



November 2020

Dear Friends and Supporters of True Patriot Love Foundation,

The past 18 months reflect a unique time in our history, with the COVID-19 pandemic creating a seismic shift in how we all live, work and connect. While the attached report reflects our 2019 impacts and financials, we would be remiss not to remark on the COVID-19 pandemic and the tremendous impacts it has had on those who serve, and those we support.

Canadians have come together to face the new realities brought on by the public health crisis and have stepped up to support those most vulnerable. Our Canadian Armed Forces members answered the call of duty by serving on the frontlines during the height of the outbreak in long term care facilities, demonstrating once again the courage, heroism and integrity of those who commit their life to service. True Patriot Love Foundation's dedication to the individuals who have and continue to serve this country has remained steadfast, and more than ever we have leaned in to support the needs of the military and Veteran community through these challenging times. Not only does this mean financing life-changing programs across the country, but also advocating for the military community within government to ensure their unique circumstances are reflected in policy and funding decisions.

Looking back at 2019, we proudly disbursed close to \$2.4M to 100 programs across the country, which marks one of the highest disbursement years in our foundation's history. The attached 2019 financial statement highlights this contribution and reflects a year of change and continued commitment to serving members of the Canadian Armed Forces, Veterans and their families.

Early in 2019, Nick Booth took the helm as CEO of the foundation and the organization underwent a widescale review that resulted in the identification of four strategic areas of focus going forward: assisting our military families and in particular the children and spouses of those who serve; supporting well-being during and after service; enabling rehabilitation and recovery from injury; and promoting re-integration into communities following service. These key pillars will underscore the foundation's work in the years ahead.

Over 3,200 beneficiaries have participated in programs across the country as a result of our 2019 funding. In line with our commitment to supporting military families, we were proud to partner with Military Family Services and Kids Help Phone in the Fall of 2019 to fund a new crisis texting service for children and youth of military families across Canada through the Bell TPL Fund, representing the strength of cross sector collaboration. This service is now playing an important role during the COVID-19 pandemic and will continue to do so, as it provides youth from military and Veteran families with tailored counselling that also addresses challenges that have been magnified during this period of social isolation and family stress.

With a strong belief in the role of sport in recovery and rehabilitation, we were also proud to support the Fondation des Sports Adaptés (Adaptive Sports Foundation) for its Winter Ski Camp for Injured Soldiers

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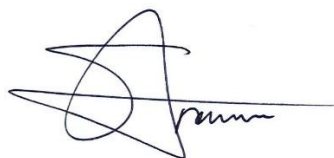
and Veterans. As a leader in teaching adaptive sports, this program empowered participants to build self-confidence, personal motivation and greater physical strength, all within the framework of an activity that can be enjoyed in the future with family and friends.

Last year also marked our first-ever all-women's expedition to Baffin Island, where a team of 15 business leaders and ill and injured military members trekked 100 km journey across the Akshayuk Pass and raised over \$1 million for military members, Veterans and their families. This challenging journey was a life-altering experience that supported the rehabilitation and recovery of military participants while providing a mutually beneficial mentorship opportunity.

Our 2019 Tribute Gala in Toronto was also a phenomenal success, raising \$1.6 million towards our mission. This included over \$193K for Veterans House, an Ottawa-based project catalysed through Multifaith Housing Initiative that will help Veterans who are living on the streets or at high risk of homelessness gain stable housing, recover from physical and mental health challenges, cope with addiction-related issues, and improve their quality of life.

As we continue to look to the future, we know that the pandemic will continue to impact many aspects of our lives. Just as our military members stand strong for Canada and remain resolute when faced with harsh conditions, True Patriot Love will remain by their side, providing the necessary support during service and after, and also for the families who support them. On behalf of True Patriot Love Foundation and the military and Veteran community we serve across Canada, we thank you sincerely for standing with us in this important mission.

Sincerely,



Nick Booth

Shaun Francis, Chair, True Patriot Love Foundation
Nick Booth MVO, CEO, True Patriot Love Foundation

TRUE PATRIOT LOVE FOUNDATION

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Financial statements of True Patriot Love Foundation

December 31, 2019

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Independent Auditor's Report

To the Board of Directors of
True Patriot Love Foundation

Opinion

We have audited the financial statements of True Patriot Love Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets 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 Foundation as at December 31, 2019, 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 Foundation 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 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 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 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 Foundation'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 Foundation'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 Foundation 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
September 30, 2020


True Patriot Love Foundation
Statement of financial position
As at December 31, 2019

	Notes	2019 \$	2018 \$
Assets			
Current assets			
Cash		—	358,591
Short-term investments	3	1,133,107	2,059,551
Donations receivable	6	253,502	65,312
Harmonized Sales Tax rebate		220,154	83,656
Prepaid expenses		83,394	148,753
		1,690,157	2,715,863
Capital assets	4	21,907	14,173
		1,712,064	2,730,036
Liabilities			
Current liabilities			
Bank indebtedness		189,440	—
Accounts payable and accrued liabilities	6 and 8	365,844	287,967
Deferred revenue	9	249,948	625,438
		805,232	913,405
Net assets			
Internally restricted	12	900,000	900,000
Unrestricted		6,832	916,631
		1,712,064	2,730,036

