



Nova Scotia/Nunavut Command
The Royal Canadian Legion

61 Gloria McCluskey Avenue
Dartmouth, Nova Scotia B3B 2Z3

Tel: 902-429-4090

Fax: 902-429-7481

Email: info@ns.legion.ca

ns.legion.ca

All Branch Mail Out #35 - 2018

Date: June 11, 2018

To: NS/NU Command Branches
NS/NU Zone Commanders
NS/NU Executive Council
NS/NU Past Presidents
NS/NU Command Staff

From: Valerie Mitchell-Veinotte
Executive Director/Command Secretary
NS/NU Command, RCL

Subject: Annual General Meeting Minutes – May 12,
2018

Message: Comrades: please see attached

**The Royal Canadian Legion
Nova Scotia/Nunavut Command
Annual General Meeting
May 12 2018**

In Attendance:

Melvin Crowe	President
Jay Tofflemire	1st Vice President
Marion Fryday-Cook	2 nd Vice President
Donna McRury	Treasurer
Karen Lynch	Chairman
Steve Wessel	Immediate Past President
Ted Martens	Commander District A
Lorne MacDonald	Commander District B
Robert Hoeg	Commander District C
Mervin Steadman	Commander District D
Don McCumber	Commander District E
Richard Malin	Commander District F
Cliff Laurin	Deputy Commander District G
Steve Condy	Commander Zone 14
Joanne Geddes	Commander Zone 15
Gary Silliker	Member Branch 49
Valerie Mitchell-Veinotte	Executive Director/Command Secretary

Nova Scotia/Nunavut Command Chairman Karen Lynch called the Annual General Meeting to order at 8:05 am.

1. Opening Ritual

1st Vice President Jay Tofflemire conducted the Opening Ritual.

2. Presentation of Audited Financial Statements 2017

Nova Scotia/Nunavut Command Finance Committee Chairman Jay Tofflemire proceeded to provide a comprehensive review of the 2017 audited financial statements complete with questions submitted in advance and answers provided (in blue text) as follows:

Page 3 – Revenues

It should be noted that all monies received under the General Fund Column are used to to cover all Expenses that are also recorded in this column. Unless otherwise apparent by a similar title heading (Example - Sports) the revenue can be distributed to any or all expenses in different amounts.

Other: \$5,372 was received from Other sources and deposited to the General Fund. What was the purpose or source of these transactions and/or what use was made of this income?

This amount is made up of the following:

Acct: 4050 American Income Life cheque (applied to Leadership Training Camp)	\$5,000

Acct: 4285 Holding Branch Membership Income	\$372
Total	\$5,372

Royalty - VSR Booklet: \$82,553 was deposited to the General Fund. Where were these monies used and how much was assigned to each use?

(see note re. Revenue above)

Sports: \$13,549 was deposited to the General Fund. What were the sources and/or purposes of these monies and where was this money expended?

\$13,549.00 was raised by the Track and Field Team, through Athletics NS, to pay for uniforms/kit. This revenue was used to cover off expense of same.

Page 3 – Expenses

Torch: \$3,920 was spent on the Torch however, this paper was not published and later cancelled, due to the Chronicle Herald strike. What is this expense for?

Stale accts still on books from previous years. To be written off.

Page 3 – Fund Balances

Interfund Transfers: \$32,174 was transferred to the General Fund from another Fund. From which Fund was the transfer made and what was the purpose for the transfer?

During the year several Expenses are paid from one fund on behalf of another fund. An example (EXAMPLE ONLY) would be the processing of all payroll expenses through the General Fund however a portion of the payroll is for Command Service Officers which are expensed to the Poppy Fund. Therefore, it is necessary to transfer funds from one Fund to the other to appropriately balance off the Funds.

Page 4 - Assets

Current – Cash Restricted: \$456,494 is listed as Cash – Restricted in the General fund. What does this amount consist of – cash or securities and what is the intended use or purpose of this money?

