren Maillet *Guest Services and Marketing Manager*

Caitlin Reid *Education and Volunteer Manager*

Willa Wu *Office Manager*

## BOARD OF DIRECTORS

Nora Molina *Chair*

Lyle Witkowicz *Vice Chair*

Betty Thompson *Treasurer*

Don Ross *Secretary*

John Alho *Director*

Carol DeLong *Director*

Kevin Dooley *Director*

Brian McFadyen *Director*

John Melbourne *Director*

Liam O'Connell *Director*

Lesley Rigg *Director*

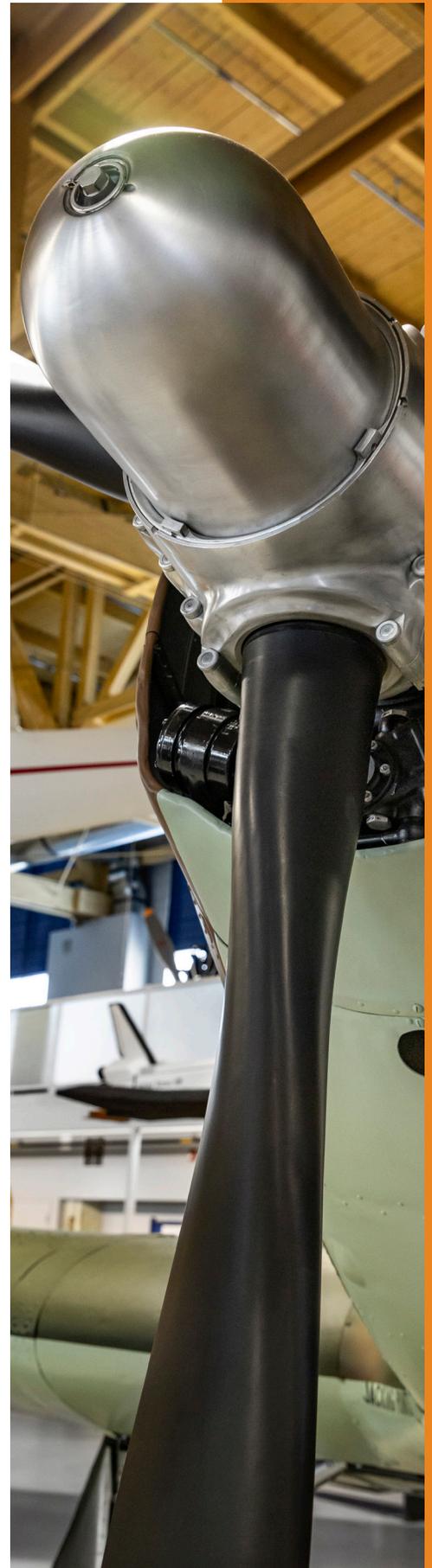
Douglas Robertson *Director*

Michael Wilton *Director*



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## MESSAGE FROM THE CHAIR AND EXECUTIVE DIRECTOR

After a strong year of growth and solidity for The Hangar in 2019, 2020 brought challenges the world had never seen. Pandemic restrictions challenged us to be flexible and remain resilient as we navigated a very turbulent year.

We used every opportunity during the closures to move forward on much needed building improvements; including, installing a new humidity system, getting ready for truss repairs, and beginning work on renovating our Memorial Room into a multi-purpose classroom. Our thanks to the many donors and the City of Calgary for their continued support in making this work possible. We also tried new ways of educating and reaching out to our members, visitors, and followers on social media. Our popular Theory of Flight field trip was turned into an online educational resource for teachers as they also navigated a different teaching environment.

We have proven our ability to adapt quickly by delivering our first virtual AGM in April with record attendance, and converting one of our biggest events, our annual Remembrance Day Ceremony, to a livestreamed event with CTV Calgary and CTV Lethbridge. Connecting with our community has long been a priority at The Hangar, and we know our community

needs to continue remembering together on November 11th. The kind and warm messages we received following the service about what the experience meant to those who joined us online, or by watching the service on TV, meant the world to us.

2020 showed us how much our community and our members care about our continued ability to protect our collection and connect with Albertans. We received a cabin trainer donation from WestJet as well as the replica Curtiss Jenny from Glenbow which will be going on display in 2021. The incoming membership renewals and donations were much needed support that both lifted our spirits and provided us with the ability to continue working hard to steward our collection and capture new aviation stories. Thank you all for your continued support!

The Ace Academy travelling exhibit was the perfect installation during the summer and fall because it was a hands-free engaging exhibit that brought joy to our visitors. There was friendly competition to see who could get the top score of planes downed, and we believe the top score achieved was 12.

In the coming year, we will begin implementing a new Strategic Plan and undertaking a feasibility study that will guide our expansion plans. This work will provide a solid and exciting set of flight plans to guide us through the next 10 years. Damages that occurred to our Tent Hangar in late 2020 will be repaired in early 2021 including a newly reskinned structure that will provide us with time to launch our official campaign. We will also be revamping our outside and inside front entryway and guest services area to provide better accessibility.

A heart-felt thanks to the amazing and hard-working staff for giving every confidence to endure the ongoing pandemic and remain optimistic for the soaring opportunities that remain for The Hangar Flight Museum in the year ahead. While it has been challenging to bring volunteers during multiple closures, a special thanks to them for being by our side. We are very excited to see everything that we can accomplish in 2021 by always being safe, working smart and working together.



Nora Molina  
Chair, Board of Directors



Brian Desjardins  
Executive Director





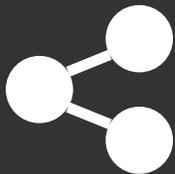
## STRATEGIC PLAN

In January 2017, the following three strategic pillars became our areas of focus for the next 3-5 years. Within this goal framework, we have implemented the following seven strategies to accomplish our mission and advance our vision. In 2020, we began a full review of our strategic plan and look forward to presenting it in 2021.



