Financial statements of

The Royal Canadian Legion – Dominion Command

December 31, 2024

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Independent Auditor's Report

To the members of
The Royal Canadian Legion – Dominion Command

Opinion

We have audited the financial statements of the Royal Canadian Legion – Dominion Command (the "Dominion Command"), which comprise the statement of financial position as at December 31, 2024, and the statements of changes in Fund balances, of operations – General Fund, of operations – Externally Restricted Funds and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Dominion Command as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Dominion Command in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Dominion Command'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 Dominion Command or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Dominion Command'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 GAAS 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 GAAS, 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 controls 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 Dominion Command'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 Dominion Command'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 Dominion Command 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
April 28, 2025

The Royal Canadian Legion – Dominion Command

Statement of financial position

As at December 31, 2024

	Notes	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents		**2,989,244**	3,281,660
Accounts receivable	3	**3,400,596**	1,830,121
Due from The Legion National Foundation	8	**387,932**	354,823
Due from Canvet Publications Ltd.	8	**63,079**	200,374
Inventory			
General		**2,282,803**	2,182,145
Poppy promotional material		**176,155**	259,819
Prepaid expenses		**290,590**	361,348
Prepaid subscriptions		**1,784,017**	1,858,110
		11,374,416	10,328,400
Marketable investments	4	**29,435,817**	28,189,578
Capital assets	5	**4,311,422**	4,308,331
		45,121,655	42,826,309
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	**1,131,813**	1,437,156
Revenue collected in advance - current		**3,822,385**	3,609,838
		4,954,198	5,046,994
Revenue collected in advance - non-current		**377,103**	587,747
Retirement obligation	7	**542,700**	513,600
		5,874,001	6,148,341
Commitments	10		
Fund balances			
Unrestricted		**6,265,938**	5,684,152
Internally Restricted Funds		**20,051,472**	18,596,401
Externally Restricted Funds		**12,930,244**	12,397,415
		39,247,654	36,677,968
		45,121,655	42,826,309

The accompanying notes are an integral part of the financial statements.

Approved by the Dominion Executive Council

, President

, Treasurer

The Royal Canadian Legion – Dominion Command

Statement of changes in Fund balances

Year ended December 31, 2024

	Notes	Balance – Beginning of year $	Net revenue (expense) for the year $	Remeasurements and other items $	Transfers from (to) $	Balance – End of year $
Unrestricted		**5,684,152**	**(654,755)**	**(12,800)**	**1,249,341**	**6,265,938**
Internally Restricted Funds						
Invested in capital assets		**4,308,331**	**(196,268)**	**—**	**199,359**	**4,311,422**
Other internally restricted	9	**3,531,510**	**—**	**—**	**(200,000)**	**3,331,510**
Investment Fund		**10,756,560**	**1,748,265**	**—**	**(96,285)**	**12,408,540**
Total Internally Restricted Funds		**18,596,401**	**1,551,997**	**—**	**(96,926)**	**20,051,472**
		24,280,553	**897,242**	**(12,800)**	**1,152,415**	**26,317,410**
Externally Restricted Funds						
Poppy Trust Fund		**8,705,619**	**1,200,239**	**—**	**(1,152,415)**	**8,753,443**
Centennial Fund		**2,217,642**	**275,533**	**—**	**—**	**2,493,175**
RCEL Fund		**1,383,497**	**209,472**	**—**	**—**	**1,592,969**
Benevolent Fund		**90,657**	**—**	**—**	**—**	**90,657**
Total Externally Restricted Funds		**12,397,415**	**1,685,244**	**—**	**(1,152,415)**	**12,930,244**
		36,677,968	**2,582,486**	**(12,800)**	**—**	**39,247,654**

The accompanying notes are an integral part of the financial statements.

