

**CANADIAN SPORT PARACHUTING ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2024**

**CANADIAN SPORT PARACHUTING ASSOCIATION**  
**INDEX TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2024**

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## ST. ARNAUD PINSENT STEMAN

CHARTERED PROFESSIONAL ACCOUNTANTS  
AN ASSOCIATION TO PRACTISE CHARTERED PROFESSIONAL ACCOUNTANCY

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### INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Sport Parachuting Association

#### *Qualified Opinion*

We have audited the financial statements of Canadian Sport Parachuting Association (the Association), which comprise the statement of financial position as at November 30, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at November 30, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Association derives revenues from memberships and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to donations, receipts, deferred contributions, excess of revenue over expenditures, current assets or net assets. Our audit opinion on the financial statements for the year ended November 30, 2023 was modified because of the effects of this departure from Canadian accounting standards for not-for-profit organizations.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

(continues)

▪ Operating as a Professional Corporation ◻ Operating as a Limited Liability Partnership

Those charged with governance are responsible for overseeing the Association's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*JAM Accounting Group LLP*

Edmonton, Alberta  
February 5, 2025

JAM Accounting Group LLP  
Chartered Professional Accountants

**CANADIAN SPORT PARACHUTING ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**NOVEMBER 30, 2024**

|                                          | General Fund   | Defence Fund   | Team Fund      | 2024             | 2023             |
|------------------------------------------|----------------|----------------|----------------|------------------|------------------|
|                                          | \$             | \$             | \$             | \$               | \$               |
| <b>ASSETS</b>                            |                |                |                |                  |                  |
| <b>CURRENT</b>                           |                |                |                |                  |                  |
| Cash                                     | 2,006          | 50             | 105            | <b>2,161</b>     | 5,890            |
| Short term investments <i>(Note 4)</i>   | 344,573        | 191,420        | 517,960        | <b>1,053,953</b> | 1,092,507        |
| Accounts receivable                      | 1,939          | -              | -              | <b>1,939</b>     | 1,549            |
| GST and sales taxes recoverable          | 7,232          | -              | -              | <b>7,232</b>     | 3,560            |
| Prepaid expenses                         | 31,948         | -              | -              | <b>31,948</b>    | 27,293           |
| Inventory                                | 3,435          | -              | -              | <b>3,435</b>     | -                |
|                                          | 391,133        | 191,470        | 518,065        | <b>1,100,668</b> | 1,130,799        |
| EQUIPMENT <i>(Note 7)</i>                | 10,507         | -              | -              | <b>10,507</b>    | 11,096           |
| INVESTMENTS <i>(Note 4)</i>              | 42,367         | -              | -              | <b>42,367</b>    | 28,899           |
| <b>TOTAL ASSETS</b>                      | <b>444,007</b> | <b>191,470</b> | <b>518,065</b> | <b>1,153,542</b> | <b>1,170,794</b> |
| <b>LIABILITIES</b>                       |                |                |                |                  |                  |
| <b>CURRENT</b>                           |                |                |                |                  |                  |
| Deferred revenue <i>(Note 8)</i>         | 154,502        | -              | -              | <b>154,502</b>   | 170,967          |
| Accounts payable and accrued liabilities | 34,049         | -              | -              | <b>34,049</b>    | 29,100           |
| <b>TOTAL LIABILITIES</b>                 | <b>188,551</b> | <b>-</b>       | <b>-</b>       | <b>188,551</b>   | <b>200,067</b>   |
| <b>COMMITMENTS</b> <i>(Note 6)</i>       |                |                |                |                  |                  |
| <b>NET ASSETS</b>                        | <b>255,456</b> | <b>191,470</b> | <b>518,065</b> | <b>964,991</b>   | <b>970,727</b>   |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  | <b>444,007</b> | <b>191,470</b> | <b>518,065</b> | <b>1,153,542</b> | <b>1,170,794</b> |

