

**Alberta - NWT Command, The Royal Canadian Legion**  
**Financial Statements**  
*December 31, 2018*

## Management's Responsibility

---

To the Members of Alberta - NWT Command, The Royal Canadian Legion:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 11, 2019



---

Chris Strong, President

To the Board of Alberta - NWT Command, The Royal Canadian Legion:

### Opinion

We have audited the financial statements of Alberta - NWT Command, The Royal Canadian Legion (the "Organization"), which comprise the statement of financial position as at December 31, 2018, 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 Organization as at December 31, 2018, 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 Organization 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.

### Other Matter

As part of our audit of the 2018 financial statements, we also audited the adjustments described in Note 3 that were applied to amend the 2017 financial statements. We were not engaged to audit, review or apply any procedures to the 2017 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2017 financial statements as a whole.

The financial statements of the Organization for the year ended December 31, 2017 were audited by another Chartered Professional Accountant who expressed an unmodified opinion on those financial statements on February 13, 2018.

### 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

Calgary, Alberta

April 11, 2019

*MNP* LLP

Chartered Professional Accountants

**Alberta - NWT Command, The Royal Canadian Legion**  
**Statement of Financial Position**

*As at December 31, 2018*

	<i>General Fund</i>	<i>Branch Assistance (restricted)</i>	<i>Bursary Fund (restricted)</i>	<i>Sports Fund (restricted)</i>	<i>Youth Fund (restricted)</i>	<i>Reserve Fund (restricted)</i>	<b>2018</b>	<b>2017</b>
								<i>(Restated - Note 3)</i>
<b>Assets</b>								
<b>Current</b>								
Cash	244,207	-	-	-	-	-	244,207	278,285
Portfolio investments	972,242	-	-	-	-	-	972,242	859,317
Accounts receivable	29,377	1,129	-	-	-	-	30,506	34,637
Inventory	4,924	-	-	3,448	-	-	8,372	9,010
Prepaid expenses	6,255	-	-	-	217	-	6,472	9,880
Due from Alberta - NWT								
Command Poppy Fund (Note 8)	3,659	-	-	-	-	-	3,659	1,262
Due from Alberta Chapter for Poliomyelitis	3	-	-	-	-	-	3	1
Interfund receivables	3	34	-	77	78	-	192	315
	<b>1,260,670</b>	<b>1,163</b>	<b>-</b>	<b>3,525</b>	<b>295</b>	<b>-</b>	<b>1,265,653</b>	<b>1,192,707</b>
<b>Restricted cash</b>	<b>-</b>	<b>173,214</b>	<b>1,884</b>	<b>60,615</b>	<b>30,785</b>	<b>11,841</b>	<b>278,339</b>	<b>357,963</b>
<b>Restricted investments</b>	<b>-</b>	<b>1,739,398</b>	<b>331,561</b>	<b>331,637</b>	<b>439,316</b>	<b>309,001</b>	<b>3,150,913</b>	<b>3,005,372</b>
<b>Loans receivable (Note 5)</b>	<b>-</b>	<b>100,350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,350</b>	<b>129,948</b>
<b>Capital assets (Note 4)</b>	<b>425,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>425,620</b>	<b>449,199</b>
	<b>1,686,290</b>	<b>2,014,125</b>	<b>333,445</b>	<b>395,777</b>	<b>470,396</b>	<b>320,842</b>	<b>5,220,875</b>	<b>5,135,189</b>