The Royal Canadian Legion – Dominion Command

Statement of operations – General Fund

Year ended December 31, 2024

	Notes	2024 $	2023 $
Revenue			
Membership fee revenue		**6,212,649**	5,911,738
Supply sales		**3,370,074**	3,596,185
Related party revenue	8		
Subscription agency fee		**400,000**	400,000
Administrative fees		**110,000**	110,000
Building rental		**97,920**	97,920
Estate bequests		**151,223**	250,613
Royalties – member benefits program		**245,183**	229,664
Other membership revenues (donations)		**32,000**	32,000
Mastercard royalties		**177,817**	85,367
Royalties – Legion Lager		**18,374**	15,038
Other revenue	8	**31,947**	149,705
		10,847,187	10,878,230
Expenses			
Corporate services		**1,373,184**	1,410,539
Building		**402,622**	383,593
Committees		**1,198,844**	821,149
Marketing, advertising and promotion	8	**949,385**	908,030
Financial services		**533,373**	401,753
Investment management fees		**107,585**	99,557
Information technology		**510,176**	455,607
Legion Magazine – subscriptions	8	**2,765,468**	2,639,612
Marketing and communications		**379,296**	357,191
Member services		**817,252**	779,064
Other program expenses		**269,866**	197,163
Veterans services		**1,095,978**	1,064,015
Supply chain management			
Operation		**746,636**	858,111
Cost of sales		**1,398,171**	1,476,514
Amortization			
Furniture and equipment and computers		**50,232**	14,649
Building		**146,036**	146,036
		12,744,104	12,012,583
Net revenue (expense) before undernoted		**(1,896,917)**	(1,134,353)
Other revenue		**457,657**	672,133
Investment revenue			
Net changes in fair value of marketable investments	4	**1,748,265**	940,116
Dividends		**108,914**	113,419
Interest		**479,323**	363,337
		2,794,159	2,089,005
Net revenue (expense) for the year		**897,242**	954,652

The accompanying notes are an integral part of the financial statements.

The Royal Canadian Legion – Dominion Command

Statement of operations – Externally Restricted Funds

Year ended December 31, 2024

	Notes	Poppy Trust Fund $	Centennial Fund $	RCEL Fund $	2024 Total $	2023 Total $
Revenue						
Donations		**849,259**	**—**	**246,503**	**1,095,762**	779,126
Poppies and wreaths		**3,029,191**	**—**	**—**	**3,029,191**	2,816,344
Promotional aids		**654,553**	**8**	**—**	**654,561**	538,345
Other		**26,096**	**—**	**21,729**	**47,825**	—
		4,559,099	**8**	**268,232**	**4,827,339**	4,133,815
Expenses						
Advertising and promotional materials		**12,729**	**—**	**—**	**12,729**	275,588
Poppies and wreaths		**1,549,249**	**—**	**—**	**1,549,249**	1,443,196
Promotional aids		**317,577**	**—**	**—**	**317,577**	272,862
Trademark defence		**33,086**	**—**	**—**	**33,086**	72,639
Freight		**507,263**	**—**	**—**	**507,263**	412,557
General		**138,227**	**—**	**—**	**138,227**	22,195
Investment Management Fees		**45,923**	**12,738**	**5,980**	**64,641**	96,830
Support						
Supply department		**407,430**	**—**	**—**	**407,430**	317,939
Administration department		**150,000**	**—**	**—**	**150,000**	150,000
Marketing		**177,596**	**—**	**—**	**177,596**	177,833
Finance		**138,815**	**—**	**—**	**138,815**	143,504
Public relations		**11,004**	**—**	**—**	**11,004**	14,424
Operation Santa Claus and Canada Day		**104,082**	**—**	**—**	**104,082**	99,642
National Remembrance Ceremony		**92,740**	**—**	**—**	**92,740**	99,029
Marketing and promotion		**180,492**	**—**	**—**	**180,492**	39,383
Grants		**132,500**	**—**	**—**	**132,500**	411,500
Caribbean liaison		**—**	**—**	**—**	**—**	8,806
Poppy department		**366,072**	**—**	**—**	**366,072**	383,719
RCEL Ottawa		**—**	**7,507**	**—**	**7,507**	—
Donation expense		**—**	**—**	**4,000**	**4,000**	447,247
Benevolent support and assistance		**68,550**	**—**	**190,246**	**258,796**	462,128
		4,433,335	**20,245**	**200,226**	**4,653,806**	5,351,021
Net revenue (expense) before undernoted		**125,764**	**(20,237)**	**68,006**	**173,533**	(1,217,206)
Investment revenue						
Net changes in fair value of marketable investments	4	**783,081**	**220,908**	**95,486**	**1,099,475**	624,468
Interest		**226,493**	**58,681**	**40,569**	**325,743**	267,476
Dividends		**64,901**	**16,181**	**5,411**	**86,493**	98,006
		1,074,475	**295,770**	**141,466**	**1,511,711**	989,950
Net (expense) revenue for the year		**1,200,239**	**275,533**	**209,472**	**1,685,244**	(227,256)

