



September 2021

Dear Friends and Supporters,

Following a change in the Foundation's fiscal year-end to March 31, the attached financial statements for Jan 2020 – March 2021 reflect fifteen months of continued investment and support for members of the Canadian Armed Forces, Veterans and their families.

At the outset, we want to recognize the fantastic contribution of our military members throughout the last year and the ongoing COVID-19 pandemic and also acknowledge the unfolding circumstances in Afghanistan. We are fully aware that the challenging situation in that country will be difficult for many of those who served there, or for families may have lost loved ones in the conflict. It is an ongoing focus of the Foundation to provide support for those impacted.

We also want to recognize the tremendous ongoing assistance of all our much-valued supporters. Your donations over 15 months have made possible our investment in innovative community programs and impacted over 4,684 beneficiaries across the country. For example, with your help we funded new creative arts programming through Solider On and also Theatre des Petites Lanternes, where art, drama, music and theatre are used as an outlet to support the ongoing mental health and physical recovery of Veterans. Your funds also supported organizations across the country as they adapted to the pandemic by building digital outreach and programming, including Veterans Transition Network who built socially distanced programs in Atlantic Canada, and also virtual mental health supports in rural Eastern Québec through Valcartier Military Family Resource Centre. With your help, True Patriot Love was able to grant over \$1M to 20 community programs across the country and invest an additional \$1.2M in the development of national services and supports.

The past 15 months have also provided us with significant opportunities to deepen our relationship with the Federal and Provincial governments, as we continue to advocate for the needs of Veterans and their families, while also raising awareness of the work of the Canadian Armed Forces both nationally and internationally. True Patriot Love worked closely with the Government of Canada in the development of the Veterans Organizations Emergency Support Fund, which provided critically needed funds to programs across the country who were at financial risk due to the COVID-19 health crisis. We are grateful to Veterans Affairs Canada for the support provided through this program.

We also adapted through developing a stronger online presence and digital outreach to engage our donors and supporters, through the creation of online Fireside Chats, our first ever Virtual Expedition and our virtual Tribute Gala. The 3rd Annual Captain Nichola Goddard Leadership Roundtable featured a keynote address from Brigadier General Krista Brodie, and we launched the *For Her Country* Podcast

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series, highlighting inspiring women in the Canadian Armed Forces and women Veterans. Despite not being able to connect in person, these virtual events provided our community a chance to connect, share experiences and reconfirm their commitment to those who serve.

As we look to the future, True Patriot Love is uniquely positioned to build on our position as Canada's national foundation supporting its active service members, Veterans and their families. We will continue to offer support to organizations across the country as they rebuild and grow following the pandemic and to advocate federally and provincially on the issues that matter most to our military and Veteran families. With a dedicated and passionate staff team, a committed Board of Directors and a growing community of engaged donors and supporters like yourself, we look forward to continuing to impact the lives of all those who serve or have served in Canada's uniform

Thank you for standing with them, and us, over the last 15 months and we look forward to working together over the next year.

Sincerely,

Shaun Francis
Chair, True Patriot Love Foundation

Nick Booth MVO
CEO, True Patriot Love Foundation

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Financial statements of True Patriot Love Foundation

March 31, 2021

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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 March 31, 2021, and the statements of operations, changes in net assets and cash flows for the period January 1, 2020 to March 31, 2021 ("the "Period"), 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 March 31, 2021, and the results of its operations and its cash flows for the period 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 15, 2021

True Patriot Love Foundation
Statement of financial position
As at March 31, 2021

		March 31, 2021	December 31, 2019
	Notes	\$	\$
Assets			
Current assets			
Cash		525,112	—
Short-term investments	3	5,469,795	1,133,107
Donations receivable	6	151,874	253,502
Harmonized Sales Tax rebate		63,145	220,154
Prepaid expenses		82,508	83,394
		6,292,434	1,690,157
Capital assets	4	11,985	21,907
		6,304,419	1,712,064
Liabilities			
Current liabilities			
Bank indebtedness		—	189,440
Accounts payable and accrued liabilities	8	156,692	365,844
Deferred revenue	9	3,136,971	249,948
		3,293,663	805,232
Net assets			
Internally restricted	12	900,000	900,000
Unrestricted		2,110,756	6,832
		6,304,419	1,712,064