Acct: 1015	Scotia Bank General	\$452,891
Acct: 1027	Scotia Bank VSRB	\$2,000
Acct: 1060	Scotia Bank Donations- Web	\$1,600

These funds were inadvertently classified as restricted by the Auditor. When the matter was addressed upon production of the statements it was agreed that a note to that effect will be made in conjunction with next year's statements and that the restricted classification would be removed beginning 2018.

Page 4 - Fund Balances

VSR Booklet: The General Fund has \$308,693 attributed to the VSR Booklet. What does this amount consist of – cash or securities? What is the intended use?

It should be noted that all Fund Balances should be taken into consideration. If we were not working on a Fund

Accounting system this could be viewed more as equivalent to Retained Earnings. It represents the balances accumulated over the years of the organizations operation and are made up of all the Balances in the Asset side of the Balance Sheet less any Current Liabilities.

Page 12 – Administration

Salaries and Services: There are six employees at Command. \$224,375 was spent in wages, MEC and RRSP employer expenses - \$ 81,909, from the General account and \$142,466 from the Poppy Fund. Which positions are paid from the General Fund and which is paid from the Poppy Fund?

Service Officers: 100% of Wages and respective deductions are expensed to the Poppy Fund.

As per established practice: All Other Staff: 60% of wages and respective deductions expensed to the General Fund
40% of wages and respective deductions expensed to the Poppy Fund

Page 13 – Officers and Committees

VSR Booklet: \$2,500 was spent on the VSR Booklet. What was this expense for?

Acct: 5487 Donation Army Museum Halifax Citadel Last Steps Memorial

Page 13 – Programs

Leadership Training Camp: the cost of the camp is given as \$48,018. The Income Statement for January 1st to December 31st 2017, identifies that there was income of \$24,200 for the Camp. What was the actual and total cost to operate the Camp? How much did Command pay after student and branch income was deducted?

Represents Revenue generated from the Branch sponsorships, Provincial NS Grant and Registration fees. This is shown on Statements Page 3 labeled "Donations" under General Fund. Therefore, the total operating cost of LTC was \$48,018.00 and revenue was \$24,200.00. Command had to contribute from General Fund \$23,808.00

Page 13 – Sports

Track and Field: \$33,210 from the General Fund was spent on Track and Field out of a total of \$34,684 expended for all Command Sports and against a reported Sports income of \$13,549. What was the expense for Track and Field used for - Provincial Trials or the National Competition? What revenue source was used to pay this expense? Was there any revenue source, from outside of Command funds, used for either the Provincial Trials or National Competition?

Track and Field Expense was for National Competition. Track and Field funding is derived from General Funds. \$13,549.00 was raised by the Track and Field Team, through ANS, to cover cost of uniforms/kit. A portion of expense for travel/food/accommodation is provided by Dominion Command which is credited on the Dominion Command invoice to NS/NU Command for travel/food/accommodations.

M – 1

Moved by Comrade Tofflemire, seconded by Comrade Wessel

That the 2017 audited financial statements be accepted.

12 Affirmative
0 Abstention
0 Opposed
Motion Carried

3. Appointment of Auditors 2018 Fiscal Year

M – 2

Moved by Comrade Tofflemire, seconded by Comrade Crowe

That NS/NU Command retain Collins Barrow to audit the fiscal year 2018.

12 Affirmative
0 Abstention
0 Opposed
Motion Carried

M – 3

Moved by Comrade Fryday-Cook, seconded by Comrade Mel Crowe

That the 2018 NS/NU Command Annual General Meeting be adjourned.

12 Affirmative
0 Abstention
0 Opposed
Motion Carried

The meeting adjourned at approximately 8:30 am.