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
*President*

*The accompanying notes form part of these financial statements*

**CANADIAN SPORT PARACHUTING ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED NOVEMBER 30, 2024**

|                                                     | General<br>Fund<br>\$ | Defence<br>Fund<br>\$ | Team<br>Fund<br>\$ | <b>2024</b><br>\$ | 2023<br>\$ |
|-----------------------------------------------------|-----------------------|-----------------------|--------------------|-------------------|------------|
| <b>NET ASSETS -</b>                                 |                       |                       |                    |                   |            |
| <b>BEGINNING OF</b>                                 |                       |                       |                    |                   |            |
| <b>YEAR</b>                                         | 268,236               | 194,110               | 508,381            | <b>970,727</b>    | 937,021    |
| Excess (deficiency) of<br>revenues over<br>expenses | (17,540)              | (3,001)               | 14,805             | <b>(5,736)</b>    | 33,706     |
| Interfund transfer                                  | 4,760                 | 361                   | (5,121)            | -                 | -          |
| <b>NET ASSETS - END OF</b>                          |                       |                       |                    |                   |            |
| <b>YEAR</b>                                         | 255,456               | 191,470               | 518,065            | <b>964,991</b>    | 970,727    |

*The accompanying notes form part of these financial statements*

**CANADIAN SPORT PARACHUTING ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED NOVEMBER 30, 2024**

|                                                      | General Fund    | Defence Fund   | Team Fund     | 2024           | 2023           |
|------------------------------------------------------|-----------------|----------------|---------------|----------------|----------------|
|                                                      | \$              | \$             | \$            | \$             | \$             |
| <b>REVENUES</b>                                      |                 |                |               |                |                |
| Affiliation fees                                     | 276,825         | -              | 13,345        | <b>290,170</b> | 303,663        |
| Rating and certificate fees                          | 43,905          | -              | -             | <b>43,905</b>  | 48,795         |
| Member fees                                          | 27,556          | 6,600          | -             | <b>34,156</b>  | 34,656         |
| Interest                                             | 9,898           | 5,399          | 17,387        | <b>32,684</b>  | 27,572         |
| Donations                                            | 22,843          | -              | 1,520         | <b>24,363</b>  | 25,953         |
| Miscellaneous revenue                                | 16,825          | -              | 6,140         | <b>22,965</b>  | 16,142         |
| WPC registrations                                    | 20,631          | -              | -             | <b>20,631</b>  | 24,298         |
| CanPara                                              | 17,475          | -              | -             | <b>17,475</b>  | 25,010         |
| Aero Club                                            | 4,480           | -              | -             | <b>4,480</b>   | 3,440          |
| Grants and subsidies (Note 9)                        | 3,000           | -              | -             | <b>3,000</b>   | 6,000          |
|                                                      | <b>443,438</b>  | <b>11,999</b>  | <b>38,392</b> | <b>493,829</b> | <b>515,529</b> |
| <b>EXPENSES</b>                                      |                 |                |               |                |                |
| Wages and benefits                                   | 131,820         | -              | -             | <b>131,820</b> | 128,322        |
| Insurance                                            | 88,461          | -              | -             | <b>88,461</b>  | 89,252         |
| CanPara                                              | 58,859          | -              | -             | <b>58,859</b>  | 65,422         |
| BOD and Committee                                    | 50,939          | -              | -             | <b>50,939</b>  | 47,217         |
| Office                                               | 48,997          | -              | -             | <b>48,997</b>  | 55,103         |
| Competition                                          | 25,221          | -              | 23,587        | <b>48,808</b>  | 48,895         |
| Membership services                                  | 18,936          | -              | -             | <b>18,936</b>  | 23,525         |
| Bank charges and interest                            | 17,809          | -              | -             | <b>17,809</b>  | 15,754         |
| Translation                                          | 15,979          | -              | -             | <b>15,979</b>  | 5,511          |
| Defence fund claims                                  | -               | 15,000         | -             | <b>15,000</b>  | 543            |
| Amortization                                         | 2,400           | -              | -             | <b>2,400</b>   | 2,279          |
| Advertising and promotion                            | 1,557           | -              | -             | <b>1,557</b>   | -              |
|                                                      | <b>460,978</b>  | <b>15,000</b>  | <b>23,587</b> | <b>499,565</b> | <b>481,823</b> |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b> | <b>(17,540)</b> | <b>(3,001)</b> | <b>14,805</b> | <b>(5,736)</b> | <b>33,706</b>  |