### IMPROVING VISITOR EXPERIENCE

- Develop our exhibits, programs, and events
- Be responsible stewards of our collection



### CONNECTING WITH COMMUNITIES

- Improve identity and visibility in the community
- Strengthen our community connections



### STRENGTHENING RESOURCES

- Ensure long-term facility development
- Ensure long-term financial sustainability
- Develop our human resources

# ABOUT THE MUSEUM

The Hangar Flight Museum provides a community place and historical resource in Calgary. The history of aviation is closely tied to Canada's development as a nation and to Calgary's development as a vibrant, international city. Our Museum tells this history, expands and inspires visitors' knowledge of the stories surrounding aviation's role in immigration, oil and gas exploration, war and civilian pleasure travel. Many roadways in Calgary are named after renowned aviators such as McKnight, McCall, Barlow and Palmer – who, after serving their country in wartime, went on to develop civilian passenger and transport aviation.

The Museum is a civic partner of the City of Calgary and a large part of our collection is owned by the City. We are honoured to be entrusted by the City and others who have donated artifacts to us with the stewardship of our collection for the benefit of Calgarians and visitors from around the world.

Calgary has a long and proud aviation history, including the formation of the Calgary Aero Club in 1919. During the Second World War, Calgary and its surrounding areas were home to many British Commonwealth Air Training Plan flight training schools which, by the end of the War, had produced more than 130,000 aircrew, including pilots, navigators, wireless operators, and air gunners for the Royal Canadian Air Force and the Air Forces of Britain and other members of the Commonwealth. Calgary's long standing connection to aviation continues to this day, with a vibrant aviation community centered on the YYC Calgary International Airport - Canada's fourth-busiest international airport.

The Hangar Flight Museum is committed to preserving and enhancing that impressive aviation history. Through consultations with City of Calgary officials in 2018, we were successful in securing the City's commitment (subject to ongoing annual budget approval) to substantially increasing our operational funding for the next three years.



**Vision:** To inspire dreams of flight.

**Mission:** To provide a rich understanding and appreciation of the evolution of flight by telling stories related to our collection that provides information to current and future generations.

**Values:** Our values describe our behaviours and how we create a positive, engaging experience for all visitors at The Hangar Flight Museum:

- Hold a **passion** for flight
- Bring a strong desire for **sharing** that passion
- Hold **respect** for our history, our museum community, and our visitors
- Ensure the **preservation** of the history of flight
- Focus our **energy** to make a difference



## ACCOMPLISHMENTS IN 2020

### IMPROVING VISITOR EXPERIENCE

#### Develop Our Exhibitions, Programs and Events

In 2020 we hosted a travelling exhibit, Ace Academy from August through to the end of the year. This exhibit was a great hands-free way of engaging visitors during the pandemic, as they were able to use the motion of their arms to control an airplane on a screen. This was appreciated by all ages, and we heard great feedback specifically from the children who participated.

Before the Museum was closed in March, we hosted National Aviation Day again in 2020. Through our partnership with Calgary Airport Authority, we were able to make the event even bigger and better than it had been in 2019. We would like to thank them and the White Hat volunteers from the airport who joined us for this event and helped give it some extra Calgary welcoming spirit.

Remembrance Day 2020 was quite different from past years, since we were unable to host the public. However we were honoured by CTV Calgary and CTV Lethbridge as they chose to livestream and have our ceremony both online and live-on-location on TV. It was incredible to still be able to remember together as a community even though we weren't physically in the same space.

In anticipation of a new exhibit in 2021, the Curtiss Jenny replica made by Fred McCall (Freddie McCall's son) was transported from Glenbow to The Hangar. We are very excited to plan this new exhibit to be launched for the



*The Curtiss Jenny Replica from Glenbow Museum in our Main Hangar*

2021 Calgary Stampede season. Freddie McCall landed his Curtiss Jenny on the Calgary Exhibition carousel in 1919 successfully without any injuries in an emergency landing, and we intend for this exhibit to capture that moment in history.

WestJet donated a cabin trainer that they retired from their cabin crew training program.

We have also had a Japanese balloon bomb on loan from Glenbow to enhance our Hawker Hurricane exhibit.

One of our volunteers has been working on a DC-3 flight trainer for a few years now. It is now at a stage of completion where it is being readied to be put out on the exhibit floor once we are ready for hands-on exhibit elements again.



*A new humidity system installed in our Main Hangar*

### **Be Responsible Stewards of Our Collections**

One of our major projects in 2020 was installing a new humidity system in our Main Hangar to regulate the humidity levels from season to season. This, together with the truss repairs that will occur in 2021, will help protect our BCATP structure for decades to come.

In 2020 we utilized the Young Canada Works and Canada Summer Jobs programs to employ a student and a recent graduate to catalogue and care for our collection. This Collections Assistant position, alongside our Collections Manager, ensured that work could continue at a reasonable pace in our collections and archives. This process included the deaccessioning of some artifacts that did not meet our current mission and vision statements. These artifacts were offered to other museums.

Our volunteers have been working on the Cessna Crane frame at the Museum so that its structure can be preserved. The CF-100 Canuck restoration continued in Wetaskiwin, AB.

## **CONNECTING WITH COMMUNITIES**

### **Improve Identity and Visibility in the Community**

We were honoured to have a lot of media coverage in 2020, including information about our reopening in June, the Japanese balloon bomb on loan from Glenbow, the Curtiss Jenny arriving at The Hangar from Glenbow, the WestJet cabin trainer donation, the airing of our annual Remembrance Day Ceremony, truss repair, and the unfortunate damage to the Tent Hangar roof during the severe snowstorm in December.



*CTV broadcast of our Annual Remembrance Day Ceremony*

We also began work on a website redesign which will launch in 2021 and give us the ability to engage with our communities better.

We were also featured in a book, 111 Places to Visit in Calgary, with our parachute wedding dress being featured specifically.

We utilized our e-Newsletter, social media channels, and YouTube account specifically to provide educational moments throughout 2020 during our closures. Our volunteers helped us film some videos about the history of our aircraft and also a digital version of our popular Theory of Flight field trip to help teachers teach the flight unit to their students even though they were unable to visit for their usual yearly field trip.



*Executive Director Brian Desjardins with MLA Richard Gotfried*

### **Strengthen Our Community Connections**

We began outreach to surrounding community organizations to offer local Calgarians a discount on their admission to the Museum. We also partnered with a group of University students who were conducting research on how museums can connect with their communities more meaningfully. We look forward to putting this research into practice and connecting more deeply and more frequently.

