

HPAC/ACVL
Financial Statements
Year Ended December 31, 2022

HPAC/ACVL
Index to Financial Statements
Year Ended December 31, 2022

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 7

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of HPAC/ACVL

We have reviewed the accompanying financial statements of HPAC/ACVL (the association) that comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of HPAC/ACVL as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Jorgensen & Bickerton Inc.

Amherst, Nova Scotia
January 31, 2023

Jorgensen & Bickerton Inc.
Chartered Professional Accountants

HPAC/ACVL
Statement of Financial Position
December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 102,477	\$ 229,959
Term deposits	275,000	125,000
Prepaid expenses	5,000	5,000
	\$ 382,477	\$ 359,959
LIABILITIES		
CURRENT		
Accounts payable	\$ 8,405	\$ 11,555
NET ASSETS		
GENERAL FUND	374,072	348,404
	\$ 382,477	\$ 359,959

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

HPAC/ACVL
Statement of Revenues and Expenditures
Year Ended December 31, 2022

	2022	2021
REVENUES		
Memberships	\$ 177,160	\$ 187,240
Miscellaneous	1,522	3,314
Interest	563	900
	<u>179,245</u>	<u>191,454</u>
EXPENSES		
Accounting fees	1,155	1,155
Aero Club of Canada	6,638	7,173
Banking Expenses	162	48
Communications & Publications	1,128	2,809
Competition Funding	10,699	350
Executive Director	50,400	50,400
Instruction	1,169	307
Insurance	65,197	60,025
Office	5,326	7,443
PayPal Fees	4,617	4,212
Safety	-	400
Translation	3,812	9,252
Regional Instructional Support	1,198	200
Website - Ongoing Operations	2,076	3,179
	<u>153,577</u>	<u>146,953</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 25,668</u>	<u>\$ 44,501</u>

See notes to financial statements

HPAC/ACVL
Statement of Changes in Net Assets
Year Ended December 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 348,404	\$ 303,903
EXCESS OF REVENUES OVER EXPENSES	25,668	44,501
NET ASSETS - END OF YEAR	\$ 374,072	\$ 348,404

See notes to financial statements

HPAC/ACVL
Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 25,668	\$ 44,501
Change in non-cash working capital:		
Accounts payable	<u>(3,150)</u>	<u>(19,671)</u>
INCREASE IN CASH FLOW	22,518	24,830
CASH - BEGINNING OF YEAR	<u>354,959</u>	<u>330,129</u>
CASH - END OF YEAR	<u>\$ 377,477</u>	<u>\$ 354,959</u>
CASH CONSISTS OF:		
Cash	\$ 102,477	\$ 229,959
Term deposits	<u>275,000</u>	<u>125,000</u>
	<u>\$ 377,477</u>	<u>\$ 354,959</u>

See notes to financial statements

HPAC/ACVL
Notes to Financial Statements
Year Ended December 31, 2022

1. PURPOSE OF THE ASSOCIATION

HPAC/ACVL (the "association") is a not-for-profit organization incorporated federally under the Canada not-for-profit Corporations Act. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The association operates to provide its members with services of a national nature that enable and facilitate their safe participation in hang gliding and paragliding in Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

The organization's policy is to present bank balances and term deposits with a maturity of one year or less from the date of acquisition under cash and cash equivalents.

Capital assets

Capital assets are recorded as expenses in the year they are acquired.

Revenue recognition

HPAC/ACVL follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership revenue represents annual membership fees paid by members. Membership fee revenue is recognized in full when the membership fee is received and the renewal is processed.

Investment income is recognized as revenue when earned.

Contributed services

The operations of the organization depend on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

HPAC/ACVL initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and term deposits. Financial liabilities measured at amortized cost include accounts payable.

(continues)

HPAC/ACVL
Notes to Financial Statements
Year Ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. CONTINGENT LIABILITY

A contingent liability exists because of a pending lawsuit against the association. The potential amount of any damages cannot be estimated at this time. There has not been any recent activity relating to this lawsuit.

4. FINANCIAL INSTRUMENTS

The association is exposed to various risks through its financial instruments. The following analysis presents the association's exposures to significant risk at December 31, 2022.

(a) Interest rate risk

HPAC/ACVL is exposed to interest rate risk on its fixed-term financial instruments, which consist solely of term deposits.

5. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies. The financial statements of HPAC/ACVL, prepared as of January 31, 2023 reflect the impacts resulting from COVID-19 to the extent known at the reporting date.
