

**True Patriot Love Foundation**  
**Non-consolidated Financial**  
**Statements**  
For the Year Ended March 31, 2023

**True Patriot Love Foundation**  
**Non-consolidated Financial Statements**  
**For the Year Ended March 31, 2023**

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**Contents**

<b>Independent Auditor's Report</b>	<b>1 - 2</b>
<b>Non-consolidated Financial Statements</b>	
Non-consolidated Statement of Financial Position	3
Non-consolidated Statement of Operations and Unrestricted Net Assets	4
Non-consolidated Statement of Cash Flows	5
Notes to Non-consolidated Financial Statements	6 - 12
Schedule of Donations, Events and Program Revenue	13
Schedule of Grant Revenue	14



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## Independent Auditor's Report

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### To the Board of Directors of True Patriot Love Foundation

#### Opinion

We have audited the non-consolidated financial statements of True Patriot Love Foundation (the Foundation), which comprise the non-consolidated statement of financial position as at March 31, 2023, the non-consolidated statements of operations and unrestricted net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Foundation as at March 31, 2023, and its non-consolidated results of 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 non-consolidated 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 non-consolidated 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 Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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 Non-consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

*BDO Canada LLP*

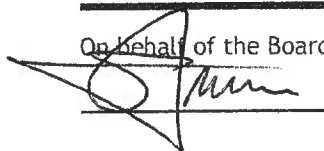
Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario  
September 20, 2023

**True Patriot Love Foundation**  
**Non-consolidated Statement of Financial Position**

March 31	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 523,121	\$ 301,642
Short-term investments (Note 3)	4,914,437	6,206,044
Accounts receivable (Note 4)	234,198	153,633
Prepaid expenses	126,250	101,331
Due from Vancouver Whistler Games Corporation (Note 4)	500,000	-
	6,298,006	6,762,650
<b>Tangible capital assets</b>	35,527	25,377
	\$ 6,333,533	\$ 6,788,027
<b>Liabilities and Unrestricted Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 367,266	\$ 393,801
Deferred contributions (Note 5)	2,758,784	3,232,029
	3,126,050	3,625,830
<b>Unrestricted Net Assets</b>	3,207,483	3,162,197
	\$ 6,333,533	\$ 6,788,027

On behalf of the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director  
 FCPA FCMA

**True Patriot Love Foundation**  
**Non-consolidated Statement of Operations and Unrestricted Net Assets**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Donations, events and program (Note 6) (Schedule)	\$ 4,604,492	\$ 4,645,844
Grants (Schedule)	1,388,803	623,932
Investment income	143,321	15,405
	<u>6,136,616</u>	<u>5,285,181</u>
<b>Expenses</b>		
Charitable Programs - Foundation payments to qualified donees	2,712,807	1,631,138
Charitable Programs - Foundation activities (Note 7)	1,372,064	1,765,283
Fundraising (Note 7)	1,567,211	1,244,322
Administration (Note 7)	435,620	492,997
	<u>6,087,702</u>	<u>5,133,740</u>
<b>Operating surplus</b>	<b>48,914</b>	<b>151,441</b>
<b>Recovery from Vancouver Whistler Games Corporation (Note 4)</b>	<b>588,467</b>	<b>-</b>
<b>Charitable Programs - Vancouver Whistler Games Corporation Activities (Note 4)</b>	<b>(592,095)</b>	<b>-</b>
<b>Excess of revenues over expenses</b>	<b>45,286</b>	<b>151,441</b>
<b>Unrestricted net assets, beginning of the year</b>	<b>3,162,197</b>	<b>3,010,756</b>
<b>Unrestricted net assets, end of the year</b>	<b>\$ 3,207,483</b>	<b>\$ 3,162,197</b>

The accompanying notes are an integral part of these non-consolidated financial statements.

**True Patriot Love Foundation**  
**Non-consolidated Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses	\$ 45,286	\$ 151,441
Items not affecting cash:		
Amortization of tangible capital assets	12,785	-
	<u>58,071</u>	151,441
Changes in non-cash working capital:		
Accounts receivable	(80,565)	61,386
Prepaid expenses	(24,919)	(18,823)
Accounts payable and accrued liabilities	(26,535)	237,109
Deferred contributions	(473,245)	95,058
	<u>(547,193)</u>	<u>526,171</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(9,726,985)	(3,936,246)
Proceeds on disposal of investments	11,018,592	3,199,997
Advance to Vancouver Whistler Games Corporation (Note 4)	(500,000)	-
Purchase of tangible capital assets	(22,935)	(13,392)
	<u>768,672</u>	<u>(749,641)</u>
<b>Net increase (decrease) in cash</b>	<b>221,479</b>	<b>(223,470)</b>
<b>Cash, beginning of the year</b>	<b>301,642</b>	<b>525,112</b>
<b>Cash, end of the year</b>	<b>\$ 523,121</b>	<b>\$ 301,642</b>

The accompanying notes are an integral part of these non-consolidated financial statements.

