

THE AIR CADET LEAGUE OF CANADA
Financial Statements
Year Ended March 31, 2024

THE AIR CADET LEAGUE OF CANADA
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Year Ended March 31, 2024

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LYLE TILLEY DAVIDSON
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of The Air Cadet League of Canada

Qualified Opinion

We have audited the financial statements of The Air Cadet League of Canada (the "League"), which comprise the statement of financial position as at March 31, 2024, and the statements of operating revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the League as at March 31, 2024, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many charitable organizations, the League derives revenue from external donations and fundraising, 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 League and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenditures, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

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 League in accordance with 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 qualified audit 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 ASNPO, 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 League'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 League or to cease operations, or has no realistic alternative but to do so.

(continues)

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



Halifax, Nova Scotia
May 22, 2024


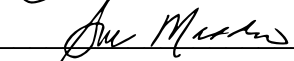
CHARTERED PROFESSIONAL ACCOUNTANTS

THE AIR CADET LEAGUE OF CANADA
Statement of Financial Position
March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash - unrestricted	\$ 132,133	\$ 139,352
Cash - internally restricted	3,541	3,878
Short term investments - unrestricted (Note 11)	51,067	100,000
Short term investments - internally restricted (Note 10)	144,772	220,000
Accounts receivable	15,827	234,319
Inventory (Note 6)	76,142	49,376
Prepaid expenses	37,465	54,826
Due from Advanced Incubator Model for Aviation and Aerospace (AIM-AA) Fund (Note 9)	5	15,573
Due from externally restricted funds (Note 8)	7,500	1,500
Harmonized sales tax recoverable	2,423	5,365
	470,875	824,189
LONG TERM INVESTMENTS - UNRESTRICTED (Note 11)	100,329	96,481
LONG TERM INVESTMENTS - INTERNALLY RESTRICTED (Note 10)	861,806	540,336
AIM-AA FUND - ASSETS (Note 9)	-	42,495
LONG TERM INVESTMENTS - EXTERNALLY RESTRICTED (Note 7)	2,264,410	2,082,062
CAPITAL ASSETS (Note 12)	28,469	10,999
GLIDERS (Note 13)	29,122	29,122
TRADEMARK (Note 14)	14,276	14,276
	\$ 3,769,287	\$ 3,639,960
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 81,032	\$ 54,744
Due to externally restricted funds (Note 8)	2,831	-
Deferred revenue (Note 16)	18,500	268,487
	102,363	323,231
NET ASSETS		
Operating funds	392,395	427,958
Internally restricted funds (Schedule A)	1,010,119	764,214
Externally restricted AIM-AA Fund (Note 18)	-	42,495
Externally restricted funds (Schedule B)	2,264,410	2,082,062
	3,666,924	3,316,729
	\$ 3,769,287	\$ 3,639,960

LEASE COMMITMENTS (Note 21)

ON BEHALF OF THE BOARD

 _____ Director
 _____ Director

THE AIR CADET LEAGUE OF CANADA
Statement of Operating Revenues and Expenditures
Year Ended March 31, 2024

	2024	2023
REVENUES		
Government grant	\$ 500,000	\$ 500,000
Provincial committees (Note 5)	302,497	287,257
Insurance billed out (Note 5)	237,294	243,376
External donations and fundraising	65,124	22,503
Investment and miscellaneous revenue (Note 19)	29,081	6,182
Annual general meeting registration	7,413	8,504
Gifts in kind - member donations	5,406	1,845
Catalogue sales	1,610	6,412
	<u>1,148,425</u>	<u>1,076,079</u>
EXPENDITURES		
Amortization	4,222	2,529
Annual meeting	124,242	113,199
Awards and presentations	3,472	12,357
Committee activity funding	2,463	5,018
Cost of catalogue sales	6,764	2,575
Debt forgiveness	33,637	123
Equipment rentals	2,635	2,870
Exchange visits (International Air Cadet Exchange)	12,144	4,217
Fees for service contract	22,076	7,402
Gifts in kind - members expense	3,126	-
Insurance	376,977	376,551
Interest and bank charges	4,177	4,130
Office	30,163	27,497
Professional fees	75,733	87,296
Rental	17,067	85,544
Salaries and wages	300,130	291,408
Telephone	3,781	5,460
Repairs and maintenance	553	-
Training	636	-
Translations	1,666	1,772
Travel	3,289	4,724
	<u>1,028,953</u>	<u>1,034,672</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 119,472	\$ 41,407