We were also proud to host at the Museum MLA Gotfried, the Film Commissioner Luke Azevedo, and Calgary Hotel Association Executive Director Sol Zia in 2020. As we focus on growing our connection in our community, providing educational experiences to organizational leaders will help us connect with new and extended parts of our larger community.

Our partnerships with Tourism Calgary, Travel Alberta, Calgary Hotel Association, Calgary Chamber of Commerce, and the Calgary Attractions Committee boost awareness of our museum and provide support and resources for our staff.

## **STRENGTHENING RESOURCES**

### **Long Term Facility Development**

There are currently three facets to our long term facility development. We need a new permanent structure to replace the Tent Hangar, and we are focused on ensuring our Main Hangar is taken care of (with projects such as



*Executive Director Brian Desjardins with Calgary Hotel Association Executive Director Sol Zia*

the humidity system installation and truss repair). It is a piece of history as well as the home of many of our artifacts. We are also planning a long-term Museum expansion. We are accepting donations toward the replacement of our Tent Hangar to create space to house the Voodoo, as well as the Canuck and Mosquito Bomber once their restorations are complete. In 2020 we began work on our Strategic Framework to have a vision for a ten year plan for the Museum – Destination 2030!

### **Ensure Long Term Financial Sustainability**

2020 was a tough year with the Museum being closed in March, April, May and half of December. We were unable to host most of our annual events, or facility rentals, and school field trips were canceled. Our strong financial situation from 2019 allowed us to go into this year with a great foundation. The support from our community and stakeholders was strong and allowed us to push through this year. We are hopeful that 2021 will bring more ups than downs so that we can continue our scheduled improvements to the museum experience and the services we provide to our community. We acknowledge that we could not have gotten through 2020 without the direct support we received. Thank you to each person who donated, renewed their membership, or helped spread the word about our cause.

### **Develop Our Human Resources**

2020 also challenged our ability to develop our team. We were able to keep all of our full-time staff employed, which we consider to be a major achievement. We also added a part-time Guest Services Associate position in October 2020, which will allow our team to focus on our upcoming fundraising initiatives as well as member and donor relations. We were pleased to be able to hire a summer student, and a graduate student in the fall, through the support of the Canada Summer Jobs and Young Canada Works programs. In the future, once we are able to operate at a full capacity again, we plan to bring part-time staff positions back to our roster.



# A YEAR IN REVIEW

## January

**Seton Library** celebrated their first birthday! Our **Allouette III Helicopter** is on loan to the library and is a main attraction. We helped celebrate the day by building flying crafts with guests at the library.

Interviews to select the Western **Canadian Delegate** for **FISE United Space School** take place. **Skyler Chan** of Vancouver is chosen to represent Western Canada in Summer 2020.

The **Institute for Canadian Citizenship** hosted a citizenship ceremony in our Main Hangar, **47 people from 16 countries** received their citizenship!



*Executive Director Brian Desjardins and Vice Chair Lyle Witkowicz with an Alouette II Helicopter donated by Eagle Copters.*

Our neighbors, **Eagle Copters**, donated a **Alouette II Helicopter**. As the first helicopter they ever received, and flown by owner Mel O'Reilly, it is definitely a piece of our local history.

## February

A booth is set up at **Calgary City Teacher's Convention** and **Palliser Teacher's Convention**. We talked to hundreds of teachers over the course of 4 days to promote our **school field trip programs**.

The second **National Aviation Day** celebration takes place! We had over **500 people** through our doors to talk to our docents, take photos in our photo booth, make crafts, and enjoy the Museum. The event was a great success thanks to the museum volunteers, White Hatters, and sponsorship by **Calgary Airport Authority!**



*Museum volunteer Bob Schwartzenberger with two White Hatters. Photo was taken at National Aviation Day in a photo booth with a green screen background.*

## March

The World Health Organization declares **COVID-19** a global pandemic. Shortly later the museum **temporarily closes** its doors to the public.

As the world adjusts to the **new normal** we begin to find new ways to engage with the public online with **Hangar from Home** activities. These include behind the scenes videos, online puzzles, and flying crafts!



*One of our Hangar from Home activities, a bumblebee flyer, outside the Museum.*

## April

Staff, board of directors, and members meet virtually for our **Annual General Meeting**. Our 2020 AGM had the **largest attendance to date!**

Taking advantage of the **continued closure** to the public, we give a few areas of the Museum an update with a **new coat of paint** to match our brand colours.



*Museum volunteer Dwight Allen in one of our online Theory of Flight Videos.*

## May

The Government of Alberta announces that museums are able to reopen as part of stage one in the reopening plan. We get to work consulting with AHS and our visitors so we can create a plan to welcome visitors back safely!

With students still **learning at home**, we find new ways of sharing the wonder of flight. We create a series of **online videos** on one of our most loved school programs **Theory of Flight**. The videos were posted to our Youtube channel for students and teachers.

## June

- With financial support from the **Young Canada Works** and **Canada Summer Jobs** programs, Jessica Smallman joins the The Hangar Flight Museum team as **Summer Museum Assistant**.

After nearly 3 months of closure we **reopen to the public** on Fridays and Saturdays for ticketed, timed visits.

- We put in place **COVID-19 mitigation procedures**, such as increased sanitation and one way traffic, to keep our staff and visitors safe!

## July

As COVID-19 cases continue to drop, and more and more people looking for things to do in their cities, we add **Thursday** to our **open days**.

- Though **FISE United Space School** is cancelled due to the COVID-19 pandemic, FISE goes online and offers an **digital version** of United Space School. **Skyler Chan** of Vancouver attends as the Western Canadian Delegate.



*Museum Volunteer Bain Spielman during a familiarization tour for Calgary Hotel Association.*

- We welcome members from the **Calgary Hotel Association** to the Museum for a familiarization tour.

**Ace Academy**, a travelling exhibit from the Canadian Aviation and Space Museum, arrives at the Museum. This hands-free experience allows visitors to **control a First World War plane** with their bodies!

## August

We add **Sundays** to our **regular open days**. The Museum is now open Thursday to Sunday for ticketed, timed visits!

- A **Japanese Balloon Bomb** on loan from the **Glenbow Museum** arrives at the Museum and is put on display next to the Hawker Hurricane.



