

**The Army Cadet League of Canada
British Columbia Branch**

Financial Statements

For the year ended December 31, 2023



The Army Cadet League of Canada British Columbia Branch



STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	December 31 2023	December 31 2022
Assets		
<i>Current Assets</i>		
Cash in Bank	\$ 17,856	\$ 25,483
Due from Bolin Endowment	1,500	-
GST Recoverable	1,795	1,158
Levies Receivable	59,103	32,925
	<u>80,969</u>	<u>59,566</u>
<i>Long term investments (Note 3)</i>		
Investments held with Bank of Montreal	197,591	171,266
Bolin Endowment with Bank of Montreal	177,559	160,419
Pettinger Endowment with Bank of Montreal	83,622	75,210
	<u>458,771</u>	<u>406,895</u>
	<u>\$ 539,740</u>	<u>\$ 466,461</u>
Liabilities and Net Assets		
<i>Current Liabilities</i>		
Accounts Payable and accrued liabilities	\$ 930	\$ 8,264
Unearned Levy revenue	23,580	-
Restricted Contributions Payable (Note 4)	33,907	23,781
	<u>58,417</u>	<u>32,045</u>
<i>Net Assets</i>		
Net Assets Restricted for Bolin Endowment (Note 5)	177,559	160,419
Net Assets Restricted for Pettinger Endowment (Note 6)	83,622	75,210
Net Assets Restricted for Stabilization Reserve Fund (Note 7)	110,702	110,702
Unrestricted Net Assets	109,441	88,085
	<u>481,323</u>	<u>434,416</u>
	<u>\$ 539,740</u>	<u>\$ 466,461</u>

The Army Cadet League of Canada British Columbia Branch



STATEMENT OF OPERATIONS

For the year ended December 31, 2023

	December 31 2023	December 31 2022
REVENUES		
Contributions and Membership Dues	\$ 36,159	\$ 54,126
League Levy	35,028	10,575
Investment Income	26,772	-
<i>Total Revenues</i>	<u>\$ 97,958</u>	<u>\$ 64,701</u>
EXPENDITURES		
<i>Direct Cadet Support:</i>		
Cadet Corps Support	\$ 23,903	\$ 41,494
Awards and Trophies	3,562	4,018
	<u>\$ 27,465</u>	<u>\$ 45,512</u>
<i>Indirect Support:</i>		
Office and Administration	33,609	30,913
National Levy	7,315	-
Travel	1,960	7,746
Telephone	2,568	2,501
Insurance	1,960	4,816
Pillars Conference	1,000	-
Bank service charges	725	676
Investment losses	-	26,182
National Support expense reimbursements	-	2,804
Legal	-	(1,052)
	<u>\$ 49,137</u>	<u>\$ 74,586</u>
<i>Total Expenditures</i>	<u>\$ 76,602</u>	<u>\$ 120,098</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 21,356</u>	<u>\$ (55,397)</u>

**The Army Cadet League of Canada
British Columbia Branch**



STATEMENT OF CHANGES IN NET ASSETS

For the year ended December 31, 2023

December 31
2023

December 31
2022

	Net Assets Restricted for Bolin Endowment (Note 5)	Net Assets Restricted for Pettinger Endowment (Note 5)	Net Assets Restricted for Stabilization Reserve Fund (Note 6)	Unrestricted Net Assets	Total
Balance, Beginning of year	\$ 160,419	\$ 75,210	\$ 110,702	\$ 88,085	\$ 517,923
Excess (Deficiency) of Revenues over Expenditures	18,640	8,412	-	21,356	(82,007)
Endowment contribution	-	-	-	-	-
Endowment withdrawal	(1,500)	-	-	-	(1,500)
Balance, End of year	\$ 177,559	\$ 83,622	\$ 110,702	\$ 109,441	\$ 434,416
					48,407
					(1,500)
					\$ 434,416

The Army Cadet League of Canada British Columbia Branch



STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	December 31 2023	December 31 2022
Operating Activities		
Excess (Deficiency) of Revenues over Expenditures	\$ 48,407	\$ (82,007)
Change in non-cash working capital items		
Due from Bolin Endowment	(1,500)	-
GST Recoverable	(637)	(270)
Levies Receivable	(26,178)	(7,905)
Accounts Payable and accrued liabilities	(7,334)	4,823
Unearned Levy revenue	23,580	-
Restricted Contributions Payable	10,126	(5,423)
	<u>\$ 45,749</u>	<u>\$ (90,782)</u>
Investing Activities		
Purchase of investments	<u>\$ (51,876)</u>	<u>\$ 62,323</u>
Financing Activities		
Endowment contributions	-	-
Endowment withdrawals	(1,500)	(1,500)
	<u>\$ (1,500)</u>	<u>\$ (1,500)</u>
Net change in cash	\$ (7,628)	\$ (29,958)
Cash, beginning of year	25,483	55,441
Cash, end of year	<u>\$ 17,855</u>	<u>\$ 25,483</u>