Melvin Crowe
President
Nova Scotia/Nunavut Command
The Royal Canadian Legion



Valerie Mitchell-Veinotte
Executive Director/Secretary
Nova Scotia/Nunavut Command
The Royal Canadian Legion

**THE ROYAL CANADIAN LEGION
NOVA SCOTIA / NUNAVUT COMMAND**

FINANCIAL STATEMENTS

DECEMBER 31, 2017

THE ROYAL CANADIAN LEGION - NOVA SCOTIA / NUNAVUT COMMAND
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DECEMBER 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Executive Council of:

The Royal Canadian Legion - Nova Scotia / Nunavut Command

We have audited the accompanying financial statements of **The Royal Canadian Legion - Nova Scotia / Nunavut Command**, which comprise the statement of financial position as at December 31, 2017 and the statements of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies, schedules and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Basis for Qualified Opinion

In common with many non-profit organizations, the **The Royal Canadian Legion - Nova Scotia / Nunavut Command** derives revenue from various sources including donations, fundraising and lottery, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Command and we were not able to determine whether any adjustments might be necessary to revenues and excess (deficiency) of revenues over expenses for the years ended December 31, 2017 and 2016, and assets and fund balances as at December 31, 2017 and 2016.

Qualified Opinion

In our opinion, except for the effects, if any, of the matter in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **The Royal Canadian Legion - Nova Scotia / Nunavut Command** as at December 31, 2017 and 2016, 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.



Dartmouth, Nova Scotia
March 20, 2018

**Chartered Professional Accountants
Licensed Public Accountants**

THE ROYAL CANADIAN LEGION - NOVA SCOTIA / NUNAVUT COMMAND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Poppy Fund	Lotto Sweep Fund	Elsie Lambert Fund	Benevolent Fund	2017	2016
	\$	\$	\$	\$	\$	\$	\$
REVENUES							
Assessed poppy	-	56,740	-	-	-	56,740	61,245
Donations	24,200	56	-	-	61,500	85,756	52,309
Interest	13,299	3,108	-	5,515	1,626	23,548	23,491
Lotto sweep tickets	-	-	41,500	-	-	41,500	46,957
Other	5,372	-	-	-	-	5,372	5,262
Paws Fur Thought	-	-	-	-	135,063	135,063	74,993
Per capita tax	232,734	-	-	-	-	232,734	241,332
Poppy	5,794	465,337	-	-	-	471,131	452,148
Royalty - VSR Booklet	82,553	-	-	-	-	82,553	89,357
Sports	13,549	-	-	-	-	13,549	22,283
Veterans outreach program	-	-	-	-	16,000	16,000	7,166
	<u>377,501</u>	<u>525,241</u>	<u>41,500</u>	<u>5,515</u>	<u>214,189</u>	<u>1,163,946</u>	<u>1,076,543</u>
EXPENSES							
Administration (Schedule)	131,034	154,000	15,977	-	106	301,117	283,748
Amortization	14,323	-	-	-	-	14,323	14,989
Branch assistance	572	-	-	-	-	572	7,096
Conventions (Schedule)	19,007	-	-	-	-	19,007	9,037
Lotto sweep prizes	-	-	23,796	-	-	23,796	24,000
Occupancy (Schedule)	17,847	3,798	-	-	-	21,645	20,105
Officers and committees (Schedule)	49,199	5,392	-	-	-	54,591	42,122
Paws Fur Thought	-	-	-	-	116,923	116,923	124,735
Poppy	823	344,811	-	-	-	345,634	359,473
Programs (Schedule)	58,018	13,190	-	7,000	58,652	136,860	157,291
Sports (Schedule)	34,684	-	-	-	-	34,684	31,654
Torch	3,920	-	-	-	-	3,920	6,873
	<u>329,427</u>	<u>521,191</u>	<u>39,773</u>	<u>7,000</u>	<u>175,681</u>	<u>1,073,072</u>	<u>1,081,123</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	48,074	4,050	1,727	(1,485)	38,508	90,874	(4,580)
FUND BALANCES - beginning of year	<u>1,537,568</u>	<u>132,321</u>	<u>200</u>	<u>206,039</u>	<u>194,261</u>	<u>2,070,389</u>	<u>2,074,969</u>
	1,585,642	136,371	1,927	204,554	232,769	2,161,263	2,070,389
INTERFUND TRANSFERS	<u>32,174</u>	<u>(46,428)</u>	<u>(1,727)</u>	<u>-</u>	<u>15,981</u>	<u>-</u>	<u>-</u>
FUND BALANCES - end of year	<u>1,617,816</u>	<u>89,943</u>	<u>200</u>	<u>204,554</u>	<u>248,750</u>	<u>2,161,263</u>	<u>2,070,389</u>

