



**NAVY LEAGUE OF CANADA - LA LIGUE NAVALE DU CANADA
OTTAWA BRANCH - SUCCURSALE OTTAWA**

Financial Statements

**For the Period Ending
31 Dec 2019**



RCSCC FALKLAND



NLCC VADM KINGSMILL

A handwritten signature in blue ink, appearing to be 'A. G. [unclear]', is written over a light blue circular stamp.

Treasurer

NAVY LEAGUE OF CANADA - OTTAWA BRANCH
STATEMENT OF FINANCIAL POSITION
at 31 DECEMBER 2019

	December 2019	December 2018
ASSETS		
Cash (Note 1)	\$76,910.08	\$29,877.11
Investments (Branch Fund) (Note 2)	\$61,805.82	\$70,490.00
Investments - Harold Gillis Fund (Note 2)	\$66,600.00	\$102,454.40
Investments - B Wilson (Scholarship) (Note 2)	\$10,434.62	\$10,215.00
Accounts Receivable (Note 3)	\$150.00	\$125.00
Accounts Receivable (DND DFTs) (Note 3)	\$6,675.00	\$321.91
Total Assets	\$222,575.53	\$213,483.42
LIABILITIES		
On Accounts		
Accounts Payable (Note 4)	\$2,409.40	\$1,193.95
Committed Expenses (Note 4)	\$500.00	\$7,726.81
Deferred Revenue	\$0.00	\$0.00
Committed Funds (Held in cash)		
Hal Gillis Summer Program (Note 5)	\$2,396.10	\$1,784.37
Cdr G.H. Dawson Memorial Scholarship (Note 5)	\$4,833.37	\$5,380.74
Bill Wilson Memorial Scholarship Fund	-\$43.55	\$456.45
Directed Donations (remaining balance) (Note 6)	\$5,327.15	
Total Liabilities	\$15,422.47	\$16,542.32
EQUITY		
Year (or to date) Earnings / (Loss)	\$1,077.35	\$31,858.23
Nat Assets	\$207,153.06	\$196,941.10
Net Assets	\$207,153.06	\$196,941.10
LIABILITY and EQUITY	\$222,575.53	\$213,483.42

**NAVY LEAGUE OF CANADA - OTTAWA BRANCH
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD
1 JANUARY to 31 DECEMBER 2019**

	2019		% of Budget	2018		% of Budget
REVENUE (Notes 7 – 9)						
Membership dues		\$320.00			\$240.00	
Donations - Individuals		\$3,740.00			\$2,879.28	
Donations - Legions, Bus.		\$6,000.00			\$10,992.88	
Donations - Directed (Branch Level)		\$0.00			\$14,982.86	
Fundraising		\$31,012.62			\$31,478.54	
Branch Revenue		\$2,480.74			\$3,754.44	
Falkland Generated Income		\$17,350.00			\$3,425.00	
Falkland DND Reimbursements		\$7,136.69			\$7,308.06	
Kingsmill Income		\$7,025.00			\$8,112.00	
Sub-Total - Branch		\$75,065.05	106%		\$83,173.06	102%
Other Revenue held in Branch account						
Falkland Canteen		\$1,912.76			\$2,268.85	
Falkland C&POs		\$490.00			\$40.00	
Kingsmill canteen		\$2,671.80			\$2,117.00	
Sub-Total - Other		\$5,074.56			\$4,425.85	
Total Income		\$80,139.61			\$87,598.91	
EXPENSE						
Old Year (was in 2017 budget)		\$0.00			\$7,862.09	
Administration Expenses						
Administrative	\$3,192.99			\$1,939.19		
Accommodation	\$4,991.27			\$2,758.59		
NLC / Division expenses	\$5,248.56			\$4,290.00		
Total Administration		\$13,432.82			\$8,987.78	
Fundraising Expenses		\$2,774.85			\$3,545.63	
Summer Program		\$6,902.95			\$11,725.56	
Scholarships		\$1,500.00			\$0.00	