The accompanying notes are an integral part of the financial statements.

The Royal Canadian Legion – Dominion Command

Statement of cash flows

Year ended December 31, 2024

	2024 $	2023 $
Operating activities		
Net revenue (expense) for the year	**2,582,486**	727,396
Items not affecting cash		
Amortization	**196,268**	160,685
Unrealized losses (gains) on marketable investments	**(2,664,806)**	(1,705,583)
Realized gains on sales of marketable investments	**(202,338)**	140,999
Provision for retirement Allowance	**(12,800)**	5,500
Contributions to pension plan		
Provision for retirement obligation	**29,100**	(21,900)
Changes in non-cash working capital items		
Accounts receivable	**(1,570,475)**	817,357
Due from The Legion National Foundation	**(33,109)**	(8,641)
Due from Canvet Publications Ltd.	**137,295**	(164,660)
Inventory		
General	**(100,658)**	(366,072)
Poppy promotional material	**83,664**	(57,274)
Prepaid expense	**70,758**	158,835
Prepaid subscriptions	**74,093**	(32,764)
Accounts payable and accrued liabilities	**(305,343)**	(771,387)
Revenue collected in advance	**1,903**	(126,235)
COVID-19 relief payable to branches	**—**	(105,226)
	(1,713,962)	(1,348,970)
Investing activities		
Proceeds on sale of marketable investments	**5,511,016**	2,683,183
Purchase of marketable investments	**(3,890,111)**	(1,978,396)
Purchase of capital assets	**(199,359)**	(11,756)
	1,421,546	693,031
Net change in cash and cash equivalents during the year	**(292,416)**	(655,939)
Cash and cash equivalents, beginning of year	**3,281,660**	3,937,599
Cash and cash equivalents, end of year	**2,989,244**	3,281,660

The accompanying notes are an integral part of the financial statements.

1. Purpose of the organization

The Canadian Legion was incorporated in 1926 under the Companies Act, and its name was amended to The Royal Canadian Legion in 1961 by an Act of Parliament. The Royal Canadian Legion – Dominion Command (the Dominion Command) is a not-for-profit organization under subsection 149(1)(l) of the Income Tax Act and as such is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO). The significant accounting policies are as follows.

Basis of accounting and presentation

The Dominion Command has adopted fund accounting as a basis of reporting its activities.

Unrestricted Fund

All transactions other than externally restricted or designated by management in an Internally Restricted Funds are recorded in Unrestricted Funds. Management makes discretionary transfers to the Unrestricted Fund and the Internally Restricted Funds.

Internally Restricted Funds are accounted for as follows.

Invested in capital assets

Invested in capital assets comprise capital assets less accumulated amortization and outstanding balances of mortgages or other borrowings attributable to the acquisition, construction, or improvement of those assets.

Other internally restricted

These funds were meant as an account for the setting aside and use of reserves as and when needed. The Dominion Command makes discretionary transfers to and from these funds as and when needed.