*Michael Tarasko of Global News Radio trying out Ace Academy.*

## September

A retired **cabin trainer** is donated by **WestJet** and is set up in our Main Hangar.

With financial assistance from the **Young Canada Works** Building Careers in Heritage Program, **Caitlind Porter** joins the Museum team as a **Collections Assistant**.



*A retired WestJet cabin trainer is added to our Main Hangar.*

## October

**Board Chair** Nora Molina and **Executive Director** Brian Desjardins make a **presentation to City of Calgary** Special Policy committee on community and protected services.

**Sara Bohuch** joins the Museum team as a **Guest Services Associate**.

A **humidity system** is installed in the Main Hangar to help regulate humidity levels throughout the building. This will **help protect our historic hangar and artifacts** from the damaging dry air in Calgary.

## November

Our annual **Remembrance Day** ceremony **goes virtual** this year as Covid-19 cases rise and new health restrictions are put in place. **CTV Calgary** live streamed the ceremony so our community can join us in the act of remembrance for our veterans.



*Mayor Naheed Nenshi speaking at our annual Remembrance Day ceremony.*

## December

A replica **Curtiss Jenny** helped built by **Fred McCall** (Freddie McCall's son) makes its home in our Main Hangar. The aircraft was donated by **Glenbow Museum** and was originally on display in their Mavericks exhibit.

A **snowstorm** hits Calgary and large amounts of snow build up on our **Tent Hangar** causing a rip in the tent fabric.

We **close our doors** for a second time in 2020 as government mandated restrictions are put in place to curb the second wave of COVID-19.



## CF-100 RESTORATION UPDATE

In late 2019 the CF-100 Canuck was loaded onto a transport truck courtesy of Rangeland Truck and Crane, ready to journey north to begin the restoration process by Historic Aviation Services Inc. Thank you again to all the partners and donors without whom this project would not be happening!

After many years as a landmark outdoors, first at the Centennial Planetarium and then at the Museum, we have been excited to see the progress updates and look forward to seeing more.

Some significant steps have already been undertaken including a thorough inspection, removal of a significant amount of debris, removal of corrosion, and the removal of the one installed Orenda engine.



*C-100 at the Planetarium, 1986*



*On the move, November 2019*



*A first major task was to clean out all debris including bird nests, February 2020*



*Orenda engine in situ, June 2020*



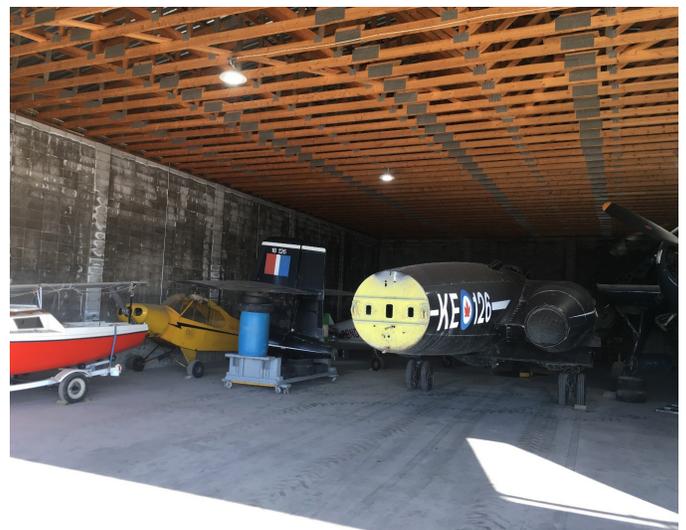
*Removal and inspection of Orenda Engine, July 2020*



*First site visit to Wetaskiwin by restoration committee, November 2020*



*November 2020*



*November 2020*

# COLLECTIONS HIGHLIGHTS

This year offered an opportunity to get a lot of behind the scenes work started, including collections inventories, research, and updating important records which have laid the groundwork for essential updates and making collections more accessible in the future. A full inventory of the uniforms in the collection was completed, and more than 450 artifacts and photos were catalogued. Despite Covid-19, we were still able to complete public research requests, and accept new artifacts including the Alouette II Helicopter, WestJet Cabin Crew Trainer, Saturn V scale model rocket, and Curtiss JN-4 biplane. We also put on new temporary exhibits including Ace Academy: Flight Experience, and On Board Safety, and collaborated with other museums

## NEW ACQUISITIONS



### ALOUETTE II HELICOPTER

In January 2020 we received an Alouette II Helicopter from our neighbours, Eagle Copters. This was the first helicopter they ever acquired, so it is definitely a piece of our local history. It was also accompanied by logbooks, photos, and some spare parts. Thanks to Eagle for their generous donation, and for all of their help with moving other major artifacts!

### WESTJET CABIN CREW TRAINER AND ARTIFACTS

WestJet Inflight Cabin Crew Training donated this Boeing 767 Cabin Crew door trainer to the Museum, along with Cabin Crew uniforms, safety equipment, service items, and other objects. Commercial aviation, safety, and WestJet are important parts of the history of aviation, so we are very happy to have these on display. Learn more about Cabin Crew Training on our YouTube channel.





## SATURN V 1:20 SCALE MODEL ROCKET

The Kronos Pente team donated their Saturn V rocket to the Museum. The Saturn V was the first rocketship to send humans to the moon. The replica rocket was launched in June 2019 to mark the 50th anniversary of the Apollo 11 mission.

## CURTISS JN-4 JENNY REPLICA

In December a full size Curtiss JN-4 replica, constructed by Fred McCall JR and other talented volunteers, was transferred from Glenbow Museum where it was originally on display. In July 1919, Fred McCall landed his Curtiss JN-4 "Jenny" on top of the carousel when he had to make an emergency landing. There were no injuries. This aircraft expands our early aviation collection and will further tell the story of Fred McCall. Look for the new exhibit later this year.



## NEW EXHIBITIONS



## ON BOARD SAFETY

Summer Student Jessica curated this small temporary exhibit, displaying objects from our collection related to safety including an extinguisher and some life vests. This gave Jessica a chance to explore something of interest to her, and put some different artifacts on display. Look for the next edition of the vestibule exhibit, curated by intern Caitlind, soon!