THE AIR CADET LEAGUE OF CANADA
Statement of Changes in Net Assets
Year Ended March 31, 2024

	Operating fund	Internally restricted funds <i>(Schedule A)</i>	Externally restricted AIM- AA fund <i>(Note 18)</i>	Externally restricted funds <i>(Schedule B)</i>	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 427,958	\$ 764,214	\$ 42,495	\$ 2,082,062	\$ 3,316,729	\$ 3,325,626
Excess of revenue over expenses	119,472	92,905	(41,699)	179,517	350,195	(8,897)
Fund transfers <i>(Note 4)</i>	(155,035)	153,000	(796)	2,831	-	-
NET ASSETS - END OF YEAR	\$ 392,395	\$ 1,010,119	\$ -	\$ 2,264,410	\$ 3,666,924	\$ 3,316,729

THE AIR CADET LEAGUE OF CANADA

Statement of Cash Flow

Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenditures - operating	\$ 119,472	\$ 41,407
Excess (deficiency) of revenue over expenditures - internally restricted Rainy Day Fund	64,604	(5,035)
Excess (deficiency) of revenue over expenditures - internally restricted Legal Defence Fund	24,773	(3,147)
Excess of revenue over expenditures - internally restricted IACEA Hosting Fund	3,528	105
Items not affecting cash:		
Amortization	4,222	2,529
	<u>216,599</u>	<u>35,859</u>
Changes in non-cash working capital:		
Accounts receivable	218,492	(226,526)
Short term investments	124,161	25,000
Inventory	(26,766)	2,575
Accounts payable and accrued liabilities	26,288	19,315
Deferred revenue	(249,987)	238,604
Prepaid expenses	17,361	(4,551)
Harmonized sales tax recoverable	2,942	2,136
Due from AIM-AA Fund	15,568	(8,167)
Due to externally restricted funds	2,831	-
Due from externally restricted funds	(6,000)	(1,600)
	<u>124,890</u>	<u>46,786</u>
Cash flow from operating activities	<u>341,489</u>	<u>82,645</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(21,692)	(800)
Long term investments	(328,149)	(78,931)
Transfer to externally restricted fund	-	(10,000)
Transfer from externally-restricted AIM-AA Fund	796	-
Cash flow used by investing activities	<u>(349,045)</u>	<u>(89,731)</u>
DECREASE IN CASH FLOW	(7,556)	(7,086)
Cash - beginning of year	<u>143,230</u>	<u>150,316</u>
CASH - END OF YEAR	\$ 135,674	\$ 143,230
CASH CONSISTS OF:		
Unrestricted cash	\$ 132,133	\$ 139,352
Internally restricted cash	<u>3,541</u>	<u>3,878</u>
	<u>\$ 135,674</u>	<u>\$ 143,230</u>

THE AIR CADET LEAGUE OF CANADA

Notes to Financial Statements

Year Ended March 31, 2024

1. PURPOSE OF THE LEAGUE

The Air Cadet League of Canada (the "League") is a registered Canadian charitable organization. As a registered charity the League is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The League was established in 1941 to promote continuing education in aviation, to encourage a practical interest in aeronautics among young people and to assist those intending to pursue a career in the field of aviation. The aims of the Air Cadet movement are to develop in youth, between the ages of 12 and 19, the attributes of good citizenship and leadership, to promote physical fitness, and to stimulate the interest of youth in the aviation and aerospace industry, including the air element of the Canadian Forces. All of this is achieved in a challenging, yet disciplined environment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The Air Cadet League of Canada follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the League's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