*Continued on next page*

*The accompanying notes are an integral part of these financial statements*

**Alberta - NWT Command, The Royal Canadian Legion**  
**Statement of Financial Position**

*As at December 31, 2018*

	<i>General Fund</i>	<i>Branch Assistance (restricted)</i>	<i>Bursary Fund (restricted)</i>	<i>Sports Fund (restricted)</i>	<i>Youth Fund (restricted)</i>	<i>Reserve Fund (restricted)</i>	<b>2018</b>	<b>2017</b>
								<i>(Restated - Note 3)</i>
<b>Liabilities</b>								
<b>Current</b>								
Accounts payable and accruals <i>(Note 6)</i>	<b>37,324</b>	<b>815</b>	-	<b>880</b>	<b>3</b>	-	<b>39,022</b>	34,106
Deferred contributions <i>(Note 7)</i>	<b>171,271</b>	<b>15,725</b>	-	<b>14,938</b>	-	-	<b>201,934</b>	206,556
Interfund payables	<b>562</b>	-	-	-	-	-	<b>562</b>	163
	<b>209,157</b>	<b>16,540</b>	-	<b>15,818</b>	<b>3</b>	-	<b>241,518</b>	240,825
<b>Net Assets</b>	<b>1,477,133</b>	<b>1,997,585</b>	<b>333,445</b>	<b>379,959</b>	<b>470,393</b>	<b>320,842</b>	<b>4,979,357</b>	4,894,364
	<b>1,686,290</b>	<b>2,014,125</b>	<b>333,445</b>	<b>395,777</b>	<b>470,396</b>	<b>320,842</b>	<b>5,220,875</b>	5,135,189

*The accompanying notes are an integral part of these financial statements*

## Alberta - NWT Command, The Royal Canadian Legion Statement of Operations

For the year ended December 31, 2018

	General Fund	Branch Assistance (restricted)	Bursary Fund (restricted)	Sports Fund (restricted)	Youth Fund (restricted)	Reserve Fund (restricted)	2018	2017
								<i>(Restated - Note 3)</i>
<b>Revenue</b>								
Per capita	429,647	-	-	37,360	-	-	467,007	481,927
Expense recoveries (Note 8)	387,081	-	22,000	-	-	-	409,081	392,242
Pull ticket sales	211,089	-	-	-	-	-	211,089	226,650
Military service recognition book	-	192,218	-	-	-	-	192,218	194,927
Administration and various fees	55,200	-	-	-	-	-	55,200	55,600
Pull ticket contributions	-	-	-	-	34,339	-	34,339	37,972
Registration fees	-	-	-	21,471	-	-	21,471	42,276
Interest income	12,925	561	2,284	743	44	1,909	18,466	103,863
Dominion Command recovery	9,139	-	-	-	-	-	9,139	8,047
Nevada Gold program	-	4,373	-	-	-	-	4,373	4,093
Poppy storage fee	1,400	-	-	-	-	-	1,400	1,400
License plate fees	-	-	1,808	-	-	-	1,808	1,851
Donations	-	-	2,500	-	500	-	3,000	1,000
Miscellaneous	2	-	-	-	-	-	2	11,473
	<b>1,106,483</b>	<b>197,152</b>	<b>28,592</b>	<b>59,574</b>	<b>34,883</b>	<b>1,909</b>	<b>1,428,593</b>	<b>1,563,321</b>
<b>Expenses</b>								
Administrative (Note 11)	402,817	165,372	2,400	-	-	5	570,594	571,724
Service bureau (Note 8)	387,081	-	-	-	-	-	387,081	392,242
Pull ticket	177,988	-	-	-	-	-	177,988	190,985
Organization (Note 12)	70,678	-	-	-	-	-	70,678	123,921
Sports events (Note 13)	-	-	-	67,013	-	-	67,013	48,849
Youth events (Note 14)	-	-	-	-	44,552	-	44,552	42,562
Bursaries	-	-	25,000	-	-	-	25,000	23,000
Merchandise	674	-	-	-	-	-	674	53
Recognition book	-	20	-	-	-	-	20	14,045
	<b>1,039,238</b>	<b>165,392</b>	<b>27,400</b>	<b>67,013</b>	<b>44,552</b>	<b>5</b>	<b>1,343,600</b>	<b>1,407,381</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>67,245</b>	<b>31,760</b>	<b>1,192</b>	<b>(7,439)</b>	<b>(9,669)</b>	<b>1,904</b>	<b>84,993</b>	<b>155,940</b>