## FUGO BALLOON BOMB

Since September, we have had parts of two fugo balloon bombs on loan from Glenbow Museum as part of the Hawker Hurricane exhibit. During the Second World War these balloons were carried on wind currents from Japan to North America, in hopes of starting forest fires along the West coast. They were largely unsuccessful at this, though they did make their way to North America. These fragments were found in Boundary Bay during the war, and Wood Buffalo Park. Fragments are still being found.



## ACE ACADEMY

We were happy to have the travelling exhibit Ace Academy: Flight Experience on loan from Canada Aviation and Space Museum from July until December, and offer visitors the chance to use this interactive experience, piloting a biplane using movement.

## UNTOLD STORIES, AT THE MILITARY MUSEUMS, FOUNDER'S GALLERY

Several artifacts from our collection, including nose art pieces, have been on display at The Military Museums as part of Untold Stories WWII: They Never Talked About It. The exhibit details Canada's wartime involvement across multiple continents and campaigns, through the lens of more than forty personalized stories including recorded oral histories from veterans, artifacts, artworks, and historical accounts. <https://themilitarymuseums.ca/visit/the-founders-gallery/exhibits>





## ATTENDANCE HIGHLIGHTS

2020 started with January admissions being almost identical to 2019. In February our National Aviation Day event drew in many visitors and the month as a whole saw a 61% increase in visitation compared to 2019. We were very excited about where we were headed for the year, until only a few weeks later when all museums in Alberta were closed in March. When we reopened in June, welcoming visitors in a safe way was our priority and it was lovely to see them return. Throughout the summer and fall we were open fewer days a month than usual, but we found that this way we were able to welcome a reasonable number of visitors each day. In September we were open approximately 50% of the days that we would normally be open, but we also had 50% of the visitors that we saw in the previous year. Receiving this support meant everything to us. We continued to slowly open more days a week until museums in Alberta were closed again in December. Even through the closures, our admissions reached 29% of our 2019 total admissions.

|                                   | <b>2020<br/>COVID-19</b> | <b>2019</b> | <b>2018</b> |
|-----------------------------------|--------------------------|-------------|-------------|
| <b>Number of Visitors</b>         | 5,322                    | 33,195      | 30,098      |
| <b>Members</b>                    | 151                      | 191         | 192         |
| <b>Canoo Pass (New Canadians)</b> | 305                      | 1,225       | 978         |
| <b>School Programs</b>            | 62                       | 243         | 249         |
| <b>Youth Programs</b>             | 22                       | 63          | 45          |
| <b>Sleepovers</b>                 | 12                       | 23          | 12          |

# VOLUNTEERS

We thank all our volunteers who generously give their time and expertise to ensure continued operation of the Museum. Even with the pandemic and subsequent closures from public health orders, we had 48 volunteers donate over 1500 hours. The Museum could not offer the programs and services that it does without these volunteers and we would like to acknowledge the below volunteers and organizations for their continued support throughout 2020.



Richard Abbenbroek  
Bob Alexander  
John Alho  
Dwight Allen  
Bill Baker  
Don Bayly  
Grant Bears  
Mike Brandon  
Seth Claussen  
Ross Cunningham  
Carol Delong  
Kevin Dooley  
Tom Elliott  
Mike Gocal  
Barry Halliwell  
Mike Hartney  
Louise Ingram  
Paul Keoughi

Dave Mapplebeck  
Brian Mcfayden  
Geoff Meek  
John Melbourne  
Nora Molina  
Jasmin Naglis  
Liam O'Connell  
Harvey Olsen  
Barry Packard  
Jim Peachey  
Terry Pearce  
Vern Rehbein  
Lesley Rigg  
Douglas Robertson  
Don Ross  
Brent Schorn  
Bob Schwartzberger  
Lorne Smith

Bain Spielman  
Hal Tetz  
Betty Thompson  
Michael Veeder  
Dogie White  
Bill Whytock  
Jim Williams  
Mike Wilton  
Lyle Wikowicz  
Wade Wostradowski  
Owen Wright  
Bill Zuck

Rangeland Truck and  
Crane Ltd  
Vecova

## Organizations

Developmental  
Disabilities Resources  
Centre of Calgary



## ANNUAL SUPPORTERS

The Hangar Flight Museum is an independent registered non-profit and a member-based organization. 2020 was an abnormal year with revenue skewed by the pandemic. Over 35 percent of The Hangar’s operating revenue in 2020 was generated by fundraising, museum and special event admissions, educational programs, memberships and sales in our gift shop. We rely on the financial support we receive from our members and visitors to ensure that The Hangar Flight Museum can inspire dreams of flight and preserve artifacts telling the story of western Canada’s aviation heritage. Thank you for helping us reach higher altitude and pursue our mission and vision as part of Calgary’s thriving art and culture landscape.



### **\$100,000+**

City of Calgary  
Government of  
Canada

### **\$50,000 - \$99,999**

Alberta Lottery Fund

### **\$25,000 - \$49,999**

Margrit Ursulak

### **\$10,000 - \$24,999**

Canadian Museums  
Association  
Hotchkiss Family  
Foundation  
The Lecky Foundation

### **\$5,000 - \$9,999**

Calgary Airport  
Authority

Calgary Foundation

### **\$2,500 - \$4,999**

Dwight Allen  
Enbridge Pipelines  
Noella and David  
Moffit

### **\$1,000 - \$2,499**

783 (Calgary) Wings  
RCAFA  
Alberta Aviation  
Council  
Alberta Museums  
Association  
Grant Allen  
John Anderson  
Clint Cawsey  
Sherry Irvine  
Rangeland Truck and  
Crane

Travel Alberta  
Brian Van Humbeck

### **\$500 - \$999**

Brent Garries  
Strategic Charitable  
Giving Foundation  
William Woods

### **\$250 - \$499**

John Alho  
Brad Gilbert  
Malcom Logan  
Nora Molina  
Fairfield Watson

### **\$100 - \$249**

William and Eleanor  
Bailey  
Don Bayley  
Christian Fralic

Shelley Harris  
David Hart  
Gord Lowe  
John Mader  
Spencer Mallow  
Jack McWilliam  
Modern Niagara  
Group Inc.