Externally Restricted Funds

The externally restricted funds account for specific activities pertaining to the nature of each fund as follows:

- The Canadian Fighter Pilots Fund holds funds for continuation of Flying Training Awards for Air Cadets.
- The AFAC POW Fund holds funds received for Continuation Flying Training Awards for Cadets.
- The RCAFA Fund was established by the League and the Air Force Association of Canada to provide Pilot Training Achievement Awards for Air Cadets.
- The Birchall Fund holds funds to be used for an annual scholarship for post secondary studies.
- The Bob and Mary Dale Fund holds funds to be used for post secondary education of Air Cadets.
- The Bomber Harris Fund holds funds for Continuation Flying Training Awards for Cadets.
- The Dodo Bird Club Fund holds funds for Air Cadet Awards.
- The Effective Speaking Fund holds funds to be used to benefit the Effective Speaking Competition at both the National and Provincial levels.
- The Flying Training Fund holds funds to support aviation activities and awards. During the prior year, the FAMIL Scholarship fund was merged with the Flying Training Fund and the balance was transferred thereto. The FAMIL Scholarship Fund held funds to enable Cadets who have their Private Pilot License to achieve 30 hours of Pilot in Command training.
- The Irvin Erb - Virginia Mitchell Fund holds funds for an annual award to the top male and female Air Cadet Flying Training Graduate.

(continues)

THE AIR CADET LEAGUE OF CANADA

Notes to Financial Statements

Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- The Frank Kobe Fund holds funds for continuation of Flying Training Awards for Air Cadets in the name of Frank Kobe.
- The Alex Venebles Fund holds funds to be used for post secondary education of Air Cadets in engineering.
- The Advisory Council Fund holds donations from the Advisory Council to generate an annual scholarship of \$1,000.
- The K.C. Lett Fund holds funds to be used for post-secondary education scholarships in an aviation related program. Fifty percent of annual disbursement are awarded to air cadets resident in Alberta.
- The Advanced Incubator Model for Aviation and Aerospace (AIM-AA) Fund is an externally restricted Fund in support of the "Advanced Incubator Model - Aviation Aerospace" project, whose purpose is to establish a new, non-profit corporation to act as a primary research and development body for the industry sector as it relates to incubating, new training, education and skill development models to address workforce needs.
- The Manitoba PC Fund holds funds for three \$2,500 scholarships to be given to Manitoba cadets.
- The Weston Estate Fund holds funds to support the creation of academic scholarships for air cadets enrolled in post-secondary STEM programs at accredited educational institutions.
- The Music Scholarship Fund holds funds for awards to support excellence in leadership in music.

Internally Restricted Funds

- The Rainy Day Fund is an internally restricted fund created to accumulate half a year of operational costs.
- The Legal Defence Fund is an internally restricted fund established to pay for expenses directly related to the defence of the Air Cadet League or its members in civil litigation or legal advice.
- The International Air Cadet Exchange Association (IACEA) Hosting Fund is an internally restricted fund created in order to cover the cost of hosting the next IACE conference.

Cash and cash equivalents

Cash and cash equivalents consists primarily of amounts held within Canadian financial institutions, net of outstanding transactions, as well as internally restricted cash held within an investment portfolio.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost of inventory is determined using the weight-average method.

(continues)

THE AIR CADET LEAGUE OF CANADA
Notes to Financial Statements
Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30% declining balance method
Furniture and fixtures	15% straight-line method
Leasehold improvements	5 years straight-line method

Amortization is calculated at one-half of the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.

Impairment of long-lived assets

The League tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Pension and other retirement benefit plans

The League uses the immediate recognition approach to account for its defined benefit pension plan. Under this approach, past service costs and actuarial gains and losses are recognized in the period incurred. The accrued benefit obligation is based on the most recent actuarial valuation report prepared for funding purposes. In the years between valuations, the League uses a roll-forward technique to estimate the accrued benefit obligation.

Revenue recognition

Catalogue and glider sales are recognized in the unrestricted operating fund when items have been received by the customer, the price is fixed or determinable and collection is reasonably assured.