The accompanying notes are an integral part of these financial statements

**Alberta - NWT Command, The Royal Canadian Legion**  
**Statement of Changes in Net Assets**

*For the year ended December 31, 2018*

	<i>General Fund</i>	<i>Branch Assistance (restricted)</i>	<i>Bursary Fund (restricted)</i>	<i>Sports Fund (restricted)</i>	<i>Youth Fund (restricted)</i>	<i>Reserve Fund (restricted)</i>	<b>2018</b>	<b>2017</b>
								<i>(Restated - Note 3)</i>
<b>Net assets beginning of year, as previously stated</b>	<b>1,409,888</b>	<b>2,140,825</b>	<b>332,253</b>	<b>387,398</b>	<b>480,062</b>	<b>318,938</b>	<b>5,069,364</b>	4,948,424
<b>Retroactive adjustment to intangible assets (Note 3)</b>	<b>-</b>	<b>(175,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(175,000)</b>	(210,000)
<b>Net assets, beginning of year, as restated</b>	<b>1,409,888</b>	<b>1,965,825</b>	<b>332,253</b>	<b>387,398</b>	<b>480,062</b>	<b>318,938</b>	<b>4,894,364</b>	4,738,424
<b>Excess (deficiency) of revenue over expenses</b>	<b>67,245</b>	<b>31,760</b>	<b>1,192</b>	<b>(7,439)</b>	<b>(9,669)</b>	<b>1,904</b>	<b>84,993</b>	155,940
<b>Net assets, end of year</b>	<b>1,477,133</b>	<b>1,997,585</b>	<b>333,445</b>	<b>379,959</b>	<b>470,393</b>	<b>320,842</b>	<b>4,979,357</b>	4,894,364

*The accompanying notes are an integral part of these financial statements*



## Alberta - NWT Command, The Royal Canadian Legion Statement of Cash Flows

*For the year ended December 31, 2018*

	2018	2017 <i>(Restated - Note 3)</i>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	84,993	155,940
Amortization	27,529	28,218
	<b>112,522</b>	<b>184,158</b>
Changes in working capital accounts		
Accounts receivable	4,131	(1,115)
Inventory	638	(1,071)
Prepaid expenses	3,407	7,158
Interfund receivables	123	12,145
Accounts payable and accruals	4,917	(25,209)
Deferred contributions	(4,622)	76,857
Interfund payables	399	146
	<b>121,515</b>	<b>253,069</b>
<b>Investing</b>		
Due from Alberta - NWT Command Poppy Fund	(2,397)	(448)
Due from Alberta Chapter for Poliomyelitis	(2)	12
Increase in portfolio investments	(258,466)	(83,860)
Purchase of capital assets	(3,950)	(18,987)
Advances of loans receivable	-	(6,784)
Repayment of loans receivable	29,598	-
	<b>(235,217)</b>	<b>(110,067)</b>
<b>Increase (decrease) in cash resources</b>	<b>(113,702)</b>	<b>143,002</b>
<b>Cash resources, beginning of year</b>	<b>636,248</b>	<b>493,246</b>
<b>Cash resources, end of year</b>	<b>522,546</b>	<b>636,248</b>
<b>Cash resources are composed of:</b>		
Cash	244,207	278,285
Restricted cash	278,339	357,963
	<b>522,546</b>	<b>636,248</b>

*The accompanying notes are an integral part of these financial statements*

# Alberta - NWT Command, The Royal Canadian Legion

## Notes to the Financial Statements

For the year ended December 31, 2018

---

### 1. Incorporation and nature of the organization

Alberta - NWT Command, The Royal Canadian Legion (the "Organization") is a not-for-profit organization that was formed to provide centralized administration and services for branches of the Royal Canadian Legion located in Alberta and the Northwest Territories. Additionally, the Organization provides fund administration for various charitable and financial activities of the Royal Canadian Legion in Alberta and the Northwest Territories.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada ("ASNPO"), which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### **Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

#### **Portfolio investments**

Portfolio investments with prices quoted in an active market are measured at fair value. Changes in fair value are recorded immediately in the excess (deficiency) of revenues over expenses. Portfolio investments restricted for current purposes are included in restricted investments.

#### **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the following methods and rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Method</b>	<b>Rate</b>
Buildings	declining balance	4 %
Computer equipment	straight-line	5 years
Office equipment	declining balance	20 %

#### **Revenue recognition**

The Organization uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized in the appropriate deferred contribution balance or in net assets depending on the nature of the restrictions. Unrestricted investment income is recognized as revenue in the General Fund when earned.

