

Financial Statements of

Help Us Help

December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
Help Us Help

Opinion

We have audited the financial statements of Help Us Help ("the Organization") which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, 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. 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 Organization 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.

Other Matter

The financial statements for the year ended December 31, 2021 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those financial statements on May 5, 2022.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 doubt on the Organization'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 Organization 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.

TORONTO, Ontario
June 27, 2023



Licensed Public Accountants

Help Us Help

Statement of Financial Position

As at December 31	2022	2021
		(note 8)
Assets		
Current		
Cash and cash equivalents	\$ 231,492	\$ 59,919
Cash held for restricted funds (note 4)	59,401	213,696
Public service body rebate receivable	10,328	9,841
Prepaid expenses	139,181	-
	440,402	283,456
Cash restricted for endowment purposes (note 4)	478,260	-
Investments (notes 3 and 4)	8,521,740	9,743,946
	\$ 9,440,402	\$ 10,027,402
Liabilities and Fund Balances		
Current		
Accounts payable and accrued liabilities	\$ 43,440	\$ 29,040
Fund Balances		
Restricted funds (note 4)		
Temerty Endowment Fund	9,000,000	9,000,000
Temerty Expendable Fund	-	213,696
Other restricted program funds	59,401	-
	9,059,401	9,213,696
Unrestricted	337,561	784,666
	9,396,962	9,998,362
	\$ 9,440,402	\$ 10,027,402

Commitment (note 5)

See accompanying notes to the financial statements.

On behalf of the Board:

_____ Director

_____ Director

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Statement of Operations

Year ended December 31	Temerty Endowment Fund (restricted)		Temerty Expendable Fund (restricted)		Other restricted program funds		General Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(note 8)									
Revenue										
Donations										
Foundations, other charities	\$ -	\$ 4,900,000	\$ -	\$ 115,000	\$ 128,631	\$ 12,925	\$ 332,475	\$ 35,500	\$ 461,106	\$ 5,063,425
Individuals	-	-	-	-	368,789	70,885	1,444,602	133,492	1,813,391	204,377
	-	4,900,000	-	115,000	497,420	83,810	1,777,077	168,992	2,274,497	5,267,802
Government grants	-	-	-	-	-	-	11,858	18,828	11,858	18,828
Investment income (loss) (note 3)	-	-	-	-	-	-	(1,214,259)	749,256	(1,214,259)	749,256
	-	4,900,000	-	115,000	497,420	83,810	574,676	937,076	1,072,096	6,035,886
Expenses (note 6)										
Charitable programs										
Children's activities and aid	-	-	-	27,045	2,427	46,209	167,232	76,150	169,659	149,404
Scholarships, bursaries	-	-	46,580	20,651	1,855	67,466	49,775	16,407	98,210	104,524
Veteran support	-	-	-	25,000	-	40,579	30,393	6,492	30,393	72,071
Humanitarian Aid	-	-	-	-	393,216	-	548,509	-	941,725	-
Bundle Up	-	-	-	-	40,521	-	-	-	40,521	-
Fundraising costs	-	-	-	-	-	-	88,645	71,202	88,645	71,202
Administrative	-	-	304,343	207,163	-	-	-	-	304,343	207,163
	-	-	350,923	279,859	438,019	154,254	884,554	170,251	1,673,496	604,364
Revenue over expenses (expenses over revenue) for the year	-	4,900,000	(350,923)	(164,859)	59,401	(70,444)	(309,878)	766,825	(601,400)	5,431,522
Fund balances, beginning	9,000,000	4,100,000	213,696	378,555	-	70,444	784,666	17,841	9,998,362	4,566,840
Transfer	-	-	137,227	-	-	-	(137,227)	-	-	-
Fund balances, ending	\$ 9,000,000	\$ 9,000,000	\$ -	\$ 213,696	\$ 59,401	\$ -	\$ 337,561	\$ 784,666	\$ 9,396,962	9,998,362

See accompanying notes to the financial statements.

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Statement of Cash Flows

Year ended December 31	2022	2021
		(note 8)
Operating activities		
Non-endowment donations received	\$ 2,274,497	\$ 367,802
Investment and sundry revenue sources	19,805	24,138
Payments on account of expenses	<u>(1,798,764)</u>	<u>(586,476)</u>
	495,538	(194,536)
Financing activities		
Endowment contributions received	-	4,900,000
Investing activities		
Purchase of investments	-	(4,900,000)
Decrease (increase) in restricted cash	<u>(323,965)</u>	<u>235,303</u>
	(323,965)	(4,664,697)
Increase in cash and cash equivalents	171,573	40,767
Cash and cash equivalents, beginning of year	59,919	19,152
Cash and cash equivalents, end of year	\$ 231,492	\$ 59,919

Help Us Help

Notes to Financial Statements

December 31, 2022

1 Organization

Help Us Help ("the Organization") is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act. It is registered as a charitable organization under the provisions of the Income Tax Act of Canada and is exempt from income taxes.

The Organization's mission is to provide tools, training and resources that improve the lives of Ukraine's disadvantaged children and conflict-affected veterans, enabling them to become fully contributing members of society.