The Army Cadet League of Canada British Columbia Branch



ENDOWMENT FUND STATEMENT

As at December 31, 2023

	Bolin Endowment	Pettinger Endowment
	<i>June 20, 2018</i>	<i>January 13, 2021</i>
<i>Established on:</i>		
2018:		
Endowment Contribution	\$ 138,923	\$ -
Gain (Loss) on Investments	-	-
Scholarship Award(s)	-	-
Balance, end of year:	138,923	-
2019:		
Gain (Loss) on Investments	10,435	-
Scholarship Award(s)	(1,000)	-
Balance, end of year:	148,358	-
2020:		
Gain (Loss) on Investments	7,002	-
Scholarship Award(s)	-	-
Balance, end of year:	155,360	-
2021:		
Endowment Contribution	\$ -	\$ 81,606
Gain (Loss) on Investments	27,041	8,339
Scholarship Award(s)	(2,000)	-
Distribution to Support Committee	-	(6,607)
Balance, end of year:	180,401	83,338
2022:		
Gain (Loss) on Investments	(18,481)	(8,128)
Scholarship Award(s)	(1,500)	-
Balance, end of year:	160,419	75,210
2023:		
Endowment Contribution	\$ -	\$ -
Gain (Loss) on Investments	18,640	8,412
Scholarship Award(s)	(1,500)	-
Distribution to Support Committee	-	-
Balance, end of year:	177,559	83,621
Summary - Inception to Date		
Endowment Contribution	\$ 138,923	\$ 81,607
Gain (Loss) on Investments	\$ 44,637	\$ 8,622
Scholarship Award(s)	\$ (6,000)	\$ -
Distribution to Support Committee	-	(6,607)
	\$ 177,559	\$ 83,622

The Army Cadet League of Canada British Columbia Branch



NOTES TO THE FINANCIAL STATEMENTS December 31, 2021

1. Purpose of the Organization

The Army Cadet League of Canada, BC Branch (“the League”) is a civilian non-profit organization working in partnership with the Canadian Forces to support the Royal Canadian Army Cadet program in promoting and fostering leadership, citizenship, self-reliance, physical fitness, and respect for others in Canadian youth. The League is a registered charity under the Income Tax Act and as such, is exempt from income taxes provided certain conditions are met.

2. Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Revenue Recognition

The League follows the deferral method of accounting for contributions. Under this policy restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred and recognized as a liability until such time as the funds have been expended pursuant to the terms of the donor restriction. Endowment contributions are reported as direct increases in net assets. All other contributions are reported as revenue of the current period.

Levies and other revenues are recognized on the accrual basis and are deferred until earned. Fundraising revenues are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donation pledges are not recognized as revenue until received.

Investment income is recognized as earned.

(b) Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless

The Army Cadet League of Canada British Columbia Branch



NOTES TO THE FINANCIAL STATEMENTS (continued) December 31, 2021

2. Significant accounting policies (cont'd)

management has elected to carry the instruments at fair value. The League has elected to carry financial instruments at fair value.

The carrying amounts of cash, short-term investments, accounts receivable, levies receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

(c) Computer equipment

Computer equipment is recorded at cost less accumulated depreciation. Computer equipment purchases that exceed a minimum threshold of \$1,000 are depreciated on a 3-year straight line basis, otherwise they are fully expensed when purchased.

(d) Donated services

Volunteers contribute a significant number of hours to assist the League in carrying out its service delivery, administration as well as Board and advisory services. Because of the difficulty of determining their fair value, such contributed services are not recognized in the financial statements.

(e) 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Balances which require some degree of estimation and assumptions are investments, allowance for doubtful accounts, accrued liabilities, deferred revenues, and amortization of computer equipment.

3. Long term investments

These assets consist of a mixture of mutual funds managed by the Bank of Montreal, comprising of various Canadian and US Equity ETF, Bond, Dividend, and Money Market funds, as well as Guaranteed Investments Certificates.

The Army Cadet League of Canada British Columbia Branch



NOTES TO THE FINANCIAL STATEMENTS (continued)
December 31, 2021

4. Restricted Contributions payable

The League receives contributions and other funds whereby the use of those receipts is restricted to certain programs or to support specific cadet corps. Restricted contributions are not recognized as revenues until the funds have been spent as designated by the donor.

5. Net Assets Restricted for the Bolin Endowment

The Net Assets Restricted for the Bolin Endowment relates to a bequest received to establish the Major Alexander Charles Bolin, CD Memorial Fund. The purpose of the endowment is to fund and award annual post-secondary scholarships to deserving cadets from the 2276 RCACC (Fort St. John, BC).

6. Net Assets Restricted for the Pettinger Endowment

The Net Assets Restricted for the Pettinger Endowment relates to a bequest received to establish the Ernest Russell Pettinger Memorial Fund. The purpose of the Endowment is to support the activities of the 788 British Columbia Dragoons army cadet corps program in Penticton, BC.

7. Net Assets Restricted for Stabilization Reserve Fund

The Board established an internally restricted Stabilization Reserve Fund to address both its short- and long-term needs. The purpose of the Stabilization Reserve is to build working capital and to provide the League with the assurance that funds are available when needed due to unforeseen operating shortfalls, or for new initiatives and pilot projects.