Gina Nenniger  
Susan Parker  
Alex Reed  
Ian Struthers  
John Turner  
Wade Wostradowski  
William Zuck

**Aero Space Museum Association of Calgary**  
**(o/a The Hangar Flight Museum)**  
**Consolidated Financial Statements**  
*December 31, 2020*

## Independent Auditor's Report

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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, 2020, and the consolidated statements of operations, 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 consolidated financial position of the Association as at December 31, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### 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 Consolidated Financial Statements section of our report. We are independent of the Association in accordance with the 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 Canadian accounting standards for not-for-profit organizations, 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.

### 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

March 24, 2021

*MNP* LLP

Chartered Professional Accountants

**MNP**

**Aero Space Museum Association of Calgary**  
**(o/a The Hangar Flight Museum)**  
**Consolidated Statement of Financial Position**

*As at December 31, 2020*

|   | <b>2020</b>      | <b>2019</b>                |
|---|------------------|----------------------------|
| <b>Assets</b>   |                  |                            |
| <b>Current</b>  |                  |                            |
| Cash  | 396,247          | 296,154                    |
| Restricted cash   | 13,491           | 61,414                     |
| Term deposits (Note 3)  | 100,000          | -                          |
| Accounts receivable   | 60,850           | 19,261                     |
| Government assistance receivable (Note 4)                                 | 58,087           | -                          |
| Inventory   | 20,568           | 22,225                     |
| Prepaid expenses and deposits   | 20,323           | 26,508                     |
|   | <b>669,566</b>   | <b>425,562</b>             |
| <b>Property and equipment (Note 6)</b>                                    | <b>1,362,492</b> | <b>1,476,597</b>           |
| <b>Collections (Note 7)</b>   | <b>1</b>         | <b>1</b>                   |
|   | <b>2,032,059</b> | <b>1,902,160</b>           |
| <b>Liabilities</b>  |                  |                            |
| <b>Current</b>  |                  |                            |
| Accounts payable and accrued liabilities (Note 8)                         | 74,728           | 68,387                     |
| Deposits and unearned revenue   | 7,700            | 15,628                     |
| Deferred contributions related to operations (Note 9)                     | 261,479          | 220,937                    |
| Current portion of capital lease obligations (Note 10)                    | 7,999            | 7,588                      |
|   | <b>351,906</b>   | <b>312,540</b>             |
| <b>Capital lease obligations (Note 10)</b>                                | <b>9,883</b>     | <b>17,882</b>              |
| <b>Deferred contributions related to property and equipment (Note 11)</b> | <b>1,044,125</b> | <b>1,186,935</b>           |
|   | <b>1,405,914</b> | <b>1,517,357</b>           |
| <b>Commitments (Note 12)</b>  |                  |                            |
| <b>Net Assets</b>   |                  |                            |
| Unrestricted  | 165,659          | 120,612                    |
| Invested in property and equipment  | 300,486          | 264,191                    |
| Restricted reserve fund (Note 14)   | 160,000          | -                          |
|   | <b>626,145</b>   | <b>384,803</b>             |
|   | <b>2,032,059</b> | <b>1,902,160</b>           |
| <b>Approved on behalf of the Board</b>                                    |                  |                            |
| E-SIGNED by Nora Molina   |                  | E-SIGNED by Betty Thompson |
| <u>Director</u>   |                  | <u>Director</u>            |

The accompanying notes are an integral part of these consolidated financial statements

**Aero Space Museum Association of Calgary**  
**(o/a The Hangar Flight Museum)**  
**Consolidated Statement of Operations**

*For the year ended December 31, 2020*

|  | 2020             | 2019      |
|--|------------------|-----------|
| <b>Revenue</b>   |                  |           |
| Grant revenue  | 590,256          | 497,290   |
| Amortization of deferred contributions related to property and equipment (Note 11) | 142,810          | 141,488   |
| Donations  | 37,356           | 76,228    |
| Casino   | 47,923           | 56,479    |
| Admissions   | 44,436           | 140,596   |
| Gift shop sales  | 25,667           | 85,789    |
| Education tours  | 23,250           | 76,910    |
| Facility rentals   | 5,830            | 59,611    |
| Events/projects  | 4,552            | 24,541    |
| Memberships  | 4,755            | 10,366    |
| Rental income  | 1,655            | 10,103    |
| Interest and miscellaneous   | 1,066            | 1,594     |
| Hurricane revenue  | -                | 15,380    |
|  | <b>929,556</b>   | 1,196,375 |
| <b>Other revenue</b>   |                  |           |
| Canada Emergency Wage Subsidy  | 185,586          | -         |
| Canada Emergency Rent Subsidy  | 24,305           | -         |
|  | <b>1,139,447</b> | 1,196,375 |
| <b>Expenses</b>  |                  |           |
| Salaries and benefits  | 446,440          | 464,430   |
| Amortization   | 152,956          | 152,536   |
| Building operations  | 87,531           | 115,302   |
| Collection, restoration and exhibit costs (Note 7)                                 | 43,583           | 55,647    |
| Insurance  | 32,981           | 32,518    |
| Marketing and promotions   | 30,157           | 97,791    |
| Office and administration  | 20,482           | 25,317    |
| Professional fees  | 16,791           | 18,952    |
| Gift shop cost of sales  | 13,837           | 46,532    |
| Programming  | 9,952            | 18,231    |
| Bank charges and interest  | 7,057            | 14,030    |
| Staff and volunteer recognition  | 6,664            | 20,623    |
| Events   | 2,562            | 38,604    |
| Membership fees  | 4,899            | 2,770     |
| Professional development   | 4,111            | 1,887     |
| Other costs  | 16,937           | 3,930     |
| Interest on capital lease  | 1,166            | 1,557     |
| Conferences  | -                | 1,038     |
| Travel   | -                | 1,675     |
|  | <b>898,106</b>   | 1,113,370 |
| <b>Excess of revenue over expenses before income taxes</b>                         | <b>241,341</b>   | 83,005    |
| <b>Provision for income taxes (Note 17)</b>  | <b>-</b>         | (3,679)   |
| <b>Excess of revenue over expenses</b>   | <b>241,341</b>   | 79,326    |

The accompanying notes are an integral part of these consolidated financial statements

