

Together We Stand Military Families Foundation

Financial statements
December 31, 2023



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, 2023, 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, 2023, 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 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 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 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.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 3, 2024



Together We Stand Military Families Foundation

Statement of financial position

As at December 31

	2023	2022
	\$	\$
Assets		
Cash	452,403	250,528
Accounts receivable <i>[note 3]</i>	43,996	82,462
Undistributed materials <i>[note 4]</i>	26,354	29,265
	522,753	362,255
Liabilities and net assets		
Liabilities		
Accounts payable and accrued liabilities <i>[note 5]</i>	17,077	44,800
Deferred contributions <i>[note 4]</i>	11,625	—
Total liabilities	28,702	44,800
Net assets		
Unrestricted net assets	494,051	317,455
	522,753	362,255

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

	2023	2022
	\$	\$
Revenue		
Gifts-in-kind	1,310,119	325,792
Cash contributions <i>[note 5]</i>	735,519	534,340
Events and sponsorships	160,000	68,630
Interest and other	19,313	—
	<u>2,224,951</u>	<u>928,762</u>
Expenses		
Gifts-in-kind distributions	1,310,119	325,792
Charitable programs <i>[note 5]</i>	439,689	—
Other distributions	—	171,800
Fundraising <i>[notes 5 and 6]</i>	238,796	427,657
Management and administrative costs <i>[note 5]</i>	59,751	51,603
	<u>2,048,355</u>	<u>976,852</u>
Excess (deficiency) of revenue over expenses for the year	176,596	(48,090)
Unrestricted net assets, beginning of year	<u>317,455</u>	<u>365,545</u>
Unrestricted net assets, end of year	<u>494,051</u>	<u>317,455</u>

See accompanying notes

Together We Stand Military Families Foundation

Statement of cash flows

Year ended December 31

	2023	2022
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	176,596	(48,090)
Changes in non-cash working capital balances related to operations		
Decrease in accounts receivable	38,466	76,352
Decrease in undistributed materials	2,911	7,225
Decrease in accounts payable and accrued liabilities	(27,723)	(6,835)
Increase (decrease) in deferred contributions	11,625	(13,240)
Cash provided by operating activities	201,875	15,412
Net increase in cash during the year	201,875	15,412
Cash, beginning of year	250,528	235,116
Cash, end of year	452,403	250,528

See accompanying notes

Together We Stand Military Families Foundation

Notes to financial statements

December 31, 2023

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 public 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. The Foundation expanded its charitable objects in 2023, enabling it to undertake various charitable programs.

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.

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

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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, 2023, accounts receivable includes \$19,875 [2022 – \$50,000] representing payment with respect to three donations [2022 – one donation], which were received subsequent to year-end.

4. Undistributed materials and deferred contributions

As at December 31, 2023, the Foundation has \$26,354 [2022 – \$29,265] of undistributed materials on hand, including contributed and purchased materials. Undistributed contributed materials totalling \$11,625 were recorded in deferred contributions as at December 31, 2023 [2022 – nil].

5. Related party transactions

The Foundation receives office space and administrative support, which includes officers' and others' salaries, at no cost from a related organization, with the exception of employment costs of \$248,600 [2022 – \$207,880]. These costs are recorded in fundraising, charitable programs and administrative expenses at amounts of \$142,443, \$89,498 and 19,659 [2022 – \$181,592, nil and \$26,288], respectively. There were no amounts included in accounts payable and accrued liabilities as at December 31, 2023 [2022 – \$26,000].

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.