Externally restricted donations and fundraising revenues related to general operations are recognized as revenue of the unrestricted operating fund in the year in which the related expenses are incurred. All other externally restricted donations and fundraising revenue are recognized as revenue of the appropriate restricted fund. Unrestricted donations and fundraising revenues are recognized as revenue of the unrestricted operating fund in the year in which they are received.

Registration and sponsorship fees are recognized as revenue in the unrestricted operating fund in the year in which the meeting they related to occurs. Amounts received in advance are recorded as deferred revenues.

Donated goods and services received by the League are recorded in the unrestricted operating fund at their estimated fair market value when received.

The insurance rebate is recognized in the unrestricted operating fund in the year in which the insurance is paid.

Investment revenue includes interest income, realized investment gains and losses on sales of investments measured at amortized cost and unrealized gains and losses on investments measured at fair value. Investment transactions are recognized on the transaction date and resulting revenue is recognized on an accrual basis in the applicable restricted or unrestricted fund.

(continues)

THE AIR CADET LEAGUE OF CANADA

Notes to Financial Statements

Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Interest income resulting from general operations is recognized in the unrestricted operating fund based on the number of days outstanding and is calculated using the effective interest method.

Other revenue is recognized as revenue of the unrestricted operating fund using the accrual method of accounting.

Career exhibition revenue is recognized as revenue of the unrestricted operating fund in the year in which the exhibition occurs. Amounts received in advance are recorded as deferred revenues.

Revenues from provincial committees are recognized as revenue of the unrestricted operating fund on a straight-line basis over the term of the membership.

Government assistance is recorded when there is a reasonable assurance that the League had complied with and will continue to comply with, all the necessary conditions to obtain the assistance.

Contributed services

The operations of the League depend on the contribution of time by volunteers. Where the fair value of the donated services cannot be reasonably determined, they are therefore not reflected in these financial statements.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties which are recorded at the exchange amount. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Financial instruments in these financial statements include accounts receivable, term deposits and accounts payable and accrued liabilities. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Significant estimates in these financial statements include the useful life of capital assets, valuation of inventory, accrued liabilities and accrued interest revenue. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The League is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Financial instruments consist of cash, short and long term investments, accounts receivable, accounts payable and accrued liabilities. The following analysis provides information about the League's risk exposure and concentration as of March 31, 2024.

(continues)

THE AIR CADET LEAGUE OF CANADA

Notes to Financial Statements

Year Ended March 31, 2024

3. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The League is exposed to credit risk from members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The League has a significant number of members which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The League is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources and accounts payable and accrued liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The League is mainly exposed to interest rate 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. In seeking to minimize the risks from interest rate fluctuations, the League manages exposure through its normal operating and financing activities. The League is exposed to interest rate risk primarily through its floating interest rate line of credit.

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 League is exposed to other price risk through its investment in quoted securities.

4. INTERFUND TRANSFERS

During the year, the Board approved the following transfers from the Operating Fund:

\$50,000 to the Rainy Day Fund (2023 - \$100,000)

\$nil to the AIM-AA Fund (2023 - \$10,000)

\$103,000 to the Legal Defence Fund (2023 - \$nil)

During the year, the AIM-AA Fund was closed and the remaining balance of \$796 was transferred to the Operating Fund.

THE AIR CADET LEAGUE OF CANADA
Notes to Financial Statements
Year Ended March 31, 2024

5. RELATED PARTIES

The following is a summary of the League's related party transactions:

	2024	2023
<u>Related party transactions</u>		
Provincial Committees (<i>Significantly influenced by common policies</i>)		
Revenue from provincial committees	\$ 302,497	\$ 287,257
Insurance billed to provincial committees	18,555	35,122
	\$ 321,052	\$ 322,379

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The League is related to Provincial Committees (the "Committees") because the League provides oversight and they operate under a common set of policies. The League collects provincial revenues based on the number of Cadets in each Committee, and also pays for insurance on behalf of each Committee and bills a portion out to the Committees.

