

# Together We Stand Military Families Foundation

Financial statements  
December 31, 2020



# Independent auditor's report

To the Members of  
**Together We Stand Military Families Foundation**

## Opinion

We have audited the financial statements of **Together We Stand Military Families Foundation** [the "Foundation"], which comprise the statement of financial position as at December 31, 2020 and the statement of operations and changes in net assets and statement of 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 Foundation as at December 31, 2020, and its 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 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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted 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 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 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.

Toronto, Canada  
May 6, 2021

*Ernst & Young LLP*

Chartered Professional Accountants  
Licensed Public Accountants



# Together We Stand Military Families Foundation

## Statement of financial position

As at December 31

	2020	2019
	\$	\$
<b>Assets</b>		
Cash	148,591	86,915
Accounts receivable <i>[note 3]</i>	30,239	25,429
Undistributed materials <i>[note 4]</i>	222,153	63,079
	<b>400,983</b>	175,423
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	27,112	18,063
Deferred contributions <i>[note 4]</i>	222,153	63,079
<b>Total liabilities</b>	<b>249,265</b>	81,142
<b>Net assets</b>		
Unrestricted	151,718	94,281
	<b>400,983</b>	175,423

See accompanying notes

On behalf of the Board:

Director

## Together We Stand Military Families Foundation

### Statement of operations and changes in net assets

Year ended December 31

	2020	2019
	\$	\$
<b>Revenue</b>		
Gifts-in-kind	640,593	687,963
Cash contributions <i>[note 5]</i>	442,165	543,113
	<u>1,082,758</u>	<u>1,231,076</u>
<b>Expenses</b>		
Gifts-in-kind distributions	640,593	687,963
Other distributions	135,526	162,942
Fundraising <i>[notes 5 and 6]</i>	234,397	278,547
Management and administrative costs <i>[note 5]</i>	14,805	35,252
	<u>1,025,321</u>	<u>1,164,704</u>
Excess of revenue over expenses for the year	57,437	66,372
Unrestricted net assets, beginning of year	94,281	27,909
<b>Unrestricted net assets, end of year</b>	<u>151,718</u>	<u>94,281</u>

See accompanying notes

## Together We Stand Military Families Foundation

### Statement of cash flows

Year ended December 31

	2020	2019
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenses for the year	57,437	66,372
Changes in non-cash working capital balances related to operations		
Increase in accounts receivable	(4,810)	(7,720)
Increase in undistributed materials	(159,074)	(63,079)
Increase (decrease) in accounts payable and accrued liabilities	9,049	(54,660)
Increase in deferred contributions	159,074	63,079
<b>Cash provided by operating activities</b>	<b>61,676</b>	<b>3,992</b>
<b>Net increase in cash during the year</b>	<b>61,676</b>	<b>3,992</b>
Cash, beginning of year	86,915	82,923
<b>Cash, end of year</b>	<b>148,591</b>	<b>86,915</b>

See accompanying notes

# Together We Stand Military Families Foundation

## Notes to financial statements

December 31, 2020

### 1. Purpose of the organization

Together We Stand Military Families Foundation [the "Foundation"] is incorporated under the *Canada Not-for-profit Corporations Act* as a corporation without share capital. The Foundation is a private foundation registered under the *Income Tax Act* (Canada) and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes.

The Foundation receives, accumulates and distributes funds to recognize, thank and pay tribute to the patriotic military families of the Canadian Armed Forces.

### 2. Summary of significant accounting policies

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations", which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

#### Basis of presentation

The financial statements of the Foundation reflect the assets, liabilities and activities of the Foundation. The Foundation was created on December 18, 2017.

#### Revenue recognition

The Foundation follows the deferral method of accounting for contributions, which may include grants, bequests and other donations. Grants and bequests are recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

#### Financial instruments

Accounts receivable and accounts payable and accrued liabilities are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.

#### Contributed materials and services

The Foundation records contributed materials when a fair value can be reasonably estimated and when the materials are used in the normal course of operations and would otherwise have been purchased. Contributed materials that have not been distributed during the year are recorded on the statement of financial position as at year-end. When undistributed materials are determined to have no fair value, they are expensed in the statement of operations and changes in net assets. Contributed services are not recognized in the financial statements.

# Together We Stand Military Families Foundation

## Notes to financial statements

December 31, 2020

### Use of 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 revenue and expenses. Areas requiring the use of management's estimates include the assumptions used in the valuation of gifts-in-kind revenue and expenses. Actual results could differ from the estimates.

### Allocation of expenses

The Foundation classifies expenses by function. Where an expenditure directly benefits more than one function, it is attributed on a reasonable basis.

### 3. Accounts receivable

As at December 31, 2020, accounts receivable includes \$11,640 [2019 – \$10,000] representing payment with respect to two donations [2019 – one donation], which was received subsequent to year-end.

### 4. Undistributed materials and deferred contributions

As at December 31, 2020, the Foundation had \$222,153 [2019 – \$63,079] of undistributed materials on hand, including contributed materials and purchased materials. Undistributed contributed materials of \$222,153 [2019 – \$63,079] have been recorded as deferred contributions as at December 31, 2020.

During the year, the Foundation wrote off undistributed materials of \$21,472 [2019 – nil].

### 5. Related party transactions

The Foundation receives office space and administrative support, which includes all officers' salaries, at no cost from an organization under common control.

During the year, the Foundation received cash contributions of \$75,000 [2019 – \$170,000] from organizations under common control, officers of the Foundation and other organizations that are related parties of these officers or their immediate family members.

In prior years, the Foundation had entered into a consulting contract with a company owned by an officer of the Foundation to perform fundraising and management and administrative services. In 2019, consulting expenses of \$31,182 were incurred in the year, of which \$15,591 and \$15,591 were recorded in fundraising and management and administrative costs, respectively. The contract expired on June 30, 2019.

Related party transactions are recorded at the exchange amount agreed upon by the two parties.

### 6. Fundraising

Fundraising expenses include direct fundraising and event costs, marketing, design, printing and shipment costs.



## **Together We Stand Military Families Foundation**

### **Notes to financial statements**

December 31, 2020

#### **7. COVID-19**

The ongoing coronavirus disease ["COVID-19"] pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally, resulting in an economic slowdown.

At this time, the Foundation is not aware of any significant adverse impact to its operations as a result of COVID-19.