2 Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting

The Organization follows the restricted fund method of accounting for contributions which include donations and government grants. The specific purpose of each fund is explained below:

The Temerty Endowment Fund was established pursuant to a funding agreement with the Temerty Foundation. The purpose of the endowment is to provide stable funding for professional staffing of the Organization and for some of its charitable programs. Contributions to the Fund are invested and income derived from the investments may be used for the above purposes.

The Temerty Expendable Fund consists of contributions, also under the agreement above, to provide medium-term funding, with an emphasis on development of the Organization's infrastructure. It also provides some allowances for charitable activities.

Both of the Temerty Funds above have a condition where the donor may require the Organization to return any remaining funds or to transfer them to another Canadian registered charity if the donor considers that the Organization is not fulfilling its obligations under the funding agreement.

Other restricted program funds are those where donors, other than the above, specified that their donations be used for specific charitable programs. Expenses relating to the restricted contributions are recognized in this fund.

The General Fund includes revenue received for which there are no restrictions attached by a donor and expenses from the Organization's operations.

(b) Revenue recognition

Contributions are recognized as revenue of the fund for which they are intended when received. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted and endowment contributions are recognized as revenue in the applicable restricted fund. Restricted contributions received for which no restricted fund exists are recognized as revenue of the General Fund in the year in which the related expenses are recognized. Investment income is recognized on an accrual basis.

(c) Cash and cash equivalents

Cash and cash equivalents consists of deposits in credit unions including redeemable term deposits.

(d) Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost except investments quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred.

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Notes to Financial Statements

December 31, 2022

2 Significant accounting policies (continued)

(e) Allocation of expenses

Expenses are recorded and reported by programs and services. Certain employees perform a combination of program, fundraising and administrative functions. Their salaries are allocated based on estimates of time dedicated to the above activities.

(f) Contributed goods and services

The value of goods and services is recorded as revenue and an expense in the financial statements when the fair value can be reasonably estimated and when the goods and services would otherwise be purchased if not donated.

Volunteers provide invaluable donated services to the Organization. Since these services are not normally purchased and because of the difficulty of determining their fair value, donated services are not recognized in the financial statements.

(g) Management estimates

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 amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the current period. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

3 Investments

Investments are comprised of professionally managed pooled investment funds.

As at December 31	2022	2021
Global equities	\$ 3,466,053	\$ 4,562,290
Canadian equities	1,949,353	2,574,599
Fixed income	2,412,617	2,348,951
Other	693,717	258,106
	\$ 8,521,740	\$ 9,743,946

Investment income (loss) for the year is comprised of the following:

Year ended December 31	2022	2021
Interest, dividend and other income	\$ 145,210	\$ 230,651
Change in unrealized gain (loss) on investments	(1,359,469)	518,605
	\$ (1,214,259)	\$ 749,256

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Notes to Financial Statements

December 31, 2022

4 Restricted funds

Cash and cash equivalents and investments for which use is restricted are not available for general purposes and are comprised of the following:

As at December 31	2022	2021
Cash and cash equivalents	\$ 537,661	\$ 213,696
Investments	8,521,740	9,000,000
	\$ 9,059,401	\$ 9,213,696
Restricted cash and cash equivalents are held as follows:		
Current	\$ 59,401	\$ 213,696
Non-current - endowment	478,260	-
	\$ 537,661	\$ 213,696

5 Commitment

The Organization is committed to annual lease payments for its office space until October 31, 2024. The future minimum payments required for each of the next two years and in total are as follows:

2023	\$ 26,400
2024	<u>22,000</u>
Total	\$ <u>48,400</u>

6 Allocated expenses

The Organization has made donations to a foreign charity for the purpose of carrying out the Organization's charitable programs in Ukraine. These donations are included in expenses of the Organization in the following expense categories, pursuant to the Organization's direction on use to the foreign charity:

Year ended December 31	2022	2021
Charitable programs		
Children's activities and aid	\$ 101,286	\$ 60,567
Scholarships, bursaries	83,065	74,882
Veteran support	30,393	50,774
Humanitarian Aid	441,286	-
Administrative	49,542	23,429
	\$ 705,572	\$ 209,652

In addition, the Organization has allocated personnel costs as follows:

Year ended December 31	2022	2021
Charitable programs:		
Children's activities and aid	\$ 21,820	\$ 74,213
Scholarships, bursaries	15,145	18,826
Veteran support	-	21,297
Humanitarian aid	70,794	-
Fundraising costs	46,586	819
Administrative	166,334	140,310
	\$ 320,679	\$ 255,465

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Notes to Financial Statements

December 31, 2022

7 Financial instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risk exposures and concentrations.

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. The Organization is exposed to credit risk through its cash and investments.

Cash and cash equivalents are held at two financial institutions. Funds on deposit exceed the maximum amount insured. Investments are uninsured.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations and anticipating investing and financing activities.

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 is comprised of currency risk, interest rate risk and other price risk.

Currency risk

The Organization is exposed to currency risk due to its investments in foreign securities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is subject to interest rate risk to the extent fixed income cash equivalents and investments earn fixed rates of interest.

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments in the market.

The Organization is exposed to other price risk because of its equity investments.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the prior year.

8 Comparative figures

The 2021 comparative figures were audited by another firm of Chartered Professional Accountants. Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.