Pension Plan Fund

Pension contributions and the actuarially determined pension expense are accounted for in the Pension Fund.

Investment Fund

Interest and dividends earned on marketable investments are accounted for in the Investment Fund or in the Externally Restricted Funds to which they relate. Unrestricted realized and unrealized gains and losses on marketable investments are accounted for in the Investment Fund. The Investment Fund was established on January 1, 1998 by transferring all investments held at that time.

2. Summary of significant accounting policies (continued)

Externally Restricted Funds are accounted for as follows.

Poppy Trust Fund

The Royal Canadian Legion – Dominion Command Poppy Trust Fund (Poppy Trust Fund) accounts for the sale of poppies and wreaths and poppy promotional material to the Provincial Commands and local branches. The funds raised are used to assist Canadian ex-service personnel and their dependents and ex-service personnel of Commonwealth and Allied countries living in Canada in necessitous circumstances; to pay operating expenses of Dominion Command Veteran Services where required; and to provide a grant to the RCEL Fund to support veterans in the Caribbean.

Centennial, RCEL and Benevolent Funds (Special Funds)

Special Funds are accumulated to finance special activities, including a youth track and field camp and grants to Commonwealth veterans in the Caribbean.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

Inventory

Inventories are carried at the lower of cost, determined on a first-in, first-out basis, and net realizable value.

Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Dominion Command becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Dominion Command is in the capacity of management, are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Company in the transaction.

Subsequent measurement

The Dominion Command subsequently measures all its financial assets and financial liabilities at amortized cost except marketable investments measured at fair value.

Financial assets measured at amortized cost consist of cash and cash equivalents, accounts receivable and due from Legion National Foundation. Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities, and due to Canvet Publications Ltd.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Transaction costs

Transaction costs on financial assets and financial liabilities measured at amortized cost are adjusted against the carrying value of the related asset or liability and then recognized over the expected life of the instrument using the straight-line method. Transaction costs on equity investments quoted in active markets are recognized immediately in the statement of operations.

Impairment

At the end of each reporting period, Dominion Command assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. If there are indicators of impairment, and the Dominion Command determines there has been a significant adverse change in the expected amount or timing of future cash flows, the carrying amount of the asset is reduced to the higher of the expected cash flows expected to be generated by holding the asset, discounted using a current market rate of interest, and the amount that could be realized by selling the asset at the statement of financial position date.

Capital assets

Capital assets are carried at cost less accumulated amortization.

Capital assets are amortized on a straight-line basis, over their estimated useful service lives, at the following annual rates:

Building	2.5%
Furniture and equipment	10.0%
Computers	10.0%

Employee future benefits

The Royal Canadian Legion – Dominion Command Pension Plan is a multi-employer, contributory, defined benefit pension plan that covers all employees of the Dominion Command and Canvet Publications Ltd. The annual pension payable is based on final average earnings and years of credited service.

In addition to the pension plan, the Dominion Command provides a defined benefit retirement allowance for its employees who have a minimum number of years of service and have attained a minimum age.

Under the immediate recognition approach, the total cost, excluding remeasurements and other items, is included in net revenue or expense of the appropriate fund. Actuarial gains and losses, past service costs and other remeasurements and other items are recognized directly in fund balances.

The retirement obligation is measured based on an actuarial valuation report prepared specifically for accounting purposes.

2. Summary of significant accounting policies (continued)

Revenue recognition

The Dominion Command follows restricted fund accounting to record revenue.

Externally restricted contributions are recognized as revenue of the appropriate Externally Restricted Fund. Unrestricted contributions are recognized as revenue in the statement of operations in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Supply sales revenue is recognized when all of the following criteria are met: persuasive evidence of an agreement exists, the supplies have been shipped or provided to the members, the price is fixed or determinable and collection is reasonably assured.

Membership fee revenue is recorded as revenue in the year it is received unless it relates to a future year, in which case it is deferred and recorded as revenue in the year to which it relates.