Due from related parties

	2024	2023
Due from the B.C. Provincial Committee		
Deferred insurance revenue	\$ -	\$ 15,480

The amount receivable from related parties is included with accounts receivable on the statement of financial position.

6. INVENTORY

	2024	2023
Catalogue inventory	\$ 37,042	\$ 10,276
Gliders - spare parts	39,100	39,100
	\$ 76,142	\$ 49,376

Inventory expensed during the year amounts to \$6,764 (2023 - \$2,575).

7. EXTERNALLY RESTRICTED FUNDS - ASSETS

	2024	2023
Cash and investments	\$ 2,253,334	\$ 2,065,811
Interest receivable	15,745	17,751
Due from (to) operating fund	(4,669)	(1,500)
	\$ 2,264,410	\$ 2,082,062

THE AIR CADET LEAGUE OF CANADA
Notes to Financial Statements
Year Ended March 31, 2024

8. DUE FROM (TO) EXTERNALLY RESTRICTED FUNDS

	2024	2023
RCAFA Fund	\$ -	\$ 1,500
Flying Training Fund	7,500	-
Music Scholarship Fund	(2,831)	-
	\$ 4,669	\$ 1,500

9. AIM-AA FUND - ASSETS

	2024	2023
Cash	\$ 5	\$ 58,068
Payable to operating fund	(5)	(15,573)
	\$ -	\$ 42,495

10. INTERNALLY RESTRICTED INVESTMENTS

	2024	2023
Investments	\$ 1,000,740	\$ 754,312
Interest receivable	5,838	6,024
	1,006,578	760,336
Investments maturing within one year	(144,772)	(220,000)
	\$ 861,806	\$ 540,336

11. LONG TERM INVESTMENTS - UNRESTRICTED

	2024	2023
Investments	\$ 150,329	\$ 194,007
Interest receivable	1,067	2,474
	151,396	196,481
Investments maturing within one year	(51,067)	(100,000)
	\$ 100,329	\$ 96,481

THE AIR CADET LEAGUE OF CANADA
Notes to Financial Statements
Year Ended March 31, 2024

12. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 37,795	\$ 35,806	\$ 1,989	\$ 2,841
Furniture and fixtures	28,242	19,159	9,083	8,158
Leasehold improvements	19,330	1,933	17,397	-
	\$ 85,367	\$ 56,898	\$ 28,469	\$ 10,999

13. GLIDERS

The League was gifted two gliders with a cost value of \$29,122. These assets are being held in accordance with the League's policy on having spare gliders that can be resold to the Provincial Committees if and when these become needed. As these sales occur infrequently, the gliders are considered a long-term asset by the League. Since these gliders are considered to have an indefinite useful life, they are not amortized and are tested each year for impairment. No impairment has been recorded in the current year.

14. TRADEMARK

The League acquired a trademark on their logo which is considered to have an indefinite useful life because the product will generate cash flow indefinitely. Because it is deemed to have an indefinite useful life, the trademark continues not to be amortized and continues to be tested for impairment. No impairment has been recorded in the current year.

15. LINE OF CREDIT

The League has a line of credit for an authorized amount of \$70,000 which is secured by a general security agreement at an interest rate of prime plus 2%. The line of credit is currently not in use.

16. DEFERRED REVENUE

	2024	2023
Annual general meeting registration	\$ -	\$ 1,418
Awards	18,500	32,850
Insurance revenue	-	234,219
	\$ 18,500	\$ 268,487

THE AIR CADET LEAGUE OF CANADA
Notes to Financial Statements
Year Ended March 31, 2024

17. PENSION PLAN

The League has a funded defined benefit plan providing pension benefits to one former employee. The defined benefit pension plan is based on years of service and final average salary.

The most recent actuarial valuation was as of January 1, 2023.