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

On behalf of the Board

_____, Director

_____, Director

True Patriot Love Foundation
Statement of operations
15 Month period ended March 31, 2021

	Notes	15 Month period ended March 31, 2021 \$	12 Month period ended December 31, 2019 \$
Revenue			
Galas and golf	5 and 13	945,522	1,707,713
Other donations	13	2,081,098	3,010,292
Program	5 and 13	656,471	128,311
Government grants	14	2,241,840	250,000
Other		31,530	55,903
		5,956,461	5,152,219
Expenses			
Fundraising	11 5 and 13	1,006,145	1,965,659
Program activities	5 and 13	1,273,996	1,160,828
Administration	5 and 13	525,503	553,888
		2,805,644	3,680,375
Payments to qualified donees	6	1,046,893	2,381,643
		3,852,537	6,062,018
Excess (deficiency) of revenue over expenses for the period		2,103,924	(909,799)

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

True Patriot Love Foundation
Statement of changes in net assets
15 Month period ended March 31, 2021

	Internally restricted	Unrestricted	15 Month period ended March 31, 2021 Total	12 Month period ended December 31, 2019 Total
	\$	\$	\$	\$
Net assets, beginning of period	900,000	6,832	906,832	1,816,631
Excess (deficiency) of revenue over expenses for the period	—	2,103,924	2,103,924	(909,799)
Net assets, end of period	900,000	2,110,756	3,010,756	906,832

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

True Patriot Love Foundation
Statement of cash flows
15 Month period ended March 31, 2021

	15 Month period ended March 31, 2021	12 Month period ended December 31, 2019
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses	2,103,924	(909,799)
Adjustment for non-cash item - amortization of capital assets	8,743	6,021
	2,112,667	(903,778)
Changes in non-cash operating items		
Donations receivable	101,628	(188,190)
Harmonized Sales Tax rebate	157,009	(136,498)
Prepaid expenses	886	65,359
Deferred revenue	2,887,023	(375,490)
Accounts payable and accrued liabilities	(209,152)	77,877
	5,050,061	(1,460,720)
Investing activities		
Disposal (purchase) of capital assets	1,179	(13,755)
Net change in short-term investments	(4,336,688)	926,444
	(4,335,509)	912,689
Financing activity		
Bank indebtedness	(189,440)	189,440
Increase (decrease) in cash	525,112	(358,591)
Cash, beginning of period	—	358,591
Cash, end of period	525,112	—

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.

Effective January 1, 2020 the fiscal year end for the Foundation was changed from December 31st to March 31st. Accordingly, the Statement of Operations reflects the results for a 15 month period, compared to 12 months for the previous period.

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	March 31, 2021 Net book value	December 31, 2019 Net book value
	\$	\$	\$	\$
Furniture	1,020	1,000	20	275
Computer hardware	16,164	6,486	9,678	10,554
Computer software	18,917	16,630	2,287	7,016
Leasehold improvements	—	—	—	4,062
	36,101	24,116	11,985	21,907

5. Galas, golf and program revenue

	March 31, 2021	December 31, 2019
	\$	\$
	(15 months)	(12 months)
Galas and golf revenue		
Toronto Gala	836,004	1,599,133
Calgary Gala	—	10,606
Golf	109,518	97,974
	945,522	1,707,713
	March 31, 2021	December 31, 2019
	\$	\$
	(15 months)	(12 months)
Program revenue		
Expeditions	57,510	128,000
Invictus Legacy	225,000	311
Invictus Games 2025	80,000	—
Captain Nichola Goddard Fund	162,729	—
Warrior Adventures	56,232	—
Winnipeg Foundation	75,000	—
	656,471	128,311

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

	March 31, 2021	December 31, 2019
	\$	\$
	(15 months)	(12 months)
Galas and golf revenue		
Toronto Gala	65,000	98,840
Golf	—	980
	65,000	99,820
	March 31, 2021	December 31, 2019
	\$	\$
	(15 months)	(12 months)
Program revenue		
Expedition	—	29,942
Invictus Games 2025	80,000	—
	80,000	29,942

6. Related party transactions and balances

During the year, the Foundation transacted business with two companies. (three companies in 2019) 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:

For 2020, the Foundation received \$249,516 from a related party which includes rent expense of \$216,183 for the related party for shared space.