THE ROYAL CANADIAN LEGION - NOVA SCOTIA / NUNAVUT COMMAND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

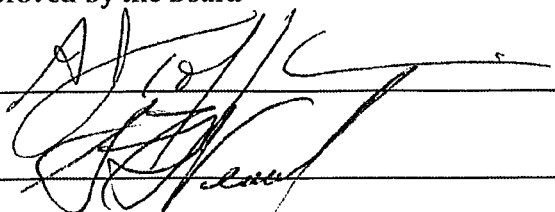
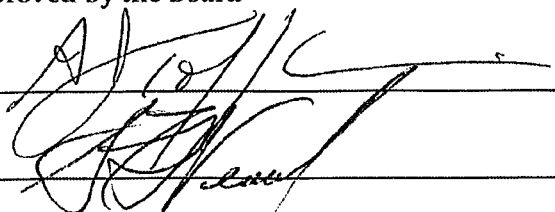
ASSETS							
	General Fund	Poppy Fund	Lotto Sweep Fund	Elsie Lambert Fund	Benevolent Fund	2017	2016
	\$	\$	\$	\$	\$	\$	\$
CURRENT							
Cash	37,994	450	-	-	-	38,444	48,298
Cash - restricted	456,492	331,307	200	229	248,750	1,036,978	983,979
Investments (Note 3)	261,503	-	-	-	-	261,503	195,290
Accounts receivable (Note 4)	39,604	-	-	-	-	39,604	37,695
Inventory	6,974	19,723	-	-	-	26,697	21,137
Due from Poppy Fund	261,537	-	-	-	-	261,537	336,334
Prepays	<u>2,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,601</u>	<u>2,571</u>
	1,066,705	351,480	200	229	248,750	1,667,364	1,625,304
INVESTMENTS (Note 3)	254,218	-	-	204,325	-	458,543	519,799
CAPITAL ASSETS (Note 5)	<u>451,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451,044</u>	<u>466,152</u>
	<u>1,771,967</u>	<u>351,480</u>	<u>200</u>	<u>204,554</u>	<u>248,750</u>	<u>2,576,951</u>	<u>2,611,255</u>

LIABILITIES							
CURRENT							
Accounts payable and accrued liabilities (Note 6)	53,653	-	-	-	-	53,653	93,706
Due to General Fund	-	261,537	-	-	-	261,537	336,334
Deferred revenue (Note 7)	<u>100,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,498</u>	<u>110,826</u>
	<u>154,151</u>	<u>261,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>415,688</u>	<u>540,866</u>

FUND BALANCES							
Unrestricted	733,079	-	200	-	-	733,279	635,423
VSR Booklet	308,693	-	-	-	-	308,693	311,193
Investment in capital assets	451,044	-	-	-	-	451,044	466,152
Internally restricted	125,000	-	-	-	-	125,000	125,000
Externally restricted	<u>-</u>	<u>89,943</u>	<u>-</u>	<u>204,554</u>	<u>248,750</u>	<u>543,247</u>	<u>532,621</u>
	<u>1,617,816</u>	<u>89,943</u>	<u>200</u>	<u>204,554</u>	<u>248,750</u>	<u>2,161,263</u>	<u>2,070,389</u>
	<u>1,771,967</u>	<u>351,480</u>	<u>200</u>	<u>204,554</u>	<u>248,750</u>	<u>2,576,951</u>	<u>2,611,255</u>