Reconciliation of the funded status of the benefit plan to the amount recorded in the financial statements:

	<u>2024</u>	<u>2023</u>
Fair value of plan assets at the end of the period	\$ 378,797	\$ 380,103
Defined benefit obligation	(347,878)	(342,329)
Valuation allowance	<u>(30,919)</u>	<u>(37,774)</u>
Defined benefit asset (liability)	<u>\$ -</u>	<u>\$ -</u>

18. EXTERNALLY RESTRICTED AIM-AA FUND

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 42,495	\$ 62,119
Donations	10,000	61,000
Transfers	(796)	10,000
Investment income	438	1,132
Expenses	<u>(52,137)</u>	<u>(91,756)</u>
Closing balance	<u>\$ -</u>	<u>\$ 42,495</u>

19. INVESTMENT AND MISCELLANEOUS REVENUES

	<u>2024</u>	<u>2023</u>
Investment income	\$ 11,204	\$ 8,485
Unrealized gain (loss) on investments	17,859	(2,361)
Miscellaneous revenues	<u>18</u>	<u>58</u>
	<u>\$ 29,081</u>	<u>\$ 6,182</u>

20. ECONOMIC DEPENDENCE

The Ministry of National Defence provides approximately 63% (2023 - 66%) of The League's revenue. The attainment of the objectives of the Air Cadet League is dependent on the Ministry continuing to provide substantial financial support. Future funding is dependent on the League continuing to meet the terms of the grant agreement.

THE AIR CADET LEAGUE OF CANADA

Notes to Financial Statements

Year Ended March 31, 2024

21. LEASE COMMITMENTS

Facility

The League has a long term lease with respect to its premises. The lease matures on February 28, 2025. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at year end are as follows:

2025	\$	15,722
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Photocopier

The League has a long term lease with respect to its photocopier. The lease matures on March 31, 2029. Future minimum lease payments as at year end are as follows:

2025	\$	2,140
2026		2,140
2027		2,140
2028		2,140
2029		2,140
		<hr/>
	\$	<u>10,700</u>

THE AIR CADET LEAGUE OF CANADA
Schedule of Internally Restricted Net Assets
Year Ended March 31, 2024

SCHEDULE A

2024

	Rainy Day Fund	IACEA Hosting Fund	Legal Defence Fund	Totals
Opening balance	\$ 534,758	\$ 29,914	\$ 199,542	\$ 764,214
Investment income	20,270	1,095	7,268	28,633
Bank charges	(2,293)	(137)	(930)	(3,360)
FMV adjustment	47,730	2,577	6,686	56,993
Expenses	-	-	-	-
Contributions / transfers	50,000	-	103,000	153,000
Gain on investment	(1,103)	(7)	11,749	10,639
Ending balance	\$ 649,362	\$ 33,442	\$ 327,315	\$ 1,010,119

2023

	Rainy Day Fund	IACEA Hosting Fund	Legal Defence Fund	Totals
Opening balance	\$ 439,794	\$ 29,807	\$ 202,689	\$ 672,290
Investment income	10,817	563	3,803	15,183
Bank charges	(1,708)	(111)	(922)	(2,741)
FMV adjustment	(7,630)	(346)	(6,038)	(14,014)
Expenses	(6,516)	-	-	(6,516)
Contributions / transfers	100,000	-	-	100,000
Gain on investment	1	1	10	12
Ending balance	\$ 534,758	\$ 29,914	\$ 199,542	\$ 764,214

THE AIR CADET LEAGUE OF CANADA
Schedule of Externally Restricted Fund Net Assets
Year Ended March 31, 2024