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

On behalf of the Board

Thomas J. M'Leine _____, Director

 _____, Director

True Patriot Love Foundation
Statement of operations
Year ended December 31, 2019

	Notes	2019	2018
		\$	\$
Revenue			
Galas and golf	5 and 13	1,707,713	1,715,559
Other donations	13	3,010,292	3,219,389
Program	5 and 13	128,311	395,375
Government grant	14	250,000	—
Other		55,903	32,289
		5,152,219	5,362,612
Expenses			
Fundraising	11 5 and 13	1,965,659	1,899,731
Program activities	5 and 13	1,160,828	942,592
Administration	5 and 13	553,888	957,869
		3,680,375	3,800,192
Payments to qualified donees	6	2,381,643	2,278,452
		6,062,018	6,078,644
(Deficiency) of revenue over expenses for the year		(909,799)	(716,032)

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

True Patriot Love Foundation
Statement of changes in net assets
Year ended December 31, 2019

	Internally restricted \$	Unrestricted \$	2019 Total \$
Net assets, beginning of year	900,000	916,631	1,816,631
Deficiency of revenue over expenses for the year	—	(909,799)	(909,799)
Net assets, end of year	900,000	6,832	906,832
	Internally restricted \$	Unrestricted \$	2018 Total \$
Net assets, beginning of year	900,000	1,632,663	2,532,663
Deficiency of revenue over expenses for the year	—	(716,032)	(716,032)
Net assets, end of year	900,000	916,631	1,816,631

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

True Patriot Love Foundation
Statement of cash flows
Year ended December 31, 2019

	2019 \$	2018 \$
Operating activities		
(Deficiency) of revenue over expenses	(909,799)	(716,032)
Adjustment for non-cash item - amortization of capital assets	6,021	3,270
	(903,778)	(712,762)
Changes in non-cash operating items		
Donations receivable	(188,190)	7,988
Harmonized Sales Tax rebate	(136,498)	(8,641)
Prepaid expenses	65,359	32,877
Deferred revenue	(375,490)	(131,011)
Accounts payable and accrued liabilities	77,877	35,713
	(1,460,720)	(775,836)
Investing activities		
Purchase of capital assets	(13,755)	(1,793)
Net change in short-term investments	926,444	661,399
	912,689	659,606
Financing activity		
Bank indebtedness	189,440	—
(Decrease) in cash	(358,591)	(116,230)
Cash, beginning of year	358,591	474,821
Cash, end of year	—	358,591

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

1. Nature of operations

True Patriot Love Foundation (the "Foundation") was incorporated without share capital on March 13, 2009 under the Canada Corporations Act as True Patriot Love Foundation for the Support of Military Families. The Foundation continued under the Canada Not-for-Profit Corporations Act on May 22, 2014 and changed its name on that date to True Patriot Love Foundation. The primary objective of the Foundation is to receive and distribute funds to improve the efficiency, well-being and morale of the Canadian military by providing support, relief, financial and otherwise.

The Foundation is a public foundation registered under the Income Tax Act (Canada) (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a public foundation registered under the Act, the Foundation must meet certain requirements within the Act.

2. Significant accounting policies

Basis of presentation

The financial statements of the Foundation are the representations of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as set out in Part III of the CPA Handbook. The significant accounting policies adopted by the Foundation are as follows:

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. 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. Revenue which contains conditions as to its use (restricted contributions) is deferred until the conditions are fulfilled.

Internally restricted net assets

Internally restricted net assets consist of the funds that have been designated as restricted by the Board of Directors of the Foundation for the purposes of meeting the Foundation's commitment to fund the Canadian Institute for Military and Veteran Health Research in years where fundraising goals do not meet targets.

Financial instruments

The Foundation has elected to value its financial instruments as follows:

Asset/liability	Category
Cash	Fair value
Short-term investments	Fair value
Donations receivable	Amortized cost
Harmonized Sales Tax rebate	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

2. Significant accounting policies (continued)

Capital assets

Capital assets are stated at cost, less accumulated amortization. Amortization of leasehold improvements, computer hardware, computer software and furniture and fixtures is provided on the declining-balance basis using an annual rate of 20%. Leasehold improvements are amortized over the remaining term of the lease.

When a capital asset no longer contributes to the Foundation's ability to provide services, its carrying amount is written down to its residual value.

Donations-in-kind

Donations-in-kind are recognized when fair value can be reasonably estimated and when the materials and services are used in the normal course of the Foundation's operations and would have otherwise have been purchased.

Volunteer services

The Foundation benefits from substantial volunteer time. As no objective basis is available to measure the value of such services these services have not been reflected in these financial statements.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include accrued liabilities and deferred revenue.

3. Short-term investments

Short-term investments consist of money market funds.