Allocated expenses

A portion of information technology expenses (system maintenance, programming, computer parts and internet connectivity) is allocated to corporate services, financial services, marketing and communications, member services, veterans services and supply chain management – operation expenses in the statement of operations – general fund in order to reflect support and management oversight provided to those areas. These expenses are allocated based on estimates of time spent by the relevant information technology personnel on those areas during the year.

A portion of corporate services expenses (salaries and general office) is allocated to supply chain management, marketing and communications, member services, financial services and veteran's services expenses in the statement of operations – general fund, and to support – administration department expense in the Poppy Trust Fund, in order to reflect support and management oversight provided to those areas. These expenses are allocated based on estimates of time spent by the relevant administrative personnel on those areas during the year.

A portion of supply chain management – operation expenses (salaries and general warehouse) is allocated to support – supply department expense of the Poppy Trust Fund in order to reflect warehouse storage costs, shipping and handling for the Poppy Trust Fund inventory, and processing of sales. General warehouse costs are allocated based on $7 per square foot of the total warehouse space dedicated to Poppy Trust Fund inventory. The remaining expenses are allocated based on estimates of time spent by the relevant personnel during the year.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expense during the reporting periods. Significant estimates included in the accompanying financial statements relate to allowance for doubtful accounts, inventory reserves, estimated useful lives of property, plant and equipment, the assumptions used in the determination of the obligation relating to the employee future benefits and certain accruals. Actual results could differ from these estimates.

3. Accounts receivable

	2024	2023
	$	$
Commands, branches and members		
Unrestricted	**2,196,084**	854,271
Poppy Trust Fund	**1,173,093**	932,159
Other		
Unrestricted	**7,110**	16,128
Poppy Trust Fund		
Accrued interest	**24,309**	27,563
	3,400,596	1,830,121

4. Marketable investments

	2024		2023	
	Fair value	**Cost**	Fair value	Cost
	$	**$**	$	$
General Fund	**17,801,186**	**14,583,716**	16,641,132	15,095,752
Unrestricted	**17,801,186**	**14,583,716**	16,641,132	15,095,752
Poppy Trust Fund	**8,233,965**	**6,902,989**	8,430,999	7,793,584
Centennial Fund	**2,320,058**	**1,942,570**	2,150,050	1,984,654
RCEL Fund	**1,080,608**	**915,266**	967,397	889,117
Externally restricted	**11,634,631**	**9,760,825**	11,548,446	10,667,355
	29,435,817	**24,344,541**	28,189,578	25,763,107

Changes in the fair value of marketable investments are given below:

	2024	2023
	$	$
Realized changes in fair value of marketable investments		
Investment Fund	**76,175**	(74,990)
Externally Restricted Funds	**106,759**	(66,009)
	182,934	(140,999)
Unrealized changes in fair value of marketable investments		
Investment Fund	**1,672,090**	1,015,107
Externally Restricted Funds	**992,716**	690,476
	2,664,806	1,705,583

4. Marketable investments (continued)

Marketable investments comprise:

	2024 Fair value $	**2024 Cost $**	2023 Fair value $	2023 Cost $
Government and government guaranteed bonds	**2,882,734**	**2,943,659**	3,040,648	3,200,081
Corporate bonds and pooled bond funds	**12,569,589**	**12,694,915**	12,386,565	12,953,372
Corporate stocks and pooled equity funds	**13,983,494**	**8,705,967**	12,762,365	9,609,654
	29,435,817	**24,344,541**	28,189,578	25,763,107

Government and government guaranteed bonds bear interest at fixed rates ranging from 1.25% to 3.75% and mature between 2025 and 2030 (1.25% to 3.75% and mature between 2024 and 2030 in 2023).