SCHEDULE B

2024

	Canadian Fighter Pilots Fund	POW Fund	RCAFA Fund	Birchall Fund	Dale Fund	Bomber Harris Fund	Dodo Fund	Effective Speaking Fund	Flying Training Fund	Virginia Mitchell Fund	Frank Kobe Fund	Alex Venebles Fund	Advisory Council Fund	K.C. Lett Fund	Manitoba PC Fund	Weston Estate Fund	Music Scholarship Fund	Totals
Opening balance	\$ 7,543	\$ 13,049	\$306,567	\$ 252,119	\$ 139,341	\$ 11,006	\$ 20,215	\$ 4,779	\$ 126,487	\$ 54,367	\$ 10,560	\$ 57,702	\$ 2,184	\$ 1,039,064	\$ 4,714	\$ 32,365	\$ -	\$ 2,082,062
Investment income	496	506	10,960	8,515	4,723	450	893	284	4,330	1,783	448	2,062	12	36,350	130	305	-	72,247
Bank charges	(32)	(58)	(1,403)	(1,105)	(642)	(47)	(90)	(16)	(580)	(248)	(45)	(276)	(2)	(4,123)	(8)	(132)	-	(8,807)
Awards / expenses	-	(300)	(8,500)	(8,500)	(5,000)	(600)	(300)	(793)	(7,500)	(1,000)	-	(4,000)	(1,000)	(36,000)	(2,500)	-	-	(75,993)
Donations	-	-	10,000	-	-	-	-	-	4,282	-	-	-	425	-	-	-	-	14,707
FMV adjustment	819	1,313	26,872	6,252	(1,499)	1,209	1,855	360	4,566	1,539	856	2,140	(3)	80,544	2	2,486	-	129,311
Contributions / transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,831	2,831
Gain (loss) on investment	(109)	(201)	1,515	15,618	13,314	(209)	(136)	(179)	7,610	3,684	(8)	3,176	2	3,042	1	932	-	48,052
Ending balance	\$ 8,717	\$ 14,309	\$346,011	\$ 272,899	\$ 150,237	\$ 11,809	\$ 22,437	\$ 4,435	\$ 139,195	\$ 60,125	\$ 11,811	\$ 60,804	\$ 1,618	\$ 1,118,877	\$ 2,339	\$ 35,956	\$ 2,831	\$ 2,264,410

2023

	Canadian Fighter Pilots Fund	POW Fund	RCAFA Fund	Birchall Fund	Dale Fund	Bomber Harris Fund	Dodo Fund	Effective Speaking Fund	Flying Training Fund	Virginia Mitchell Fund	Frank Kobe Fund	Alex Venebles Fund	Advisory Council Fund	K.C. Lett Fund	Manitoba PC Fund	Weston Estate Fund	Music Scholarship Fund	Totals
Opening balance	\$ 7,556	\$ 13,265	\$323,392	\$ 264,697	\$ 147,818	\$ 10,962	\$ 20,763	\$ 6,165	\$ 131,456	\$ 57,101	\$ 10,619	\$ 58,809	\$ 1,952	\$ 1,040,111	\$ -	\$ -	\$ -	\$ 2,094,666
Investment income	498	506	5,991	4,334	2,024	427	669	289	2,215	844	267	1,030	36	22,985	125	378	-	42,618
Bank charges	(46)	(45)	(1,021)	(1,173)	(714)	(30)	(37)	(16)	(555)	(241)	(22)	(246)	(5)	(3,824)	(10)	(97)	-	(8,082)
Awards / expenses	(264)	(465)	(16,500)	(9,000)	(5,000)	-	(724)	(1,250)	(2,302)	(2,000)	(300)	-	(800)	(5,000)	(2,500)	-	-	(46,105)
Donations	-	-	-	-	-	-	-	-	-	-	-	-	1,000	-	7,101	31,670	-	39,771
FMV adjustment	(205)	(216)	(5,286)	(6,757)	(5,454)	(353)	(459)	(410)	(4,339)	(1,349)	(4)	(1,890)	1	(15,224)	(2)	414	-	(41,533)
Contributions / transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on investment	4	4	(9)	18	667	-	3	1	12	12	-	(1)	-	16	-	-	-	727
Ending balance	\$ 7,543	\$ 13,049	\$306,567	\$ 252,119	\$ 139,341	\$ 11,006	\$ 20,215	\$ 4,779	\$ 126,487	\$ 54,367	\$ 10,560	\$ 57,702	\$ 2,184	\$ 1,039,064	\$ 4,714	\$ 32,365	\$ -	\$ 2,082,062