**Aero Space Museum Association of Calgary**  
**(o/a The Hangar Flight Museum)**  
**Consolidated Statement of Changes in Net Assets**

*For the year ended December 31, 2020*

|   | <i>Unrestricted</i> | <i>Invested in<br/>property and<br/>equipment</i> | <i>Restricted<br/>reserve fund</i> | <b>2020</b>    | <b>2019</b> |
|---|---------------------|---|------------------------------------|----------------|-------------|
| <b>Net assets, beginning of year</b>                | <b>120,612</b>      | <b>264,191</b>                                    | -                                  | <b>384,803</b> | 305,477     |
| <b>Excess (deficiency) of revenue over expenses</b> | <b>251,488</b>      | <b>(10,146)</b>                                   | -                                  | <b>241,341</b> | 79,326      |
| <b>Additions to property and equipment</b>          | <b>(38,853)</b>     | <b>38,853</b>                                     | -                                  | -              | -           |
| <b>Payment of capital lease</b>                     | <b>(7,588)</b>      | <b>7,588</b>                                      | -                                  | -              | -           |
| <b>Interfund transfer (Note 14)</b>                 | <b>(160,000)</b>    | -   | <b>160,000</b>                     | -              | -           |
| <b>Net assets, end of year</b>                      | <b>165,659</b>      | <b>300,486</b>                                    | <b>160,000</b>                     | <b>626,144</b> | 384,803     |

*The accompanying notes are an integral part of these consolidated financial statements*

**Aero Space Museum Association of Calgary**  
**(o/a The Hangar Flight Museum)**  
**Consolidated Statement of Cash Flows**

*For the year ended December 31, 2020*

|  | 2020             | 2019      |
|--|------------------|-----------|
| <b>Cash provided by (used for) the following activities</b>              |                  |           |
| <b>Operating</b>   |                  |           |
| Excess of revenue over expenses  | 241,341          | 79,326    |
| Amortization   | 152,956          | 152,536   |
| Amortization of deferred contributions - operations                      | (185,131)        | (131,794) |
| Amortization of deferred contributions related to property and equipment | (142,810)        | (141,488) |
|  | <b>66,356</b>    | (41,420)  |
| Changes in working capital accounts                                      |                  |           |
| Accounts receivable  | (41,589)         | (8,577)   |
| Government assistance receivable   | (58,087)         | -         |
| Inventory  | 1,657            | (4,800)   |
| Prepaid expenses and deposits  | 6,188            | (5,540)   |
| Accounts payable and accrued liabilities                                 | 6,341            | 34,644    |
| Deposits and unearned revenue  | (7,928)          | (2,814)   |
|  | <b>(27,062)</b>  | (28,507)  |
| <b>Financing</b>   |                  |           |
| Repayments of capital lease obligations                                  | (7,588)          | (7,197)   |
| Deferred contributions related to operations received                    | 225,673          | 234,052   |
|  | <b>218,085</b>   | 226,855   |
| <b>Investing</b>   |                  |           |
| Purchase of term deposits  | (100,000)        | -         |
| Purchase of property and equipment                                       | (38,853)         | (29,710)  |
|  | <b>(138,853)</b> | (29,710)  |
| <b>Increase in cash resources</b>  | <b>52,170</b>    | 168,638   |
| <b>Cash resources, beginning of year</b>                                 | <b>357,568</b>   | 188,930   |
| <b>Cash resources, end of year</b>                                       | <b>409,738</b>   | 357,568   |
| <b>Cash resources are composed of:</b>                                   |                  |           |
| Unrestricted cash  | 396,247          | 296,154   |
| Restricted cash  | 13,491           | 61,414    |
|  | <b>409,738</b>   | 357,568   |

*The accompanying notes are an integral part of these consolidated financial statements*

# Aero Space Museum Association of Calgary (o/a The Hangar Flight Museum) Notes to the Consolidated Financial Statements

*For the year ended December 31, 2020*

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## 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. Change in accounting policy

### ***Collections Held by Not-for-Profit Organizations***

In the prior year, the Association adopted the Accounting Standard Board's (AcSB) new accounting standards improvements for not-for-profit organizations related to collections under Section 4441 *Collections Held by Not-for-Profit Organization*. Applying this Section resulted in the recognition of collections, the determination of impairment and write-down of collections, and allows for the recognition of partial impairment of these assets.

There were no material impacts on the financial statements from the application of these accounting recommendations.

## 3. Significant accounting policies

The 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:

### ***Basis of presentation***

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***

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 interest at 0.47% and mature between June 7, 2021 and June 14, 2021.

### ***Government assistance***

Government assistance is recognized when there is reasonable assurance that the conditions attached to the government assistance will be met and that assistance will be received. Government assistance is recognized as income over the periods necessary to match it with the related costs that it is intended to compensate. The benefits of the government assistance for the expenditures incurred directly by the Association are recognized as revenue.

**Aero Space Museum Association of Calgary**  
**(o/a The Hangar Flight Museum)**  
**Notes to the Consolidated Financial Statements**

*For the year ended December 31, 2020*

**3. Significant accounting policies** *(Continued from previous page)*

***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 and equipment***

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the following method and rates intended to amortize the cost of assets over their estimated useful lives.

|                        | <b>Method</b>     | <b>Rate</b> |
|------------------------|-------------------|-------------|
| Leasehold improvements | straight-line     | 20 years    |
| Temporary building     | straight-line     | 20 years    |
| Equipment              | declining balance | 20 %        |
| Signs                  | declining balance | 20 %        |
| Computer equipment     | declining balance | 55 %        |
| Small tools            | declining balance | 20 %        |

***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:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- 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
- 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 the financial statements.

**Aero Space Museum Association of Calgary**  
**(o/a The Hangar Flight Museum)**  
**Notes to the Consolidated Financial Statements**

*For the year ended December 31, 2020*

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**3. Significant accounting policies** *(Continued from previous page)*

**Revenue recognition**

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**

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures all financial assets at amortized cost. The fair value of the financial instruments approximate their carrying value due to the short term nature of these investments. Gains and losses arising from changes in fair value are recognized immediately in the statement of revenue and expenses and net assets.

**Financial 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 current year 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.

