



HELICOPTER ASSOCIATION OF CANADA Fall 2022 AGM TREASURER’S REPORT

I am pleased to report that our Auditor, Hendry Warren LLP, has provided us with a clean audit opinion on our 2021-2022 Financial Statements, pending resolution of minor outstanding items.

HAC ended the year with a loss of (\$92K).

I will not go into detail regarding each line item on the Financial Statements, as the Members have each received a copy. There are however a few items of note:

- Revenues are down \$144K (30%) compared to the previous year. This was primarily due non-recurring capital gain of \$142K recognized from the condo sale in 2021. Membership revenues (Operator & Associate) increased by \$14K (6%) compared to the previous year.
- Expenses were down by 21% compared to the previous year, and a favourable \$55K against budget, due in large part to reduction in salary and contractor expenses incurred by HAC.
- HAC’s net loss for the year ended August 31, 2022, is (\$92K) vs a loss of (\$57K) in 2020-2021, an unfavourable difference of (\$35K). 2021 saw a capital gain of \$142K due to the sale of the condo.
- HAC had received the additional \$20K Canada Emergency Business Account (CEBA) loan, (\$40K in 2019-2020) which is non-interest bearing, due December 31, 2022 with \$20,000 loan forgiveness if repaid in full by the maturity date, after which point the loan is extended an additional three-year term bearing an interest rate of 5%, repayable at any time without penalty

Internally Restricted Funds

HAC maintains three internally restricted Funds. As of August 31, 2022, a description of each of these funds follows:

- Contingency Fund - \$130,937, no change from previous fiscal year. HAC’s goal is to have enough reserves in the Contingency Fund to fund a full year of expenditures to provide for unforeseen eventualities and for extraordinary expenses.
- Legal Defense Fund - \$90,497, a decrease of (\$4,503) from the previous fiscal year. This Fund was established to fund or share the cost of legal action where the

outcome of the action may affect the interests of the Canadian helicopter community.

- Special Projects Fund - \$NIL as of August 31, 2022. This Fund was established in 2008 to be used for special projects and initiatives. The fund was fully used in 2019-2020 for the WSU Fatigue Management project.
- Internally Restricted to Capital Assets – \$2,363 as of August 31, 2022, due to modest capital addition \$3,151 less (\$788) amortization during the year.
- Unrestricted Net Assets - \$398,300, decreased by the (\$92K) 2021-2022 loss.

We are projecting a \$92K deficit in the current fiscal year 2021-2022. These results far exceed the budgeted net loss of (\$192K) for the year, attributable to higher than forecasted revenues from Membership fees, Corporate Sponsorships, and reduced expenses for contractor and operational fees. HAC maintains reserves for unexpected events, however they have diminished during the protracted COVID-19 pandemic and inability to return to in-person convention for a second year. HAC had \$716,500 in Net Assets going in to the current fiscal year, reduced by (\$92K) profit loss and (\$4.5K) legal fund disbursement, leaving a year end balance \$620,000 Net Assets. The financial position for the 2022-2023 year is expected to see positive gains due to the industry's on going recovery from the COVID-19 pandemic and the return of the in-person convention for November 2022, which is taking place in Calgary this year due to significantly reduced operating costs.

November 2022 Convention

We are very pleased to return for our November 2022 Convention in-person, following virtual sessions held during the COVID-19 pandemic. These circumstances resulted in a significant reduction in overall revenues drawn from convention, membership, and sponsorship revenues during 2020 and 2021 fiscal years.

November 2022 Convention Sponsors:

I would like to extend a special thank-you to our 2022 Convention Sponsors. Please take note that some of our Corporate Sponsors are also Convention Sponsors:

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Please join me in thanking them all for their outstanding contributions and financial support to HAC.

Thank you, and we look forward to your continued support.