The accompanying notes form part of these financial statements

**CANADIAN SPORT PARACHUTING ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED NOVEMBER 30, 2024**

|                                               | 2024<br>\$      | 2023<br>\$      |
|-----------------------------------------------|-----------------|-----------------|
| <b>OPERATING ACTIVITIES</b>                   |                 |                 |
| Excess (deficiency) of revenues over expenses | (5,736)         | 33,706          |
| Item not affecting cash:                      |                 |                 |
| Amortization                                  | 2,400           | 2,279           |
|                                               | <u>(3,336)</u>  | <u>35,985</u>   |
| Changes in non-cash working capital:          |                 |                 |
| Accounts receivable                           | (390)           | 90              |
| GST and sales taxes recoverable               | (3,672)         | 319             |
| Prepaid expenses                              | (4,655)         | (5,457)         |
| Accounts payable and accrued liabilities      | 4,950           | 1,286           |
| Deferred revenue                              | (16,465)        | (6,633)         |
| Inventory                                     | (3,435)         | -               |
|                                               | <u>(23,667)</u> | <u>(10,395)</u> |
| Cash flow from (used by) operating activities | <u>(27,003)</u> | <u>25,590</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                 |                 |
| Net change in investments                     | 25,086          | (20,277)        |
| Purchase of equipment                         | (1,812)         | -               |
| CASH FLOWS FROM INVESTING ACTIVITIES          | <u>23,274</u>   | <u>(20,277)</u> |
| <b>INCREASE (DECREASE) IN CASH</b>            | <u>(3,729)</u>  | <u>5,313</u>    |
| Cash - beginning of year                      | 5,890           | 577             |
| <b>CASH - END OF YEAR</b>                     | <u>2,161</u>    | <u>5,890</u>    |

*The accompanying notes form part of these financial statements*

**CANADIAN SPORT PARACHUTING ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2024**

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**1. NATURE OF THE ORGANIZATION**

The Canadian Sport Parachuting Association ("CSPA" or "the Association") is Canada's official sport organization for sport parachuting in Canada. CSPA promotes safe, enjoyable parachuting through cooperation and adherence to self-imposed rules and recommendations. CSPA is run by its Members and Registered Participants, joined together, voluntarily, for mutual benefit.

The Association was originally incorporated in 1956 and operates under the Canada Not-for-profit Corporations Act. CSPA is a Registered Canadian Amateur Athletic Association under Section 149 of the Income Tax Act. As such, the Association is exempt from the payment of income taxes.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

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. Significant financial statement items that require the use of estimates are the useful life and amortization of capital assets. 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.

Cash and Cash Equivalents

Cash includes bank balances, less outstanding cheques & deposits.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recorded to amortize the cost of the assets over their estimated useful lives, using a rate of 20% and a declining-balance method. The rate used in the year of purchase is one-half of the annual rate.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Investments

Investments consist of investments in savings accounts and life insurance policy. All investments are recorded at cost with gains and losses recorded in the statement of operations and changes in net assets in the period in which they arise.

Contributed services

Volunteers contribute an indeterminable number of hours to assist the Association in carrying out its activities. In addition, in-kind contributions in the form of use of equipment are received from volunteers, board members and committee members. The fair value of these services cannot be reasonably determined and are therefore not reflected in these financial statements.

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**CANADIAN SPORT PARACHUTING ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2024**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

Revenue recognition

Canadian Sport Parachuting Association 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Membership fees and affiliation fees are recognized on the basis of the passage of time, because services may be delivered evenly throughout the membership or affiliation period.

Internally restricted funds

Revenues and expenses related to general operating activities of the Association are reported in the General Fund. Revenues and expenses related to the Legal Defence Fund and Team fund are internally restricted funds.

The Legal Defence Fund is used to offset the costs of defending members against lawsuits related to incidents arising from parachuting or parachute training. Eligibility for assistance is subject to a number of terms and conditions, and is limited to a maximum of \$15,000 per incident, to be divided amongst claimants for the same incident. The fund is maintained by a contribution of \$5.00 from each Registered Participant's affiliation fees until the balance is in excess of \$125,000. It is also maintained by collection of defence fees from member groups. Interest income earned on assets is allocated to the fund.

The Team Fund provides funding to teams which represent Canada at World Parachuting Championships. The funds are administered with the goal of preserving an ever-growing principal amount so that significant interest will be generated to support national teams. When the Legal Defence Fund is in excess of \$125,000, the \$5.00 contribution from each Registered Participant is allocated to the Team Fund. Donations are also accepted to the current National Team, and may be designated by competition discipline. Designated donations are dispersed in the current funding cycle to that team, while non-designated donations are divided amongst the entire team. Donations may also be allocated to the permanent fund to form part of the accumulated fund balance. Interest earned is disbursed with donations. The Team Fund operates on a two-year funding cycle to correspond with the World Parachuting Championships.

