

CANADIAN BUSINESS AVIATION ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2025

CANADIAN BUSINESS AVIATION ASSOCIATION

TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	1
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7

INDEPENDENT AUDITOR'S REPORT

To the Members of the
Canadian Business Aviation Association

Opinion

We have audited the financial statements of the Canadian Business Aviation Association (the Association), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

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 the 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 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 Canadian accounting standards for not-for-profit organizations, 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.

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.

Marcil Lavallée

OTTAWA
400-1420 place Blair Towers Place, Ottawa ON K1J 9L8
EST ONTARIEN | EASTERN ONTARIO
888 rue Notre-Dame Street, C.P. | PO Box 101
Embrun ON K0A 1W1
T 613 745-8387 F 613 745-9584

Marcil-Lavallee.ca
Comptables professionnels agréés
Chartered Professional Accountants

MOORE
Un membre indépendant de
Moore North America, Inc.
An independent member
of Moore North America, Inc.

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.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
March 31, 2026

CANADIAN BUSINESS AVIATION ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

3

	Unrestricted Fund	Special Project Fund	2025 Total	2024 Total
REVENUES				
Membership fees (Note 3)	\$ 680,339	\$ -	\$ 680,339	\$ 643,200
Annual convention	558,066	-	558,066	446,128
Sponsorships	96,799	-	96,799	53,438
Dividend and interest income	40,761	-	40,761	54,029
	1,375,965	-	1,375,965	1,196,795
EXPENSES				
Salaries and benefits	488,964	-	488,964	580,888
Convention	346,889	-	346,889	372,575
Travel	71,669	-	71,669	101,684
Business taxes, licenses and memberships	48,225	-	48,225	48,695
Advertising and promotion	27,629	-	27,629	14,386
Insurance	22,292	-	22,292	20,434
Office expenses	19,611	-	19,611	23,541
Rent	4,855	-	4,855	4,454
Telecommunications	4,110	-	4,110	2,906
Meetings	1,554	-	1,554	542
Foreign exchange gains (losses)	320	-	320	(1,867)
Professional fees	261,777	-	261,777	203,401
Interest and service charges	9,359	-	9,359	9,860
	1,307,254	-	1,307,254	1,381,499
OPERATING PROFIT (LOSS)	68,711	-	68,711	(184,704)
OTHER REVENUE				
Unrealized change in fair market value of investments	59,439	-	59,439	77,726
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 128,150	\$ -	\$ 128,150	\$ (106,978)

CANADIAN BUSINESS AVIATION ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2025

4

		<u>Internal Restriction</u>		
	<u>Unrestricted</u>	<u>Special Projects Fund</u>	<u>2025 Total</u>	<u>2024 Total</u>
BALANCE, BEGINNING OF YEAR	\$ 1,385,499	\$ 30,700	\$ 1,416,199	\$ 1,523,177
Excess (deficiency) of revenues over expenses	128,150	-	128,150	(106,978)
BALANCE, END OF YEAR	\$ 1,513,649	\$ 30,700	\$ 1,544,349	\$ 1,416,199

CANADIAN BUSINESS AVIATION ASSOCIATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

5

	Unrestricted	Special Projects Fund	2025 Total	2024 Total
ASSETS				
CURRENT ASSETS				
Cash	\$ 1,135,689	\$ -	\$ 1,135,689	\$ 1,056,804
Accounts receivable	14,150	-	14,150	15,307
Prepaid expenses	52,967	-	52,967	42,347
Due (to) from other funds, without interest	(30,700)	30,700	-	-
	1,172,106	30,700	1,202,806	1,153,121
INVESTMENTS (Note 4)	700,267	-	700,267	640,828
	\$ 1,872,373	\$ 30,700	\$ 1,903,073	\$ 1,755,286
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable (Note 6)	\$ 118,649	\$ -	\$ 118,649	\$ 120,348
Deferred membership revenues	206,845	-	206,845	211,739
Deferred convention revenues	33,230	-	33,230	7,000
	358,724	-	358,724	339,087
NET ASSETS				
Unrestricted	1,513,649	-	1,513,649	1,385,499
Internal Restriction Special Projects Fund	-	30,700	30,700	30,700
	1,513,649	30,700	1,544,349	1,416,199
	\$ 1,872,373	\$ 30,700	\$ 1,903,073	\$ 1,755,286

ON BEHALF OF THE BOARD

Original signed by:

Constantine Tsokas, Director

Alexandre Prevost, Director

CANADIAN BUSINESS AVIATION ASSOCIATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2025

6

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 128,150	\$ (106,978)
Net change in non-cash items related to operating activities:		
Accounts receivable	1,157	7,155
Prepaid expenses	(10,620)	(7,686)
Accounts payable	(1,699)	53,197
Deferred membership revenues	(4,894)	100,789
Deferred convention revenues	26,230	(8,369)
	10,174	145,086
	138,324	38,108
INVESTING ACTIVITY		
Net change in investments	(59,439)	(77,302)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	78,885	(39,194)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,056,804	1,095,998
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,135,689	\$ 1,056,804

Cash and cash equivalents consist of cash.