Commitments (Note 8)

Approved by the Board


 _____ Director

 _____ Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Poppy Fund	Lotto Sweep Fund	Elsie Lambert Fund	Benevolent Fund	2017	2016
	\$	\$	\$	\$	\$	\$	\$
CASH PROVIDED BY (USED FOR):							
OPERATING							
Excess (deficiency) of revenues over expenses	48,074	4,050	1,727	(1,485)	38,508	90,874	(4,580)
Item not affecting cash							
Amortization	14,323	-	-	-	-	14,323	14,989
Loss on disposal of capital assets	785	-	-	-	-	785	-
Interfund transfers	<u>32,174</u>	<u>(46,428)</u>	<u>(1,727)</u>	<u>-</u>	<u>15,981</u>	<u>-</u>	<u>-</u>
	95,356	(42,378)	-	(1,485)	54,489	105,982	10,409
Changes in non-cash working capital items							
Accounts receivable	(1,909)	-	-	-	-	(1,909)	70,597
Inventory	(4,441)	(1,119)	-	-	-	(5,560)	(1,592)
Prepays	(30)	-	-	-	-	(30)	604
Accounts payable and accrued liabilities	(40,053)	-	-	-	-	(40,053)	(35,518)
Deferred revenue	<u>(10,328)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,328)</u>	<u>23,627</u>
	<u>38,595</u>	<u>(43,497)</u>	<u>-</u>	<u>(1,485)</u>	<u>54,489</u>	<u>48,102</u>	<u>68,127</u>
FINANCING							
Cash transactions with funds	<u>74,797</u>	<u>(74,797)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INVESTING							
Acquisition of capital assets	-	-	-	-	-	-	(4,831)
Acquisition of investments	(191,831)	-	-	(4,325)	-	(196,156)	(263,728)
Proceeds on sale of investments	<u>186,904</u>	<u>-</u>	<u>-</u>	<u>4,295</u>	<u>-</u>	<u>191,199</u>	<u>273,015</u>
	<u>(4,927)</u>	<u>-</u>	<u>-</u>	<u>(30)</u>	<u>-</u>	<u>(4,957)</u>	<u>4,456</u>
CHANGE IN CASH	108,465	(118,294)	-	(1,515)	54,489	43,145	72,583
CASH - beginning of year	<u>386,021</u>	<u>450,051</u>	<u>200</u>	<u>1,744</u>	<u>194,261</u>	<u>1,032,277</u>	<u>959,694</u>
CASH - end of year	<u>494,486</u>	<u>331,757</u>	<u>200</u>	<u>229</u>	<u>248,750</u>	<u>1,075,422</u>	<u>1,032,277</u>
Cash consists of:							
Cash	37,994	450	-	-	-	38,444	48,298
Cash - restricted	<u>456,492</u>	<u>331,307</u>	<u>200</u>	<u>229</u>	<u>248,750</u>	<u>1,036,978</u>	<u>983,979</u>
	<u>494,486</u>	<u>331,757</u>	<u>200</u>	<u>229</u>	<u>248,750</u>	<u>1,075,422</u>	<u>1,032,277</u>

THE ROYAL CANADIAN LEGION - NOVA SCOTIA / NUNAVUT COMMAND 6
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. PURPOSE OF THE ORGANIZATION

The Royal Canadian Legion - Nova Scotia/Nunavut Command ("the Command") is incorporated under a special statute of Canada. In turn, the Command is charged with the administration of the Nova Scotia /Nunavut Legion Branch memberships. The Command is exempt from tax as a non-profit organization under Section 149.1(1) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

The General Fund accounts for the Command's program delivery and administration activities. This fund reports unrestricted and restricted revenues. The internally restricted funds consist of a Capital Reserve Fund in the amount of \$100,000 and the Supplementary Fund, for maintenance and repairs, in the amount of \$25,000. These funds are maintained based on the by-laws of the Command.