Falkland's Expenses		
Admin/Office	\$351.83	
Band	\$1,156.65	
Esprit de Corp (CO)	\$728.54	
Branch funded Corps activities	\$10,984.01	
Cadet Funded (Major Trip fees)	\$15,700.00	
Mandatory Training	\$801.34	
Optional Training	\$330.25	
Supply	\$1,621.32	
TOTAL FALKLAND		\$31,673.94
Kingsmill's Expenses		
Administration	\$112.98	
Cadet Expenses	\$6,045.74	
Training	\$3,606.91	
Competition	\$1,977.50	
Community & Corps Activities	\$6,649.62	
NL Officers	\$360.71	
Div/Sqn/Corps	\$565.13	
TOTAL KINGSMILL		\$19,318.59
Sub-Total - Branch		\$75,603.15
Other Expenses from Branch Account		
Falkland Canteen		\$1,855.22
Falkland C&POs		\$555.55
Kingsmill canteen		\$1,048.34
Sub-Total - Other		\$3,459.11
Total Expenses		\$79,062.26
NET GAIN / (LOSS)		
From Branch Funds		(\$538.10)
From Cadet accounts		\$1,615.45
TOTAL to/from Branch Account		\$1,077.35

\$564.16	
\$1,466.79	
\$838.13	
\$2,698.76	
\$2,723.66	
\$1,279.91	
\$538.49	
	\$10,109.90
\$1,333.66	
\$3,652.80	
\$633.10	
\$4,040.44	
\$80.00	
\$55.37	
	\$9,795.37
	\$52,026.33
	\$2,191.00
	\$22.59
	\$1,500.76
	\$3,714.35
	\$55,740.68
	\$31,146.73
	\$711.50
	\$31,858.23

75%

89%

NOTES TO FINANCIAL STATEMENTS

GENERAL

The Navy League of Canada – Ottawa Branch (the ‘Branch’) is a non-profit organization sponsoring two cadet corps – A Navy League Cadet Corps for which the Branch is solely responsible, and a Sea Cadet Corps in partnership with DND – particularly during an ‘in-unit’ training period over the winter. In doing so it offers a Summer Program for both, various scholarships and, where possible, participates in a variety of outreach and engagement activities in the community.

NOTE 1: ASSETS - Cash

All cash held by the Branch is retained in a single bank account. In addition to Branch funds kept for operations (including ongoing summer and scholarship programs), admin and Corps support, the account also holds the Cadets’ funds resulting from the operation of their respective canteens and messes. Their revenues & expenses are tracked and reported in the Income Statement as “other” than the Branch elements. The net difference is shown as an amount payable to them in the balance sheet.

NOTE 2: ASSETS - Investments

Investments are grouped in packages, or categories, that recognize their undirected, partially directed, and directed natures. They are combined in mostly short-term and a few remaining long-term (1 – 3 years) instruments that are refreshed annually to maximize their return over time. The groupings and investment certificates are shown in the following tables:

Investments - Branch Funds			
	as of 31 Dec 19	as of 31 Dec 18	category through 2019
28 Month GIC 15 @ 1.75% - Matures 24 Jun 19	\$0.00	\$10,175.00	Opening Balance 1 Jan 2019
31 Month Term Deposit #17 @ 2.15% - Matures 30 Apr 20	\$10,434.62	\$10,215.00	Additional investment (Transfer in)
3 Yr RateBuilder Term Deposit #16 @ 1 - 1.40% - Matures 15 May 20	\$10,221.20	\$10,100.00	Withdrawals (Transfer Out)
18 Month Term Deposit #22 @ 2.5% - Matures 2 Feb 20	\$10,250.00	\$10,000.00	Realized Gain on investment
12 Month Term Deposit #24 @ 3.0% - Matures 30 Oct 2019	\$10,300.00	\$10,000.00	Unrealized Gain on investment
12 Month Term Deposit #25 @ 3.0% - Matures 31 Oct 2019	\$5,150.00	\$5,000.00	Closing balance 31 Dec 2019
12 Month Term Deposit #26 @ 3.0% - Matures 31 Oct 2019	\$5,150.00	\$5,000.00	
12 Month Term Deposit #27 @ 3.0% - Matures 31 Oct 2019	\$5,150.00	\$5,000.00	
12 Month Term Deposit #28 @ 3.0% - Matures 31 Oct 2019	\$5,150.00	\$5,000.00	
TBD - Reinvest GIC #15 principal			
BRANCH INVESTMENTS TOTAL	\$ 61,805.82	\$ 70,490.00	

