



CANADIAN POWER and SAIL SQUADRONS
ESCADRILLES CANADIENNES DE PLAISANCE

Report of the CPS-ECP National Finance Officer to the 2023 Annual General Meeting

October 21, 2023

Chief Commander
Past Chief Commanders
Friends from the USPS
Members of the CPS-ECP

The past fiscal year was once again challenging for our organization. However, we have managed to secure some financial stability for the future.

For fiscal 2023, CPS – ECP posted a net loss of \$426,895 against a deficit budget of \$307,548. This compares to a net loss of \$281,155 the previous year, an increase of \$119,347, which is primarily the result of expenses for the AGM and March meetings that were not included in the budget. The Fiscal 2024 budget projects a loss between \$ 245,562 – 361,094 depending on how the re-branding project goes.

The organisation experienced an increase in total revenues for 2023, totaling \$1,642,926, as compared to \$1,464,509 in 2022. This growth is primarily driven by increased course offerings and education-related revenue.

The positive news this year is we sold our building, turning a non-earning asset into an earning asset. The sale netted us over \$3.8 million, of which \$3 million has been invested into a ladder of GIC's from 1 to 5 years as follows:

1 Year - \$300,000 @ 5.57%
2 Years - \$700,000 @ 5.55%
3 Years - \$1,000,000 @ 5.30%
5 Years - \$1,000,000 @ 5.10%

These investments will generate over \$150,000 in interest for the first year alone, which will supplement our income considerably and more than offset the rental costs of our new premises.

Of our three sources of revenue, Courses continued to trend upwards with the Maritime Radio Course leading the way. Our Education Department has worked hard to update our courses and provide a solid platform, Moodle, for our online offerings, which should result in an uptick in sales. We don't want to overlook our in-class course offerings, they are important and for some, are the preferred option. Just a reminder, our suite of on-line courses and seminars can be used for in class courses as well as hybrid courses. Education is our main source of revenue. The more we teach, the more we earn.

Membership revenue continued to slip despite the efforts of the Membership Committee. Retention of members and attracting new members will provide a positive contribution to our income. Donations dropped somewhat after the very generous response to the Chiefs request for funds which was initiated in fiscal 2021 - 2022.

Our cash flow issues have been alleviated to a great degree through the proceeds of the building sale, and all monies owing to District and Squadrons has been paid and continues to be paid monthly. In return, we would like to see prompt payment of payables owing to the national office. Thank you.

On the expense side, we continue to closely monitor our operating expenses while maintaining our customer services, and as well, the cost of stabilizing our systems, which is ongoing. Many of the improvements and operational efficiencies identified in the Mensana re-engineering project have been or are in the process of being implemented. These improvements have and will simplify our processes and procedures, both internally in the national office as well as for the Squadrons and Districts and our overall membership.

In summary, we continue to work on maintaining fiscal balance. The sale of the building has provided us with much needed capital that we can rely on so the future looks bright.

The continued development and use of on-line courses will allow us to reach a much wider audience, not restricted to specific geographical areas, which will reduce expenses for all in the organization and help to boost our revenue.

In closing, I would like to thank all those who have worked diligently on our financials in sometimes difficult conditions. Special thanks to the Accounting team and all the rest of the National Office Staff for their hard work, and to the Audit Committee. Also, to our Auditors, thank you for the professional work done on our file.

Both the Financial Statements and this report are available for all members on the CPS-ECP website under My Members Area – Officers Resources – Finance, and on Teams in the All Officers – General tab.

Respectfully submitted,

Nigel Stafford
National Financial Officer.