The Poppy Fund accounts for funds received from the annual poppy campaign and are restricted for the basic purpose of assisting active and former Canadian forces personnel and their dependants, and to support all costs to maintain a full-time service bureau. Also eligible are Merchant Navy personnel who have been awarded campaign stars or decorations, and their dependants, and ex-service personnel of Commonwealth countries, other than Canada, resident in Canada, who need assistance.

The Lotto Sweep Fund reports the Command's Lotto Sweep Campaign. All revenues received through the sales of Lotto Sweep Tickets are reported in this fund as well as all related expenses incurred during the year.

The Elsie Lambert Fund reports the interest income earned on the endowment received from The Estate of Elsie Lambert. The principal balance of \$200,000 is to be maintained as capital while the income is to be used for bursaries to qualified applicants.

The Benevolent Fund was set up to collect donations and to use these funds to assist active and former Canadian forces personnel and their families.

Cash

Cash consists of cash on hand and both restricted and unrestricted bank balances held with a financial institution.

THE ROYAL CANADIAN LEGION - NOVA SCOTIA / NUNAVUT COMMAND 7
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory, consisting of poppy, wreath and promotional supplies, are valued at the lower of cost and net realizable value, with cost being determined using the average cost method. Net realizable value is the estimated selling price in the normal course of operations less any costs necessary to make the sale.

Capital assets

Capital assets are recorded at cost. Amortization is provided for using the following rates and method over the estimated useful lives:

Building	4%	Diminishing balance
Computer equipment	30%	Diminishing balance
Furniture and fixtures	20%	Diminishing balance

One half year's amortization is taken in the year of acquisition.

Impairment of long-lived assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. Any impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

Per capita tax revenue is recorded when membership has been recognized and payment made to the Command. Amounts received in advance are reflected on the Command's statement of financial position as deferred revenue.

Poppy revenue is recognized on shipment and invoicing of the goods, provided collection is reasonably assured.

Donations, lotto sweep tickets and Paws Fur Thought revenues are recorded on receipt of the funds.

Interest income consists of interest earned on Guaranteed Investment Certificates. Revenue on investments is recorded when interest is earned and collection reasonably assured.

All other income is recorded when the risk and rewards of ownership transfer to the Command, when the price is fixed or determinable and collection is reasonably assured.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of administrative costs between funds

The Command has adopted a policy of allocating administrative overheads to funds based on percentages of the costs incurred for the projects of the individual funds.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates used when accounting for items during the year include, uncollectible accounts receivable, useful lives of capital assets and certain accrued liabilities. Actual results could differ from those estimates.

Financial instruments

Measurement of financial instruments

The Command initially measures its financial assets and financial liabilities at fair value.

The Command subsequently measures all its financial assets and financial liabilities at 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 are recognized in the excess (deficiency) of revenues over expenses.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in the excess (deficiency) of revenues over expenses. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 any reversal is recognized in the excess (deficiency) of revenues over expenses.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

3. INVESTMENTS

Fixed Income - held to maturity	Maturity Date	2017 \$	2016 \$
Bank of Nova Scotia, 2.75%, GIC	Mar. 20, 2019	204,325	204,295
Bank of Nova Scotia, 1.50%, GIC	Aug. 15, 2018	50,658	-
NTC, 2.40%, GIC	Dec. 1, 2021	50,102	-
National Trust Company, 2.75%, GIC	Feb. 14, 2019	55,555	54,064
Montreal Trust Company of Canada, 2.75%, GIC	Feb. 14, 2019	55,555	54,064
SMC, 2.40%, GIC	Dec. 1, 2021	22,704	-
Bank of Nova Scotia, 1.70%, GIC	Jan. 16, 2019	70,301	-
Bank of Nova Scotia, 1.68%, GIC	Feb. 5, 2018	102,954	101,247
Bank of Nova Scotia, 1.68%, GIC	Feb. 5, 2018	25,738	25,312
Montreal Trust Company of Canada, 1.65%, GIC	Mar. 19, 2018	82,154	80,817
Matured investments		<u>-</u>	<u>195,290</u>
		720,046	715,089
Investments maturing within one year		(261,503)	(195,290)
Long term investments		<u>458,543</u>	<u>519,799</u>