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# True Patriot Love Foundation

## Notes to Non-consolidated Financial Statements

March 31, 2023

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### 1. Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	<p>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.</p> <p>The Foundation is a public foundation registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.</p>
<b>Basis of Accounting</b>	<p>The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.</p>
<b>Controlled Entities</b>	<p>Controlled not-for-profit organizations are not consolidated in the Foundation's financial statements to ensure the financial statements reflect only the actual operations of the Foundation. Disclosure is provided instead.</p>
<b>Revenue Recognition</b>	<p>The Foundation follows the deferral method of accounting for contributions.</p> <p>Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions where expenses have not been incurred are recorded as deferred contributions.</p> <p>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.</p> <p>Investment income is recognized as earned.</p>
<b>Contributed Materials</b>	<p>Contributed materials which are used in the normal course of the Foundation's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.</p>
<b>Contributed Services</b>	<p>Volunteers contribute many hours per year to assist the Foundation in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.</p>



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## True Patriot Love Foundation Notes to Non-consolidated Financial Statements

March 31, 2023

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### 1. Significant Accounting Policies (continued)

**Tangible Capital Assets** Tangible capital assets are stated at acquisition cost less accumulated amortization. Amortization is based on the estimated useful life of the asset and is calculated as follows:

	<b>Method</b>	<b>Rate</b>
Furniture	Declining balance	20%
Computer hardware	Declining balance	20%
Computer software	Declining balance	20%

When a tangible capital asset no longer contributes to the Foundation's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations.

#### **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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates included in the financial statements include the useful life of tangible capital assets, accrued liabilities and deferred revenue. Actual results could differ from those estimates and may have impact on future periods.

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# True Patriot Love Foundation

## Notes to Non-consolidated Financial Statements

March 31, 2023

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### 1. Significant Accounting Policies (continued)

**Financial Instruments** Financial instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in operations. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

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### 2. Cash

The Foundation's bank accounts are held at one chartered bank.

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### 3. Short-term Investments

Short-term investments are comprised of:

	<u>2023</u>	<u>2022</u>
Guaranteed investment certificates	\$ 4,452,749	\$ -
Money market funds	461,688	6,206,044
	<u>\$ 4,914,437</u>	<u>\$ 6,206,044</u>

Guaranteed investment certificates earn interest at fixed rates from 3.40% to 5.00% and have maturity dates of June 2023 to March 2024. The Foundation's short-term investments are overseen by the Finance Committee.

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## True Patriot Love Foundation Notes to Non-consolidated Financial Statements

March 31, 2023

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#### 4. Controlled Not-for-Profit Organization

The Foundation controls Vancouver Whistler Games Corporation (the “Entity”) and is the Entity’s sole member. The Entity’s principal operations are the organization of the 2025 Invictus Games. The Entity is incorporated under the Canada Not-For Profit Corporations Act and is not subject to income taxes under the Income Tax Act. The Foundation appoints the majority of the Entity’s Board of Directors.

Financial summaries of the unconsolidated Entity as at March 31, 2023 are as follows:

#### Financial Position

	<u>2023</u>
Total assets	<u>\$ 1,355,016</u>
Total liabilities	1,632,479
Total net assets	<u>(277,463)</u>
	<u>\$ 1,355,016</u>

#### Results of Operations

	<u>2023</u>
Total revenues	<u>\$ 3,071,322</u>
Total expenses	<u>(3,348,785)</u>
Deficiency of revenue over expenses	<u>\$ (277,463)</u>

#### Cash Flows

	<u>2023</u>
Cash from operations	<u>\$ 939,526</u>
Cash used in financing activities	500,000
Cash used in investing activities	<u>(1,049,519)</u>
Increase in cash	<u>\$ 390,007</u>

There is one significant difference between the accounting policies followed by the Foundation and the Entity. The Entity follows the restricted fund method of revenue recognition and the Foundation follows the deferral method of revenue recognition.

The advance of \$500,000 due from Vancouver Whistler Games Corporation is unsecured, non-interest bearing and is repayable in full on June 29, 2023. The amount was received in full subsequent to the year end.

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## True Patriot Love Foundation Notes to Non-consolidated Financial Statements

March 31, 2023

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#### 4. Controlled Not-for-Profit Organization (continued)

Subsequent to year end, an additional advance of \$980,000 was made to Vancouver Whistler Games Corporation. The amount due from Vancouver Whistler Games Corporation is unsecured, non-interest bearing and has no fixed terms of repayment.