#### **Contributed services**

Volunteers contribute their time each year to assist the Organization in carrying out its activities. Due to the difficulties of determining their fair value, contributed services are not recognized in the financial statements.

# Alberta - NWT Command, The Royal Canadian Legion

## Notes to the Financial Statements

For the year ended December 31, 2018

---

### 2. Significant accounting policies (Continued from previous page)

#### **Fund accounting**

The Organization maintains six funds: General, Branch Assistance, Bursary, Reserve, Sports and Youth Funds.

The General Fund reports the Organization's revenue and expenses related to program delivery and administrative activities.

The Branch Assistance Fund reports the Organization's activities undertaken to provide financial assistance and advice to the Royal Canadian Legion branches within the Organization's jurisdiction.

The Bursary Fund reports the Organization's expenditures on bursaries for post-secondary education.

The Reserve Fund reports the Organization's contributions and expenditures, along with amounts retained, for building maintenance, repairs, future convention expense and special youth events.

The Sports Fund reports the Organization's revenue and expenses related to various sporting activity and is funded by per capita income and command sport registration fees.

The Youth Fund reports the Organization's revenue and expenses related to various youth activities. It is funded by the 3% of the charitable portion from branch pull ticket operations and from donations.

#### **Financial instruments**

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 8).

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quote in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

#### **Financial asset impairment**

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

# Alberta - NWT Command, The Royal Canadian Legion

## Notes to the Financial Statements

*For the year ended December 31, 2018*

### 2. Significant accounting policies *(Continued from previous page)*

#### **Measurement uncertainty**

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts in the excess of revenues over expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

### 3. Retroactive adjustment to intangible assets

During the year, the Organization determined that the previously capitalized intangible assets in the Branch Assistance Fund should not have been capitalized and, therefore, have been adjusted for in the prior year. For the prior year comparative figures, the impact of this correction has resulted in a decrease in intangible assets \$175,000, a decrease in amortization expense of \$35,000, and a decrease in opening net assets of \$210,000.

### 4. Capital assets

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2018 Net book value</b>	<b>2017 Net book value</b>
Land	8,000	-	8,000	8,000
Buildings	687,630	300,627	387,003	407,371
Computer equipment	113,945	97,117	16,828	21,035
Office equipment	257,407	243,618	13,789	12,793
	<b>1,066,982</b>	<b>641,362</b>	<b>425,620</b>	<b>449,199</b>

During the year, \$27,529 (2017 - \$26,218) of amortization expense was incurred in respect of capital assets.

### 5. Loans receivable

Loans receivable consist of the following:

	<b>2018</b>	<b>2017</b>
Bellevue RCL #19 payable in monthly instalments of \$509	3,022	9,130
Fort McMurray Branch #165 payable in monthly instalments of \$750	43,348	50,098
Grande Prairie Branch #54 payable in monthly instalments of \$290	8,410	11,890
Jasper Branch #31 payable in monthly instalments of \$515	22,560	28,740
Three Sisters RCL #3 payable in monthly instalments of \$590	23,010	30,090
	<b>100,350</b>	<b>129,948</b>

All of the above loans are non-interest bearing and due upon demand.

# Alberta - NWT Command, The Royal Canadian Legion

## Notes to the Financial Statements

*For the year ended December 31, 2018*

### 6. Accounts payable and accruals

Accounts payable and accruals consist of the following:

	<b>2018</b>	2017
Accounts payable	<b>4,801</b>	3,225
Accrued liabilities	<b>14,700</b>	16,500
Vacation payable	<b>17,968</b>	14,395
Goods and Services Tax payable (receivable)	<b>1,553</b>	(14)
	<b>39,022</b>	34,106

### 7. Deferred contributions

The deferred contributions consists of per-capita membership dues and Military Service recognition book revenues received in the current year that are deferred to the year in which they relate too. Changes in the contributions are as follows:

	<b>2018</b>	2017
Balance, beginning of year	<b>206,556</b>	129,705
Amount received during the year	<b>462,385</b>	558,778
Less: Amount recognized as revenue during the year	<b>(467,007)</b>	(481,927)
	<b>201,934</b>	206,556

### 8. Related party transactions

During the year, the Organization charged 100% of the service bureau expense to Alberta - NWT Command Poppy Fund, a fund which is required to be reported within a separate entity. In addition to performing general administrative functions, the service bureau personnel prepare veterans assistance applications, disability claims, and attend seminars, meetings, and workshops.