The vision for the Branch Fund expects it to hold a balance of not less than \$40K as a contingency fund. Interest from investments are applied to Branch scholarships managed through scholarship sub-accounts (see note 5). Assuming no increase to the asset base from 2017, that supports over \$1200 in scholarships annually in perpetuity (46 years at \$1500) at conservative interest rates.

A \$10K GIC (#15) matured in June and was left as cash in the account pending spending decisions. If not used, all or part can be re-invested. Term deposits #24 - 28 were automatically renewed at end Oct rather than cashed ("transferred in"). However, the interest rates on renewals were significantly reduced (to 1.6%)

Investments - Hal Gillis (Summer Program)

	as of 31 Dec 19	as of 31 Dec 18	category through 2019	
33 Month GIC 14 @ 2.0% - Matures 14 Aug 19	\$0.00	\$37,454.40	Opening Balance 1 Jan 2019	\$102,454.40
18 Month Term Deposit #19 @ 2.5% - Matures 2 Feb 20	\$20,500.00	\$20,000.00	Additional investment (Transfer in)	\$0.00
18 Month Term Deposit #20 @ 2.5% - Matures 2 Feb 20	\$20,500.00	\$20,000.00	Withdrawals (Transfer Out)	\$38,014.68
18 Month Term Deposit #21 @ 2.5% - Matures 2 Feb 20	\$20,500.00	\$20,000.00	Realized Gain on investment	\$560.28
12 Month Term Deposit #23 @ 2.0% - Matures 2 Aug 19	\$5,100.00	\$5,000.00	Unrealized Gain on investment	\$1,600.00
TBD - Reinvest GIC #14 principal			Closing balance 31 Dec 2019	\$66,600.00
TBD - Reinvest GIC #14 principal				
TBD - Reinvest GIC #14 principal				
TBD - Reinvest GIC #14 principal				
INVESTMENTS TOTAL	\$66,600.00	\$102,454.40		

The direction for the Hal Gillis Fund is that it be used towards the Branch's Summer Program for the cadets. Boat assets are also used for Corps training and activities at the start and end of the in-unit training period. The Council approved a long-term vision for the fund to ensure it would serve that goal for at least 50 years (to approximately 2068). The current balance supports approximately \$3500 annually towards the Summer Program fund at conservative interest rates. Maintenance and storage cost traditionally well exceed that amount. The remainder of annual costs are from funds raised by the Branch. The Summer Program is therefore managed through a separate sub-account (see note 5), which combines this funding with Branch fundraising efforts to meet annual budget targets.

GIC #14 was a large long term deposit (33 months) that matured in August. The interest was placed into the Summer program fund. The intention is to re-invest the principal in several smaller deposits so as to improve the flexibility in accessing those funds when eventually needed, and to maximize the return over time as interest rates rise.

Investments - Bill Wilson (Falkland Scholarship)

	as of 31 Dec 19	as of 31 Dec 18	category through 2019	
31 Month Term Deposit #18 @ 2.15% - Matures 30 Apr 20	\$10,434.62	\$10,215.00	Opening Balance 1 Jan 2019	\$10,215.00
			Additional investment (Transfer in)	
			Withdrawals (Transfer Out)	\$0.00
			Realized Gain on investment	
			Unrealized Gain on investment	\$219.62
INVESTMENT TOTAL	\$10,434.62	\$10,215.00	Closing balance 31 Dec 2019	\$10,434.62

The Bill Wilson Fund is from a directed bequest. Initially invested in 2018, bursaries started in 2019. The long-term vision adopted by the Council was to have this bursary last up to 25 years. At conservative current interest rates in a term deposit that will be drawn from over that period, this allows for \$500 scholarships annually starting in 2019.