Included in accounts receivable is \$48,391 (2022 - \$NIL) due from Vancouver Whistler Games Corporation. During the year, the Foundation recovered \$588,467 for program expenses incurred by the Foundation on behalf of Vancouver Whistler Games Corporation. These transactions were carried out in the normal course of operations and are recorded at the exchange amount.

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#### 5. Deferred Contributions

Deferred contributions represent unspent resources restricted for the purposes of various programs and events. The balance of deferred contributions consists of the following:

	<u>2023</u>	<u>2022</u>
Donations	\$ 32,769	\$ -
Events	68,660	100,000
Grants	542,452	693,685
Programs	<u>2,114,903</u>	<u>2,438,344</u>
	<u>\$ 2,758,784</u>	<u>\$ 3,232,029</u>

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#### 6. Related Party Transactions

During the year, the Foundation transacted business with one company that is related by virtue of common membership on the Board of Directors. The related party transactions are in the normal course of operations and are measured at the exchange amount.

The Foundation received \$214,881 (2022 - \$301,975) of donations from the related party. The Foundation benefited from IT and other services rendered by employees of the related party. 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.

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## True Patriot Love Foundation Notes to Non-consolidated Financial Statements

March 31, 2023

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### 7. Allocation of Expenses

Salaries and benefits expense of the Foundation involve administration, fundraising and program functions. The distribution of these expenses between administration, fundraising and program activities expenses is based on time dedicated to these functions. Salaries and benefits included in the expense lines are as follows:

	<u>2023</u>	<u>2022</u>
Administration	\$ 233,882	\$ 240,106
Fundraising	803,402	681,257
Program activities	825,577	955,861
	<u>\$ 1,862,861</u>	<u>\$ 1,877,224</u>

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### 8. Commitments

The Foundation has entered into an operating lease for the use of office space. The lease expires in July 2029. The minimum annual lease payments for the next five years are as follows:

2024	\$ 220,718
2025	224,500
2026	228,282
2027	228,282
2028	228,282

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## True Patriot Love Foundation Notes to Non-consolidated Financial Statements

March 31, 2023

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### 9. Financial Instruments

#### 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 Foundation is exposed to credit risk resulting from the possibility that a donor or supporter to a financial instrument defaults on their financial obligations. The Foundation's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. To mitigate this risk, the Foundation diversifies its donor base and does not rely on a single donor to fund operations. This risk has decreased from the prior year, as the impact of COVID-19 has subsided.

#### Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Foundation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and commitments. To mitigate this risk, the Foundation structures its investments with differing maturity dates and invests a portion of cash into cashable guaranteed investment certificates to ensure liquidity requirements of operations are met. This risk has decreased from the prior year, as the impact of COVID-19 has subsided.

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**True Patriot Love Foundation**  
**Non-consolidated Schedule of Donations, Events and Program**  
**Revenue**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Donations</b>		
Community Giving	\$ 404,498	\$ 269,814
Corporate	1,264,656	1,298,179
Individual, Major Gifts and Philanthropic Giving	692,946	663,718
	<u>\$ 2,362,100</u>	<u>\$ 2,231,711</u>
<b>Events</b>		
Annual Tribute Dinner	\$ 1,115,514	\$ 906,246
Captain Nichola Goddard	144,113	283,232
Expeditions	211,186	407,310
Golf Tournament	105,040	97,128
Warrior Sailing	58,770	
Virtual Walk	1,089	
	<u>\$ 1,635,712</u>	<u>\$ 1,693,916</u>
<b>Program</b>		
Afghan Resettlement	\$ 60,955	\$ 384,871
Invictus Games	472,493	290,346
Virtual Veterans' Hub	73,232	45,000
	<u>\$ 606,680</u>	<u>\$ 720,217</u>
<b>Total donations, events and program revenue</b>	<u><b>\$ 4,604,492</b></u>	<u><b>\$ 4,645,844</b></u>

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**True Patriot Love Foundation**  
**Non-consolidated Schedule of Grant Revenue**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
Canada Emergency Rent Subsidy	\$ -	\$ 20,150
Canada Emergency Wage Subsidy	-	183,594
Ontario Ministry of Children, Community and Social Services	<b>806,337</b>	529,339
Ontario Ministry of Labour, Immigration, Training and Skills Development	<b>407,851</b>	-
Other	<b>23,381</b>	3,909
Veterans Affairs Canada	<b>151,234</b>	<b>(113,060)</b>
	<b>\$ 1,388,803</b>	<b>\$ 623,932</b>