4. ACCOUNTS RECEIVABLE

	2017 \$	2016 \$
Accounts receivable	46,422	45,355
Allowance for doubtful accounts	(6,818)	(7,660)
	<u>39,604</u>	<u>37,695</u>

5. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net 2017 \$	Net 2016 \$
Land	140,180	-	140,180	140,180
Building	507,438	201,100	306,338	319,103
Computer equipment	16,820	16,755	65	1,104
Furniture and fixtures	<u>121,752</u>	<u>117,291</u>	<u>4,461</u>	<u>5,765</u>
	<u>786,190</u>	<u>335,146</u>	<u>451,044</u>	<u>466,152</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
	\$	\$
Trade payables	30,637	72,054
Accrued liabilities	16,165	17,816
Government remittances	<u>6,851</u>	<u>3,836</u>
	<u>53,653</u>	<u>93,706</u>

7. DEFERRED REVENUE

	2017	2016
	\$	\$
Membership dues	<u>100,498</u>	<u>110,826</u>

Changes in deferred revenue are as follows:

	2017	2016
	\$	\$
Balance - beginning of year	110,826	87,199
Amount recognized as revenue	(71,003)	(81,530)
Amounts received related to future periods	<u>60,675</u>	<u>105,157</u>
Balance - end of year	<u>100,498</u>	<u>110,826</u>

8. COMMITMENTS

The Command has committed \$37,544 (2016 - \$47,398) to fund the awarding of various \$1,000 bursaries annually from the General Fund. These bursaries will be named in honour of Branch No. 25.

9. INTERFUND LOANS

All interfund loans are non-interest bearing with no set terms of repayment.

10. FINANCIAL INSTRUMENTS

Risks and concentrations

The Command is exposed to various risks through its financial instruments. The following analysis provides a measure of the Command's risk exposure and concentrations at December 31, 2017.

It is management's opinion that the Command is not exposed to significant market, currency, interest rate and price risks from its financial instruments. The risks arising on financial instruments are limited to the following:

10. FINANCIAL INSTRUMENTS (Continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Command to concentrations of credit risk consist of cash, restricted cash, investments and accounts receivable. The Command deposits its cash, restricted cash and investments in a reputable financial institution and therefore believes the risk of loss to be remote. The Command is exposed to credit risk from accounts receivable. The Command believes this credit risk is minimized as the member base for their receivables are Legion branches under their command. A provision for impairment of accounts receivable is established when there is objective evidence that the Command will not be able to collect all amounts due.

Liquidity risk

Liquidity risk is the risk that the Command will encounter difficulty in meeting obligations associated with financial liabilities. The Command is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Command generates sufficient cash flows from operating activities to fund operations and fulfill obligations as they become due.

11. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform with the financial statement presentation adopted for the current year.

SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund \$	Poppy Fund \$	Lotto Sweep Fund \$	Lambert Fund \$	Benevolent Fund \$	2017 \$	2016 \$
ADMINISTRATION							
Charitable donations	500	3,000	-	-	-	3,500	3,570
Computer	3,582	-	-	-	-	3,582	7,026
Hospitality	590	-	-	-	-	590	450
Insurance	5,172	-	-	-	-	5,172	5,048
Interest and bank charges	1,711	193	75	-	106	2,085	2,667
Office supplies	8,612	3,897	-	-	-	12,509	8,674
Postage	5,232	1,408	9,634	-	-	16,274	19,350
Printing	-	-	6,268	-	-	6,268	10,612
Professional fees	13,225	-	-	-	-	13,225	12,075
Salaries and services	81,909	142,466	-	-	-	224,375	200,976
Service contracts	4,747	1,118	-	-	-	5,865	5,166
Telephone	5,754	1,918	-	-	-	7,672	8,134
	<u>131,034</u>	<u>154,000</u>	<u>15,977</u>	<u>-</u>	<u>106</u>	<u>301,117</u>	<u>283,748</u>
CONVENTIONS							
Dominion convention	-	-	-	-	-	-	9,037
NS/NU convention	<u>19,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,007</u>	<u>-</u>
	<u>19,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,007</u>	<u>9,037</u>
OCCUPANCY							
Cleaning	6,727	-	-	-	-	6,727	6,205
Electricity	4,410	-	-	-	-	4,410	5,760
Repairs and maintenance	5,837	3,798	-	-	-	9,635	7,673
Water and taxes	<u>873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>873</u>	<u>467</u>
	<u>17,847</u>	<u>3,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,645</u>	<u>20,105</u>

SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Poppy Fund	Lotto Sweep Fund	Lambert Fund	Benevolent Fund	2017	2016
	\$	\$	\$	\$	\$	\$	\$
OFFICERS AND COMMITTEES							
Appeals and investigations	-	-	-	-	-	-	537
Bursary committee	625	-	-	-	-	625	625
Command President	9,694	-	-	-	-	9,694	5,548
Command Secretary	603	-	-	-	-	603	509
Complaint committee	108	-	-	-	-	108	603
Finance committee	968	-	-	-	-	968	1,220
Gaming committee	86	-	-	-	-	86	114
Honors, awards and by-laws	3,185	-	-	-	-	3,185	1,858
Hospitality	25	-	-	-	-	25	250
Leadership development	2,717	-	-	-	-	2,717	809
Lotto sweep committee	-	-	-	-	-	-	11
Membership	274	-	-	-	-	274	-
Nova Scotia/Nunavut Council	8,160	-	-	-	-	8,160	6,968
Officers allowance	12,675	-	-	-	-	12,675	12,350
Personnel committee	895	-	-	-	-	895	1,529
Poppy committee	-	96	-	-	-	96	236
Public relations	2,597	-	-	-	-	2,597	1,500
Resolutions committee	-	-	-	-	-	-	437
Service officer	-	3,474	-	-	-	3,474	3,306
Special functions	551	1,822	-	-	-	2,373	2,048
Sub-executive committee	1,868	-	-	-	-	1,868	163
Treasurer	825	-	-	-	-	825	795
Trustees inventory committee	797	-	-	-	-	797	516
Veterans services/seniors	46	-	-	-	-	46	190
VSR booklet	2,500	-	-	-	-	2,500	-
	<u>49,199</u>	<u>5,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,591</u>	<u>42,122</u>
PROGRAMS							
Bursaries	10,000	12,000	-	-	-	22,000	23,500
Donations	-	-	-	-	-	-	19,622
Leadership training camp	48,018	-	-	-	-	48,018	50,190
Poster and essay winners	-	1,190	-	-	-	1,190	1,190
Scholarships	-	-	-	7,000	-	7,000	10,000
Veteran support	-	-	-	-	29,070	29,070	29,215
Veterans outreach	-	-	-	-	29,582	29,582	23,574
	<u>58,018</u>	<u>13,190</u>	<u>-</u>	<u>7,000</u>	<u>58,652</u>	<u>136,860</u>	<u>157,291</u>
SPORTS							
Cribbage	498	-	-	-	-	498	127
Darts	314	-	-	-	-	314	649
Pool	662	-	-	-	-	662	-
Track and field	33,210	-	-	-	-	33,210	30,878
	<u>34,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,684</u>	<u>31,654</u>