	<b>2018</b>	2017
Expense recoveries		
Administration	<b>23,460</b>	22,871
Amortization	<b>1,286</b>	1,113
Salaries and benefits	<b>354,312</b>	343,947
Seminars and travel	<b>8,023</b>	4,174
	<b>387,081</b>	372,105

The revenues and expenses were measured at the exchange amount which is the fair value at the date of the transactions.

Amount due to related parties are non-interest bearing, due upon demand and have no fixed repayment terms.

### 9. Income taxes

The Organization is registered as a charitable organization under the *Income Tax Act* (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

# Alberta - NWT Command, The Royal Canadian Legion

## Notes to the Financial Statements

*For the year ended December 31, 2018*

### 10. Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Organization are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk, credit risk, currency risk, liquidity risk and other price risk.

#### ***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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to market rate risk with respect to its portfolio investments which are subject to interest rates ranging from 2.35% to 9.976% (2017 - 2.35% to 9.976%).

### 11. Administrative

	<b>2018</b>	<b>2017</b>
Advertising and promotional	11,500	5,240
Amortization	25,323	27,104
Computers	6,038	5,250
Goods and Services Tax non-refundable	4,918	6,225
Insurance	6,920	6,737
Office and miscellaneous	6,013	7,696
Postage	932	1,346
Professional fees	18,997	19,982
Repairs and maintenance	37,067	36,165
Salaries and benefits	270,511	266,553
Telephone	4,281	4,613
Travel	1,155	302
Utilities	9,090	7,757
Website	72	350
	<b>402,817</b>	<b>395,320</b>

**Alberta - NWT Command, The Royal Canadian Legion**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2018*

**12. Organization**

	<b>2018</b>	<b>2017</b>
<b>Executive</b>		
Provincial executive council	<b>23,687</b>	21,606
Senior elected officers	<b>4,428</b>	6,483
Other council	<b>5,603</b>	4,757
Amortization	<b>921</b>	1,151
	<b>34,639</b>	33,997
<b>District</b>		
District and deputy commanders	<b>6,018</b>	8,371
Commanders' authorized visits	<b>479</b>	2,558
	<b>6,497</b>	10,929
<b>Committee expenses</b>		
Constitution and law	<b>255</b>	272
Branch hearings	<b>481</b>	1,316
Honours and awards	<b>5</b>	873
	<b>741</b>	2,461
<b>Convention expenses</b>		
Command - provincial	-	74,788
Command - Dominion	<b>28,801</b>	(1,000)
Out of province	-	2,746
	<b>28,801</b>	76,534
	<b>70,678</b>	123,921

# Alberta - NWT Command, The Royal Canadian Legion

## Notes to the Financial Statements

*For the year ended December 31, 2018*

### 13. Sports Fund

	2018	2017
<b>Revenue</b>		
Interest	743	5,320
Per capita	37,360	38,546
8 ball pool	1,714	1,586
Cribbage	5,614	5,829
Darts	9,343	9,857
Euchre	1,114	1,114
Shuffleboard	3,686	3,214
	59,574	65,466
Administration	21,305	14,775
8 ball pool	4,609	5,044
Cribbage	8,374	9,852
Darts	9,589	10,984
Euchre	1,750	1,815
Shuffleboard	6,386	6,379
Assisting veterans	15,000	-
	67,013	48,849
(Deficiency) excess of revenue over expenses	(7,439)	16,617

### 14. Youth events

	2018	2017
<b>Revenue</b>		
Pull ticket contributions	34,339	37,972
Donations	500	-
Interest	44	10,264
	34,883	48,236
<b>Expenses</b>		
Administrative	13,214	13,200
Medal of excellence	1,798	2,117
Program for youth contest winners	8,036	6,502
National track and field	21,154	20,402
Non-refundable Goods and Services Tax	350	341
	44,552	42,562
(Deficiency) excess of revenues over expenses	(9,669)	5,674

### 15. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.