TOTAL ALL INVESTMENTS	\$	\$
	138,840.44	183,159.40

NOTE 3: ASSETS - Accounts Receivable**Accounts Receivable**

Falkland Canteen Float	\$100
Kingsmill Canteen Float	\$50
Branch Invoices	\$0
DND DFTs outstanding	\$6,675.00
Total	\$6,825.00

Direct Fund Transfer (DFT) arrangements for the Local Support Allocation (LSA) and for reimbursement of DND mandatory costs to FALKLAND are functional with respect to the regulations and submission of applications. However, the time required for processing LSA submissions continues to cause complications. Payment of the FY18/19 LSA was not received until June 2019

The amount shown here outstanding at end Dec is the full 2019/20 allotment that was expected as a minimum and the basis for an LSA claim submitted at that time. A payment on that claim was later received in April 2020, but only for \$3230 - significantly reduced by the amount of the earlier payment as it had been applied to the same FY. The issue is under discussion between FALKLAND and the RCSU which should see the issue corrected and the remainder of the FY 19/20 LSA expectation filled. In the new year. FALKLAND and the Branch should tighten up the internal timing and process for submitting eligible LSA claims.

NOTE 4: LIABILITIES - Accounts Payable**Cadet Funds Held**

Falkland Canteen	\$757.98
Falkland Chiefs & POs Mess	\$24.04
Kingsmill Canteen	\$1,627.38
Total	\$2,409.40

Committed in Budget

2017 Scholarships	\$500.00
2018 Scholarships	\$0.00
2019 Scholarships	\$0.00
Total	\$500.00

NOTE 5: LIABILITIES – Committed and Directed Funds**Committed Funds tracked in sub-accounts**

Cdr G.H. Dawson Memorial/NLOB Scholarship Fund	\$4,833.37
Bill Wilson Memorial Scholarship Fund	-\$43.55
Hal Gillis (et al) Summer Program Fund	\$2,396.10
Total	\$7,185.92

These have been termed “committed” as they are funds taken from the respective investments (transfer in or realized interest) , other directed sources, or allocated by the Branch - and currently held in the cash account for the directed purpose, but not yet expended. As such, they are treated as liabilities.

NOTE 6: DIRECTED FUNDS**Directed Donations held in the common cash account**

FALKLAND Band Donation	\$633.00
William Cuddie Donation	\$2,194.15
Nickle Family Donation	\$2,500.00
Total	\$5,327.15

Some directed donations involve irregular expenses managed in conjunction with the budget. They are tracked as drawn upon to monitor remaining balance. While not included in the 2018 balance sheet as a liability, they have been for 2019.

NOTE 7: REVENUE – Membership Dues and Donations

Membership revenues must be looked at in conjunction with the more significant amount of individual donations they make. Most renewals include a donation, some particularly sizeable.

NOTE 8: REVENUE – Fundraising

Despite a slow start on the first tag day due to a shortage of cadets to deploy, the remaining dates were extremely well planned and supported. The Fall date set a new TAG DAY record and, overall, the Branch essentially mirrored the previous banner year! Much credit goes to the teams that planned/organized the sites and executed the events.

NOTE 9: REVENUE– Corps

KINGSMILL's revenue is due largely from Corps Registrations and Squadron Camp fees. Of note for the Income Statement is that KINGSMILL's revenues from the Squadron Camp fee is offset by matching payment to the camp.

FALKLAND's revenues for 2019 are also somewhat distorted as it includes \$15.7K in fees paid by Cadets and their families for the major trip to Halifax over the March Break.

FALKLAND's program through the year is funded by DND as well as the Branch, in accordance with the NLC/DND MOU and defined in CATO 17-34. As such, some of FALKLAND's training expenses while advanced through Branch accounts. are funded by DND through LSA entitlements reimbursed through General Allowance Claims.