- Administration expenses include \$83,172 of rent received from a related party (\$37,500 of rent received as a donation-in-kind in 2019).
- Program activities expenses include \$83,172 (\$37,500 in 2019) of programming expenses related to funding provided to a related party.
- Fundraising expenses include \$83,172 (\$37,500 in 2019) of fundraising related expenses received as a donation-in-kind from a related party.
- Payments to qualified donees include \$97,500 (\$31,598 in 2019) related to funding provided to a qualified donee that is a related party.

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:

	March 31, 2021	December 31, 2019
	\$	\$
Donation receivable	—	23,048

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 nil government remittances included in accounts payable and accrued liabilities as of March 31, 2021 (nil in 2019).

9. Deferred revenue

	March 31, 2021	December 31, 2019
	\$	\$
Deferred revenue consists of		
Restricted contributions	125,000	—
Events revenue received in advance	379,485	249,348
Program revenue received in advance	2,632,486	600
	3,136,971	249,948

10. Commitments

The Foundation has committed the following amounts to qualified donees:

	\$
2021	30,000
2022	700,000
2023	700,000
2024	700,000
2025	700,000
Thereafter	770,000
	3,600,000

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:

	March 31, 2021	December 31, 2019
	\$	\$
	(15 months)	(12 months)
Fundraising	628,867	876,975
Program activities	876,554	456,377
Administration	329,630	277,254
	1,835,051	1,610,606

12. Inter-fund transfers

Each year, the Board determines the amount, if necessary, that should be transferred to internally restricted net assets. In 2021, an amount of Nil was transferred from unrestricted net assets to internally restricted net assets (nil in 2019).

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:

	March 31, 2021	December 31, 2019
	\$	\$
	(15 months)	(12 months)
Revenue		
Gala and golf	65,000	99,820
Other donations	—	75,000
Program	80,000	29,942
	145,000	204,762
Expenses		
Fundraising	21,667	99,820
Program activities	101,667	67,442
Administration	21,667	37,500
	145,001	204,762

14. Government grants

Effective November 14, 2019, the Foundation entered into a \$750,000 3-year restricted grant agreement with Veterans Affairs Canada through the Veteran and Family Well-being Fund, in which they receive \$250,000 annually to explore the use of technology in supporting Veteran mental health. During the year ended March 31, 2021 the Foundation recognized \$250,000 as revenue.

On November 10, 2020, True Patriot Love was awarded \$1,500,000 by the Veterans Organizations Emergency Support Fund for organizations experiencing hardship due to COVID-19.

Effective March 31, 2021, the Foundation entered a 3-year restricted grant amounting to \$330,625 with Veterans Affairs Canada, also through Veterans and Family Wellbeing Fund for research, initiatives and projects that use the Creative Arts to support the mental health Veterans and their families. This was paid as a lumpsum and is in deferred revenue.

14. Government Grants (continued)

	March 31, 2021	December 31, 2019
	\$	\$
	(15 months)	(12 months)
Government Grants		
Veterans Affairs Canada	250,000	250,000
Veterans Organizations Emergency Support Fund	1,500,000	—
Canada Emergency Wage Subsidy	411,187	—
Canada Emergency Rent Subsidy	80,628	—
Other AR	25	—
	2,241,840	250,000

15. Significant events

Canadian International Military Games Corporation ("Invictus Canada")

On December 16, 2019, Invictus Canada approved a donation of \$2,526,843 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 and received during the fiscal period.

COVID-19

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 period's presentation.

17. Subsidies received in the fiscal period

The Foundation is closely monitoring the impact of COVID-19 on all aspects of its operations. COVID-19 was declared a global pandemic by the World Health Organization on March 11, 2020. The Government of Canada (the "Government") approved legislation to provide aid to businesses affected by COVID-19. This included the Canada Emergency Wage Subsidy, announced in April 2020, and Canada Emergency Rent Subsidy, announced in November 2020. Subsidies have been made available to qualifying entities to offset certain expenses relating to employee wages and office rent. For the year ended March 31, 2021, the Foundation qualified and submitted claims for \$411,187 of CEWS (nil in 2019) and \$80,628 of CERS (nil in 2019) from the Government, which have been recognized in the statement of Operations and net assets as government assistance. Of this amount, \$344,822 of CEWS and \$15,624 of CERS has been received during the fiscal year. \$66,364 of CEWS and \$64,984 of CERS is to be received subsequent to year end.