Corporate bonds bear interest at fixed rates ranging from 2.2% to 6.5% and mature between 2026 and 2030 (2.3% to 6.4% and mature between 2026 and 2030 in 2023). The pooled bond funds invest in high-quality, short and long-term government securities and corporate bonds, bearing interest at fixed rates.

The Dominion Command invests, directly and through pooled equity funds, in companies in various industries, including energy, materials, industrials, consumer discretionary, consumer staples, financial institutions, telecommunication services and utilities.

5. Capital assets

	Cost $	**Accumulated Amortization $**	**2024 Net $**	2023 Net $
Land	**950,220**	**—**	**950,220**	950,220
Building	**5,857,585**	**2,665,157**	**3,192,428**	3,338,464
Furniture and equipment	**108,297**	**102,281**	**6,016**	7,301
Computers	**236,852**	**74,094**	**162,758**	11,890
Supply equipment	**—**	**—**	**—**	456
	7,152,954	**2,841,532**	**4,311,422**	4,308,331

Cost and accumulated amortization amounted to $6,989,975 and $2,681,644 respectively, as at December 31, 2023.

6. Government remittances

Government remittances (GST/HST payable) of $7,097 ($21,383 in 2023) are included in accounts payable and accrued liabilities.

7. Employee future benefits

The Dominion Command operates a defined benefit pension plan for its employees and employees of Canvet Publication Limited (Canvet). The Dominion Command also operates a retirement plan for certain employees which is payable as a single payment on retirement of those employees.

(a) The Dominion Command is required by regulation to complete a funding valuation at least every three years on its pension plan. The Company is also required to undertake a valuation for its retirement allowance. The most recent funding valuations prepared for Dominion Command's pension plan was done on January 1, 2023, and the most recent actuarial valuation of the retirement allowance was done on January 1, 2023.

(b) As at December 31, 2024, a reconciliation of the funded status of benefit plans to the amounts recorded to in the financial statements is as follows:

	2024 Retirement obligation $	**2024 Pension plan $**	2023 Retirement obligation $	2023 Pension plan $
Fair value of plan assets	**—**	**(35,814,500)**	—	(34,521,100)
Defined benefit obligation	**(542,700)**	**39,507,400**	(513,600)	35,999,800
Funded status – surplus (deficit)	**(542,700)**	**3,692,900**	(513,600)	1,478,700
Less: Valuation allowance	**—**	**(3,692,900)**	—	(1,478,700)
Pension liability (retirement obligation)	**(542,700)**	**—**	(513,600)	—

8. Related party transactions and balances

Canvet

Canvet is an entity incorporated under the Canada Business Corporations Act. Canvet publishes and distributes "*Legion Magazine*", which is sold to the membership of the Royal Canadian Legion, non-member subscribers and the general public. The Dominion Command and Canvet are entities under common control based on the majority of the Board of Directors and shareholders of Canvet being in common with the members of the Dominion Command's Council. The Dominion Command does not control Canvet and therefore does not consolidate its results.

The following transactions with Canvet are included in expenses of the statement of operations:

	2024 $	2023 $
Legion Magazine – subscriptions current year	**2,548,396**	2,479,668
Marketing, advertising and promotion	**59,785**	60,989

8. Related party transactions and balances (continued)

Canvet (continued)

The following transactions with Canvet are included in revenues of the statement of operations:

	2024	2023
	$	$
Administrative fees	**110,000**	110,000
Building rental	**97,920**	97,920
Miscellaneous – network support charge (included in other revenue)	**5,000**	5,000
Subscription agency fee	**400,000**	400,000

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

Balances with Canvet are non-interest bearing and have no specified terms of repayment.

The Legion National Foundation

The Legion National Foundation (the Foundation) is a registered charity, federally incorporated on April 8, 2016. The Foundation received charitable status on September 11, 2017. The Foundation's purpose is to raise funds for programs of remembrance, and to provide scholarships, bursaries and assistance for the veteran's community.

