



CANADIAN POWER and SAIL SQUADRONS
ESCADRILLES CANADIENNES DE PLAISANCE

Report of the CPS-ECP National Finance Officer to the 2022 Annual General Meeting

October 29, 2021

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

The past fiscal year presented significant financial challenges to our organization.

For fiscal 2022, CPS – ECP posted a net loss of \$281,155 against a deficit budget of \$345,513. This compares to a net loss of \$48,083 the previous year, an increase of \$233,072, which is primarily the result of a reduction in the Canada Emergency Wage Subsidy from \$314,314 to \$26,871. The Fiscal 2023 budget projects a loss of over \$500,000.

CPS - ECP has three main revenue streams; Courses; Membership; and Donations. Course revenue of \$761,177 increased slightly from the previous year and is starting to trend upwards but is still below pre-covid levels. During the pandemic classroom courses were suspended, which is understandable, however the use of our on-line courses was not sufficient to make up the difference as some Squadrons just stopped teaching. Our suite of on-line courses and seminars is expanding, and they can be used for in class courses as well. Education is our main source of revenue. The more we teach, the more we earn.

Membership revenue of \$284,632 decreased slightly from the previous year and is trending downwards despite the efforts of the Membership Team to re-sign lapsed and former members. We must attract new members!

Donations increased over \$143,000 year over year as the Squadrons and the Foundation responded to the Chief's request in October 2021 for contributions. We would like to thank you all for your generosity. Details of how these funds are being used was circulated to all members in early October 2022 and updates will follow quarterly.

Our organization has a cash flow problem. We are not generating sufficient cash to pay our expenses. Consequently, payments to Squadrons have been suspended and are now past due by several months. Unfortunately, we did not adequately inform the Squadrons about the suspension of payments or the reason why, and for this we apologize. However, when Squadrons withhold funds due to the organization or even refuse to teach courses because they are owed money only exacerbates the cash flow issue. The sooner that we can increase our cash flow the quicker the arrears will be paid.

On the expense side, we continue to closely monitor our operating expenses while maintaining our services as well as the cost of stabilizing our systems. The Mensana re-engineering project that was recently completed has identified several areas for improvement that will result in cost savings through improved processes and procedures. We are still faced with significant costs to improve our IT system. Unfortunately, all improvements cost money and not all can be completed at the same time. Projects are being selected for development based on their impact to the overall organization which means that some projects will have to wait.

In summary, we are trying to maintain fiscal balance. As the constraints of the past two years that have affected our growth and revenue subside, we can perhaps look forward to a brighter future for CPS – ECP. Practices that evolved during the pandemic such as on-line meetings need to continue because they are effective and result in substantial savings.

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.