**Aero Space Museum Association of Calgary**  
**(o/a The Hangar Flight Museum)**  
**Notes to the Consolidated Financial Statements**

*For the year ended December 31, 2020*

**4. 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 \$185,586 in assistance from the CEWS program. As at December 31, 2020, \$33,782 of CEWS is included in Government assistance receivable.

In October 2020, the Government of Canada announced the introduction of the Canada Emergency Rent Subsidy (CERS) to support organizations which have been affected by the pandemic. During the year, the Association has recognized \$24,305 in assistance from the CERS program which is included in Government assistance receivable.

**5. Impact of COVID-19 on operations**

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. During the year the Hangar Flight Museum was closed for a significant period of time and experienced large decreases of earned revenue from customers using the facilities. Government grant increases as well as new emergency government assistance programs provided much needed support in place of reduced business operations. Cost cutting was also implemented in an effort to conserve cash reserves during the year.

It is unknown the extent of the impact the COVID-19 outbreak may have on the Association in the future as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**6. Property and equipment**

|                           | <i>Cost</i>      | <i>Accumulated<br/>amortization</i> | <i>2020<br/>Net book<br/>value</i> | <i>2019<br/>Net book<br/>value</i> |
|---------------------------|------------------|-------------------------------------|------------------------------------|------------------------------------|
| Leasehold improvements    | 2,805,236        | 1,514,347                           | 1,290,889                          | 1,396,197                          |
| Temporary building        | 605,946          | 576,399                             | 29,547                             | 33,319                             |
| Equipment                 | 162,401          | 144,325                             | 18,076                             | 16,299                             |
| Signs                     | 21,260           | 18,549                              | 2,711                              | 3,389                              |
| Computer equipment        | 2,254            | 1,426                               | 828                                | 1,841                              |
| Small tools               | 16,587           | 16,451                              | 136                                | 171                                |
|                           | <b>3,613,684</b> | <b>2,271,497</b>                    | <b>1,342,187</b>                   | 1,451,216                          |
| Signs under capital lease | 38,550           | 18,245                              | 20,305                             | 25,381                             |
|                           | <b>3,652,234</b> | <b>2,289,742</b>                    | <b>1,362,492</b>                   | 1,476,597                          |

**7. Collections**

At December 31, 2020, the Association's collection consists of artifacts, archived materials, photographs, and other items related to Western Canadian aviation history.

**Aero Space Museum Association of Calgary**  
**(o/a The Hangar Flight Museum)**  
**Notes to the Consolidated Financial Statements**

*For the year ended December 31, 2020*

**8. Accounts payable and accrued liabilities**

|                                     | <b>2020</b>   | <b>2019</b> |
|-------------------------------------|---------------|-------------|
| Trade accounts payable and accruals | <b>74,728</b> | 64,317      |
| Income taxes payable                | -             | 3,679       |
| Goods and Services Tax payable      | -             | 391         |
|                                     | <b>74,728</b> | 68,387      |

**9. Deferred contributions related to operations**

Deferred contributions consist of unspent contributions externally restricted for programming expenses and specific purposes. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made and is included in education tours and casino revenue. Changes in the deferred contribution balance are as follows:

|   | <b>2020</b>      | <b>2019</b> |
|---|------------------|-------------|
| Balance, beginning of year                          | <b>220,937</b>   | 118,679     |
| Amount received during the year                     | <b>225,673</b>   | 234,052     |
| Less: Amounts recognized as revenue during the year | <b>(185,131)</b> | (131,794)   |
|   | <b>261,479</b>   | 220,937     |

During the year, the Association received funds in the amount of \$1,305 (2019 - \$67,935) in order to restore the CF-100. These amounts will be recognized as revenue as restoration costs are incurred.

**10. Capital lease obligations**

|  | <b>2020</b>   | <b>2019</b> |
|--|---------------|-------------|
| Outdoor signs lease payable in equal monthly instalments of \$730 including interest at 5.30%, due on February 1, 2023, secured by property and equipment with carrying value of \$20,305 (2019 - \$25,381). | <b>17,882</b> | 25,470      |
| Less: Current portion  | <b>7,999</b>  | 7,588       |
|  | <b>9,883</b>  | 17,882      |

Future minimum lease payments related to the obligation under capital lease are as follows:

|                        |         |
|------------------------|---------|
| 2021                   | 8,754   |
| 2022                   | 8,754   |
| 2023                   | 1,459   |
|                        | 18,967  |
| Less: imputed interest | (1,085) |
|                        | 17,882  |
| Less: current portion  | (7,999) |
|                        | 9,883   |

**Aero Space Museum Association of Calgary  
(o/a The Hangar Flight Museum)  
Notes to the Consolidated Financial Statements**

*For the year ended December 31, 2020*

**11. 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:

|   | <b>2020</b>      | 2019      |
|---|------------------|-----------|
| Balance, beginning of year                          | <b>1,186,935</b> | 1,328,423 |
| Less: Amounts recognized as revenue during the year | <b>(142,810)</b> | (141,488) |
| Balance, end of year                                | <b>1,044,125</b> | 1,186,935 |

**12. Commitments**

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

**13. 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, 2022. 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.

**14. Restricted reserve fund**

Effective December 31, 2020, the board approved a transfer of \$160,000 from the unrestricted fund to the restricted reserve fund.

**15. Bank indebtedness**

The Association has access to a demand revolving credit facility in 2020 ("Facility A"), to provide for ongoing operating and working capital requirements, authorized to a maximum of \$100,000 (2019 - \$100,000), of which \$Nil (2019 - \$Nil) has been drawn. The Facility A bears interest at RBC's prime rate plus 1.25% per annum. As at December 31, 2020, the RBC prime rate was 2.45% (2019 - 3.95%).

**16. Economic dependence**

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.

**17. 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.

**Aero Space Museum Association of Calgary**  
**(o/a The Hangar Flight Museum)**  
**Notes to the Consolidated Financial Statements**

*For the year ended December 31, 2020*

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**18. 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 2020 was \$7,477 (2019 - \$6,891).

**19. 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.

**20. Subsequent event**

Subsequent to year end, the Association's hangar tent facility suffered severe damage due to a heavy windstorm. The repairs are expected to be material and will have coverage by the Association's insurance policy.

**21. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.



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