A member of the Dominion Command serves as a director on the Foundation's Board of Directors, and so the Dominion Command participates in strategic policies of the Foundation. Dominion command does not control the Foundation and therefore does not consolidate its results.

During the year ended December 31, 2024, Dominion Command provided services and paid expenses on behalf the Foundation amounting to $380,328 ($142,640 in 2023). These transactions are considered to be carried out in the normal course of operations and are measured at the exchange amount, which is the amount established and agreed to by the related parties.

Balances with the Foundation are non-interest bearing and have no specified terms of repayment.

9. Internally Restricted Funds balance

The Dominion Command internally restricts a portion of its unrestricted balance for other expenses that will be incurred in the future:

	2024	2023
	$	$
Building	**275,638**	275,638
RCEL Conference	**36,513**	36,513
Convention	**105,000**	305,000
Membership fee	**2,914,359**	2,914,359
	3,331,510	3,531,510

10. Commitments and contingencies

The Dominion Command is committed to the following payments for equipment, poppies and related remembrance materials under various agreements as follows:

	$
2025	1,070,100
2026	946,017
2027	913,708
2028	13,708
2029	—
	2,943,533

11. Allocation of expenses

A portion of information technology expenses (system maintenance, programming, computer parts and internet connectivity) has been allocated in the statement of operations as follows:

	2024 $	2023 $
Unrestricted – marketing and communications	**15,000**	15,000
Unrestricted – member services	**15,000**	15,000
Unrestricted – veterans services	**30,000**	30,000
Poppy Trust Fund – support administration department	**150,000**	150,000

A portion of supply chain management – operation expenses (salaries and general warehouse) of $407,430 ($317,939 in 2023) has been allocated to support – supply department expense of the Poppy Trust Fund.

12. Financial instruments and financial risk factors

The Dominion Command is exposed to various risks through its financial instruments. The following analysis provides a measure of the Dominion Command's risk exposure and concentrations. The Dominion Command does not use derivative financial instruments to manage its risks.

Liquidity risk

Liquidity risk is the risk an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Dominion Command is exposed to liquidity risk mainly with respect to its accounts payable and accrued liabilities. The Dominion Command monitors its cash balances and cash flows generated from operations to meet its requirements.

Market risk

Market risk is the risk 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: interest rate risk, currency risk and other price risk.

12. Financial instruments and financial risk factors (continued)

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Dominion Command is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest instruments subject the Dominion Command to fair value risk, while floating interest rate instruments subject it to cash flow risk. As at December 31, 2024, the Dominion Command's exposure to interest rate risk is as follows:

Cash and cash equivalents	Fixed and floating rate
Marketable investments – bonds	Fixed and floating rate

Currency risk

Currency risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises when financial assets or financial liabilities are denominated in a currency other than Canadian dollars. The Dominion Command is exposed to currency risk primarily on its transactions and balances in US dollars (USD). The following financial instruments were denominated in USD presented in CAD:

	2024 CAD	2023 CAD
Cash and cash equivalents	**78,394**	55,245
Marketable investments	**4,741,470**	4,089,009
	4,819,864	4,144,253

Other price risk

Other price risk is the risk 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 Dominion Command's exposure to this risk arises from its marketable investments in corporate equities and pooled equity funds. The Dominion Command invests in a diversified portfolio of securities and is not exposed to concentrations of other price risk to a particular industry or company.

Credit risk

The Dominion Command's credit risk arises on cash and cash equivalents, accounts receivable, and accounts receivable due from Legion National Foundation and marketable investments. Dominion Command's cash, and cash equivalents and marketable investments are maintained at major financial institutions; therefore, the Dominion Command considers the risk of non-performance of these instruments to be remote.

To manage the credit risk on accounts receivable, the Dominion Command assesses the credit risk of new customers before extending credit and ongoing customers periodically. The allowance for doubtful accounts recognized by the Dominion Command on trade receivables is insignificant. Accounts receivable are generally due within 30 to 90 days. No accounts receivable mature beyond one year.