

**NORTHERN AIR
TRANSPORT ASSOCIATION**
Yellowknife, NT

FINANCIAL STATEMENTS
(unaudited)
For the year ended December 31, 2011

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REVIEW ENGAGEMENT REPORT

To the Board of Directors of
Northern Air Transport Association

We have reviewed the Statement of Financial Position of Northern Air Transport Association as at December 31, 2011 and the Statements of Operations and Cash Flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the association.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Avery, Cooper & Co.

Avery, Cooper & Co.
Certified General Accountants
Yellowknife, NT

March 30, 2012



NORTHERN AIR TRANSPORT ASSOCIATION

STATEMENT OF FINANCIAL POSITION

December 31, 2011

(unaudited)

ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT		
Cash	\$ 17,884	\$ 13,152
Accounts receivable (note 4)	5	22,870
Inventory	-	2,240
Prepaid expenses	654	654
Due from government agencies	<u>2,333</u>	<u>2,461</u>
	20,876	41,377
INVESTMENTS (note 5)	<u>308,540</u>	<u>296,778</u>
	<u>\$ 329,416</u>	<u>\$ 338,155</u>

LIABILITY

CURRENT		
Accounts payable and accrued liabilities	\$ 7,036	\$ 8,216

NET ASSETS

BALANCE per page 2	<u>322,380</u>	<u>329,939</u>
	<u>\$ 329,416</u>	<u>\$ 338,155</u>

Approved:

_____ Member

_____ Member

NORTHERN AIR TRANSPORT ASSOCIATION

STATEMENT OF OPERATIONS

For the year ended December 31, 2011
(unaudited)

	<u>2011</u>	<u>2010</u>
REVENUES		
Members Dues	\$ 62,084	\$ 59,555
Interest and increase in Investments	11,762	10,399
Promotional items	100	314
Convention	<u>107,940</u>	<u>99,505</u>
	<u>181,886</u>	<u>169,773</u>
EXPENDITURES		
Advertising and promotion	3,040	2,260
Bad debts	9,233	10,944
Communications	2,542	7,268
Conferences	63,015	57,872
Director's fees	60,000	36,000
Executive Assistant - contract	24,679	25,000
Insurance	1,308	1,308
Interest and bank charges	3,229	2,946
Office supplies	2,769	2,907
Professional fees	6,830	9,503
Travel	<u>12,800</u>	<u>11,482</u>
	<u>189,445</u>	<u>167,490</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(7,559)	2,283
BALANCE, opening	<u>329,939</u>	<u>327,656</u>
BALANCE, closing	<u><u>\$ 322,380</u></u>	<u><u>\$ 329,939</u></u>

NORTHERN AIR TRANSPORT ASSOCIATION

STATEMENT OF CASH FLOWS For the year ended December 31, 2011 (unaudited)

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 204,779	\$ 174,285
Cash receipts from other revenue	100	314
Cash paid to suppliers and employees	<u>(188,385)</u>	<u>(169,056)</u>
	16,494	5,543
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of investments	<u>(11,762)</u>	<u>(10,303)</u>
INCREASE (DECREASE) IN CASH	4,732	(4,760)
CASH, opening	<u>13,152</u>	<u>17,912</u>
CASH, closing	<u><u>\$ 17,884</u></u>	<u><u>\$ 13,152</u></u>

NORTHERN AIR TRANSPORT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

(unaudited)

1. NATURE OF OPERATIONS

Northern Air Transport Association was formed to present the views of its membership to government, business and industry in the Northwest Territories, Nunavut and Yukon.

The Association is incorporated under the Statutes of the Northwest Territories, Yukon Territory and Nunavut Territory.

The Association is a not-for-profit organization and is therefore exempt from Income Tax.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Inventory

The inventory, which includes promotional items, is valued at cost. Cost is determined by lower of cost or net realizable value.

(b) Capital assets

Capital assets are treated as an expense in the year of acquisition.

(c) Investments

Investments in fixed income bonds and mutual funds are recorded at market value.

(d) Revenue recognition

The association recognizes revenue from annual membership dues, convention registrations and convention sponsorships on an accrual basis. Estimated losses, if any, are recorded when they become apparent.

3. FUTURE CHANGES TO SIGNIFICANT ACCOUNTING POLICIES

Not-for-Profit GAAP

In December 2010, the Accounting Standards Board issued a comprehensive set of new Canadian accounting standards for not-for-profit organizations (ASNPO) effective for fiscal periods beginning on or after January 1, 2012. When the end of a not-for-profit organization's annual reporting period does not coincide with the end of the calendar year, the mandatory date for first-time adoption of ASNPO is effective for fiscal periods beginning on or after December 31, 2011. Early adoption is permitted. The association will be adopting ASNPO effective January 1, 2012 and believes the impact of these changes is not expected to materially affect the financial statements.

NORTHERN AIR TRANSPORT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

(unaudited)

4. ACCOUNTS RECEIVABLE

	2011	2010
Accounts receivable	\$ 18,282	\$ 31,914
Less: Allowance for doubtful accounts	18,277	9,044
	\$ 5	\$ 22,870

5. INVESTMENTS

	2011		2010	
CIBC Wood Gundy Portfolio	\$ 308,540		\$ 296,778	
	Market	2011 Cost	Market	2010 Cost
CPN Ontario Hydro Global (Due Apr 15 2011)	\$ -	\$ -	\$ 34,502	\$ 25,887
CPN Hydro Quebec (Due Oct 15 2012)	37,108	25,659	36,135	25,659
RES Province of BC (Due Aug 23 2013)	37,193	26,929	35,941	26,929
RES Province of BC (Due June 20 2014)	51,367	38,868	48,560	38,868
HSBC Bank Canada- GTD Investment(2.8%) (Due August 25, 2014)	41,523	40,000	40,392	40,000
HSBC Bank Canada- GTD Investment(3.1%) (Due August 24, 2015)	41,687	40,000	40,434	40,000
CPN Ontario Hydro (Due Oct 1 2015)	50,609	45,000	46,804	45,000
Altamira High Interest Cashperformer	49,053	46,867	13,986	13,986
Cash	-	-	24	24
	\$ 308,540	\$ 263,323	\$ 296,778	\$ 256,353

NORTHERN AIR TRANSPORT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011
(unaudited)

6. CAPITAL ASSETS

Capital asset additions worth \$507 were expensed during the year.

7. FINANCIAL INSTRUMENTS

The association's financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, currency or credit risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.