



HELICOPTER ASSOCIATION OF CANADA Fall 2020 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 2019-2020 Financial Statements.

HAC ended the year with a surplus of \$83K.

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 \$124K (12%) compared to the previous year. This was primarily due to a less successful Vancouver convention when compared to the previous year’s Vancouver event. Convention revenues were down \$91K (15%) compared to the previous year. Membership revenue decreased by \$22.5K (7%) compared to the previous year.
- Expenses were down by 18% compared to the previous year and were \$97K under budget.
- The financial performance of the Fall 2019 Vancouver convention met expectations. It generated a net income contribution of \$235K, which was \$78K less than the fall 2018 Ottawa convention.
- HAC’s net surplus for the year ended August 31, 2020 is \$83K vs a surplus of \$34k in 2018-2019, a favourable difference of \$49K.
- HAC received assistance from the Government of Canada related to the COVID-19 pandemic in the form of CEWS wage subsidies in the amount of \$42,458. Amounts are not repayable and are included as a reduction of salaries & wages expense.
- HAC also received the \$40K Canada Emergency Business Account (CEBA) loan, which is non-interest bearing with \$30K of principal due by December 31, 2022.

Internally Restricted Funds

HAC maintains three internally restricted Funds. As of August, 31 2020, a description of each of these funds follows:

- Contingency Fund - \$130,937 (down from \$140,937 in the 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. \$10,000 was transferred from the Contingency Fund to Special Projects Fund.
- Legal Defense Fund - \$95,000 (unchanged 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 (down from \$2,500 in the previous fiscal year). This Fund was established in 2008 to be used for special projects and initiatives. \$10,000 was transferred from the Contingency Fund to the Special Projects Fund and \$12,500 was transferred from the Special Projects Fund to the Unrestricted Net Assets for the WSU Fatigue Management project.

We are projecting a (\$296K) deficit in the current fiscal year 2020-2021, primarily driven by significantly lower net revenue from a virtual convention in Nov 2020 and significantly lower membership renewal revenue in our 2020-2021 Fiscal Year - both due to Covid19. We have reserves for unexpected events like COVID-19 however, they are not bottomless. What's more, depending on circumstances relating to the control of COVID-19 in 2021, the future of our face-to-face 2021 YVR convention may be in question and there is a small risk that we may be facing penalties for the cancellation of that event if COVID-19 is not under control by the Spring/Summer of 2021. These circumstances are discussed in more detail in HAC's draft Audited Financial statements for 2019-2020, in your possession.

November 2020 Convention

In May of 2020, the Association's November face-to-face Convention was cancelled as a result of the COVID-19 pandemic. These circumstances will result in a significant reduction in net convention revenue, as well as a reduction in membership and sponsorship revenue for the 2020-2021 fiscal year, going forward.

HAC's accomplishments and reserve fund stability are due to the tremendous and long-standing support of our Members and Associates, Corporate Sponsors, Exhibitors, and Convention Sponsors. I can't tell you how much HAC appreciates those Members, Associates, and sponsors that have contributed financially to the very survival of the association under the most difficult circumstances in the history of Canadian commercial aviation.

November 2019 Convention Sponsors:

I would like to extend a special thank-you to our 2019 Convention Sponsors. Please take note that some of our Corporate Sponsors are also Convention Sponsors:

2019 Corporate Sponsors:

AIRBUS Helicopters Canada
AIRWORK
Bell Textron Canada Ltd.
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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.