CANADIAN BUSINESS AVIATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

7

1. STATUTE AND NATURE OF OPERATIONS

The Canadian Business Aviation Association was incorporated without share capital under Part II of the Canada Corporations Act and received its certificate of continuance under the Canada Not-for-profit Corporations Act on August 19, 2014. The purpose of the Association is to act as a collective voice for business aviation in Canada and assist its members in all aviation-related matters. The Association is exempt from income tax under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The Association applies the Canadian accounting standards for not-for-profit organizations.

Fund accounting

The Association uses fund accounting to account for its operations and activities.

- The Unrestricted Fund presents all the revenues, expenses, assets and liabilities related to the Association's general activities.
- The Special Projects Fund discloses activities related to special projects. The Fund was created by the Board of Directors during the 2022 fiscal year.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue, when received or receivable, provided that the amount to be received can be reasonably estimated and collection reasonably assured.

Revenue from membership fees, annual convention and sponsorships are recognized when received or receivable, provided that the amount to be received can be reasonably estimated and collection is reasonably assured. Revenues received relating to memberships dues, annual convention and sponsorship that pertain to a subsequent year are deferred and recognized as revenues in the period to which they relate.

Investment income includes dividend and interest income, realized investment gains and losses on sales of investments, and unrealized gains and losses on investments resulting from fluctuations in fair market value and are recognized when earned.

CANADIAN BUSINESS AVIATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

8

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Translation of foreign currency transactions and items

The Association uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses, except for amortization translated at the historical rate, are translated at the average rate for the year. Exchange gains and losses are included in the statement of operations.

Contributed services

The Association would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the inherent difficulty in compiling these hours and determining their fair value, contributed services are not recognized in the financial statements.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful life using the straight-line method over the following periods:

	Periods
Office furniture and equipment	5 years
Computers	3 years
Computer software	5 years

Cash and cash equivalents

The Association's policy is to present bank balances, including bank indebtedness with balances that can fluctuate from being positive to overdrawn, under cash and cash equivalents.

Financial instruments

Initial measurement

The Association initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Association is in the capacity of management, are initially measured at cost.

CANADIAN BUSINESS AVIATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

9

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Subsequent measurement

The Association subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in the statement of operations in the period incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial assets measured at fair value include investments.

Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there are, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in operations. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in operations in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in operations over the life of the instrument using the straight-line method.

3. MEMBERSHIP FEES

Membership fee revenues are presented net of agency fees paid in the amount of \$Nil (2024: \$12,988).

4. INVESTMENTS

	2025	2024
Equities	\$ 700,267	\$ 640,828

CANADIAN BUSINESS AVIATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

10

5. CAPITAL ASSETS

				2025	2024
	Cost	Accumulated Amortization		Net book Value	Net book Value
Computer equipment	\$ 41,965	\$ 41,965	\$	-	\$ -
Computer software	14,532	14,532		-	-
Furnitures and fixtures	91,071	91,071		-	-
	\$ 147,568	\$ 147,568	\$	-	\$ -

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

				2025	2024
Trade accounts and accrued liabilities			\$	94,932	\$ 93,670
Harmonized Sales Tax payable				23,717	26,678
			\$	118,649	\$ 120,348

7. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Association by failing to discharge an obligation. The Association's credit risk is mainly related to accounts receivable.

The Association provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. There is no existing account receivable that represents a substantial risk for the Association.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is mainly exposed to other price risk through its investments.

CANADIAN BUSINESS AVIATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

11

8. CONTRACTUAL OBLIGATIONS

The commitments of the Association under an agreement with an hotel for the 2026 CBAA Annual Convention in Calgary, AB, aggregate to \$248,230, plus applicable sales taxes. In the event that the minimum is not spent, the Association will be liable for the difference. In the event the conference is cancelled, cancellation costs will apply.

9. COMPARATIVE FIGURES

Certain figures for 2024 have been reclassified to conform to the presentation adopted in 2025.