4. Capital assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
	\$	\$	\$	\$
Furniture	1,020	745	275	479
Computer hardware	13,281	2,727	10,554	2,894
Computer software	18,917	11,901	7,016	10,800
Leasehold improvements	4,276	214	4,062	—
	37,494	15,587	21,907	14,173

5. Galas, golf and program revenue

	2019	2018
	\$	\$
Galas and golf revenue		
Toronto Gala	1,599,133	1,554,909
Halifax Gala	—	4,100
Calgary Gala	10,606	18,000
Golf	97,974	138,550
	1,707,713	1,715,559
	2019	2018
	\$	\$
Program revenue		
Expedition	128,000	227,000
Invictus	311	—
VIMY	—	58,400
Sicily	—	109,975
	128,311	395,375

The following donation-in-kind amounts are included in the revenue categories:

	2019	2018
	\$	\$
Galas and golf revenue		
Toronto Gala	98,840	86,268
Golf	980	5,000
	99,820	91,268
	2019	2018
	\$	\$
Program revenue		
Expedition	29,942	101,518
VIMY	—	—
Italy	—	7,600
	29,942	109,118

6. Related party transactions and balances

During the year, the Foundation transacted business with three companies (three companies in 2018) that are related by virtue of common membership on the Board of Directors. The following transactions were recorded at the amount that was paid to the related parties, or at the amount determined in accordance with the accounting policy for donations-in-kind:

- Administration expenses include \$37,500 of rent received as a donation-in-kind from a related party (\$50,000 of rent received as a donation-in-kind in 2018).
- Program activities expenses include \$37,500 (\$50,000 in 2018) of programming expenses related to funding provided to a related party.
- Fundraising expenses include \$37,500 (\$37,500 in 2018) of fundraising related expenses received as a donation-in-kind from a related party.
- Payments to qualified donees include \$31,598 (\$39,140 in 2018) related to funding provided to a qualified donee that is a related party.

6. Related party transactions and balances (continued)

The Foundation benefited from IT and other services rendered by employees of one of the related companies. The Foundation cannot reliably measure the fair value of the assets and services received because of their nature, and, as such, they are not recognized in the financial statements.

The following amounts with related parties are included on the Statement of financial position:

	2019	2018
	\$	\$
Donation receivable	23,048	—
Accounts payable and accrued liabilities	—	3,190

7. Financial risk

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to credit risk with respect to its receivables. The Foundation assesses, on a continuous basis, the collectability of its receivables and provides for any amounts that are considered to be uncollectible.

Interest rate risk

The Foundation manages its investments based on its cash flow needs and with a view to optimizing its interest income. The Foundation is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and current liabilities.

Market risk

Market risk arises from the possibility that changes in equity prices will affect the value of investments held by the Foundation.

8. Accounts payable and accrued liabilities

There are no government remittances included in accounts payable and accrued liabilities as of December 31, 2019 (nil in 2018).

9. Deferred revenue

	2019	2018
	\$	\$
Deferred revenue consists of		
Restricted contributions	—	190,000
Events revenue received in advance	249,348	278,379
Program revenue received in advance	600	157,059
	249,948	625,438

10. Commitments

The Foundation has committed the following amounts to qualified donees:

	\$
2020	—
2021	700,000
2022	700,000
2023	700,000
2024	700,000
Thereafter	800,000
	<u>3,600,000</u>

11. Allocation of expenses

Employees perform a combination of functions; as a result, salaries and benefits are allocated on the basis of time dedicated to the functional activity. Such allocations are reviewed on a regular basis by management. Salaries and benefits included in the expense lines in the Statement of operations are as follows:

	2019 \$	2018 \$
Fundraising	876,975	779,964
Program activities	456,377	353,832
Administration	277,254	421,312
	<u>1,610,606</u>	<u>1,555,108</u>

12. Inter-fund transfers

Each year, the Board determines the amount, if necessary, that should be transferred to internally restricted net assets. In 2019, an amount of nil was transferred from unrestricted net assets to internally restricted net assets (nil in 2018).

13. Donation-in-kind

Donations-in-kind revenue and expenses are recorded at the same amount within a year. The financial statements include the following donations-in-kind amounts:

	2019 \$	2018 \$
Revenue		
Gala and golf	99,820	91,268
Other donations	75,000	28,900
Program	29,942	109,118
	<u>204,762</u>	<u>229,286</u>
Expenses		
Fundraising	99,820	42,500
Program activities	67,442	109,118
Administration	37,500	77,668
	<u>204,762</u>	<u>229,286</u>

14. Government grants

Effective November 14, 2019, the Foundation entered into a \$750,000 3-year restricted grant agreement with Veterans Affairs Canada, in which they receive \$250,000 annually. During the year ended December 31, 2019 the Foundation recognized \$250,000 as revenue.

15. Subsequent events

Canadian International Military Games Corporation ("Invictus Canada")

On December 16, 2019, Invictus Canada approved a one-time \$2,400,000 financial donation to the Foundation to facilitate the establishment of a restricted fund ("Invictus Fund") that will be administered by the Foundation. The agreement between Invictus Canada and the Foundation was signed on January 14, 2020.

COVID-19

Subsequent to the year-end, on March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results of the Foundation in future periods.

16. Corresponding figures

Certain corresponding figures have been reclassified to conform to the current year's presentation.