**3. CONTINGENT LIABILITIES**

Under the terms of the Legal Defence Fund, participating members and Registered Participants are eligible for coverage of their third-party defence costs to a maximum of \$15,000 per incident. The deductible portion of any insurance claim may also be absorbed by the Legal Defence Fund. During the year \$15,000 claim was made against defence fund which was preapproved by the board. As at November 30, 2024, management and those charged with governance are not aware of any potential matters which could result in claims being made.

**CANADIAN SPORT PARACHUTING ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2024**

**4. INVESTMENTS**

Investments consist of investments in three savings accounts two bearing interest at 2.75% (2023 - 3.00%) per annum and one bearing interest at 3.15 % ( 2023 - 3.35%) per annum as at November 30, 2024. The interest rate is variable and increases with fund balances. Investments also include shares in the CSPA's credit union, and the cash surrender value of a life insurance policy.

|                                                                 | <b>2024</b>      | <b>2023</b> |
|-----------------------------------------------------------------|------------------|-------------|
|                                                                 | <b>\$</b>        | <b>\$</b>   |
| Desjardins business investment savings account,<br>General Fund | <b>344,573</b>   | 390,298     |
| Desjardins business investment savings account,<br>Defence Fund | <b>191,420</b>   | 193,953     |
| Desjardins business investment savings account,<br>Team Fund    | <b>517,960</b>   | 508,256     |
| Cash surrender value of insurance policy                        | <b>42,362</b>    | 28,894      |
| Credit union shares                                             | <b>5</b>         | 5           |
|                                                                 | <b>1,096,320</b> | 1,121,406   |

**5. FINANCIAL INSTRUMENTS**

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of November 30, 2024.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The association is mainly exposed this risk through short-term investments. This risk is managed by placing investments only with high credit financial institutions

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its credit facilities.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant other price risks arising from these financial instruments.

**6. COMMITMENTS**

The Association has leased office premises from September 30, 2023 to September 30, 2025. The Association also leases office equipment, consisting of a postage meter for \$138 per month until February 2027. Payments for these commitments over the next years are as follows:

|      | <b>\$</b>     |
|------|---------------|
| 2025 | 10,586        |
| 2026 | 1,654         |
| 2027 | 551           |
|      | <b>12,791</b> |

**CANADIAN SPORT PARACHUTING ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2024**

**7. EQUIPMENT**

|                               | Cost<br>\$    | Accumulated<br>amortization<br>\$ | 2024<br>Net book<br>value<br>\$ | 2023<br>Net book<br>value<br>\$ |
|-------------------------------|---------------|-----------------------------------|---------------------------------|---------------------------------|
| Computer equipment            | 25,461        | 17,105                            | <b>8,356</b>                    | 8,408                           |
| Office furniture              | 32,782        | 32,208                            | <b>574</b>                      | 717                             |
| Competition judging equipment | 10,618        | 9,041                             | <b>1,577</b>                    | 1,971                           |
|                               | <b>68,861</b> | <b>58,354</b>                     | <b>10,507</b>                   | 11,096                          |

**8. DEFERRED REVENUE**

Deferred revenue is primarily comprised of individual affiliation fees and affiliations towards team endowment collected in the current year but related to expenses incurred in the subsequent year.

|                                       | 2024<br>\$       | 2023<br>\$ |
|---------------------------------------|------------------|------------|
| Balance, beginning of year            | <b>170,967</b>   | 177,600    |
| Received during the year              | <b>154,502</b>   | 164,827    |
| Recognized as revenue during the year | <b>(170,967)</b> | (171,460)  |
| Balance, end of year                  | <b>154,502</b>   | 170,967    |

**9. GRANTS AND SUBSIDIES**

In the current fiscal year, the Association received grants from Coaching Association of Canada in the amount of \$3,000 (2023 - \$6,000).

**10. CREDIT FACILITY**

The Association has access to a credit card with a limit of \$20,000. As of year end, the amount owing on the credit card was \$8,622 (2023: \$ 3,941).