



## HELICOPTER ASSOCIATION OF CANADA Fall 2021 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 2020-2021 Financial Statements.

HAC ended the year with a loss of (\$57K).

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 \$459K (52%) compared to the previous year. This was primarily due to the annual convention being held virtually vs in person. Membership revenue decreased by \$67K (30%) compared to the previous year.
- The Condo was sold in May 2021 with a gain on sale of \$142K
- Expenses were down by 65% compared to the previous year mainly due to the convention being held virtually, and to cost-cutting measures taken by HAC.
- HAC’s net loss for the year ended August 31, 2021, is (\$57K) vs a surplus of \$83k in 2019-2020, an unfavourable difference of (\$141K).
- 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 \$ 38,440. Amounts are not repayable and are included as a reduction of salaries & wages expense.
- HAC 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, 2021, 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 - \$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 as of August 31, 2021. 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 – \$NIL as of August 31, 2021, due to the sale of the Condominium.
- Unrestricted Net Assets - \$490,560 increased by \$327K due to the sale of the Condominium and offset by the (\$57K) 2020-2021 loss.

We are projecting another, \$168K deficit in the current fiscal year 2021-2022, primarily driven by significantly lower net revenue from a virtual convention in Nov 2021 and significantly lower membership renewal revenue in our 2021-2022 Fiscal Year while the industry is in recovery from the effects of COVID-19. We have reserves for unexpected events like COVID-19 however, they are not bottomless. HAC had \$716,500 in Net Assets going in to the current fiscal year. Our deficit this year will depend largely on the progress of industry's recovery and on the level of membership renewals, since we do not expect to generate a large sum of net revenue from our 2021 virtual convention,

### **November 2021 Convention**

The November 2021 Convention is being held virtually due to the ongoing 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 2021-2022 fiscal year, going forward.

### **November 2021 Convention Sponsors:**

I would like to extend a special thank-you to our 2021 Convention Sponsors. Please take note that some of our Corporate Sponsors are also Convention Sponsors:

### **2021 Corp Sponsors:**

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And the most recent addition to our list of Corporate Sponsors, Marsh Canada

## **2021 Virtual Conference Sponsors:**

### **Platinum Partners:**

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RMCI, Inc.

### **Gold Partner:**

Emond Harnden LLP

### **Supporters:**

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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.

DRAFT