

Help Us Help

ANNUAL FINANCIAL STATEMENTS

December 31, 2020

Refer to the accompanying notes.

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Help Us Help

Opinion

We have audited the financial statements of Help Us Help, which comprise the statement of financial position as at December 31, 2020, and the statements of operations and changes in fund balances and 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 organization as at December 31, 2020, and the results of its operations and changes in fund balances and of its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit corporations.

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 organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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.

Other Matter

The financial statements of Help Us Help for the year ended December 31, 2019 were audited by another auditor who expressed a qualified opinion on those statements on September 26, 2020. The opinion was qualified on the basis that, in common with many not-for-profit organizations, the completeness of donation revenue that year was not susceptible of satisfactory audit verification.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 organization'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 organization, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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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 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 organization'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 organization'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 organization to cease to continue as a going concern.

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.


Chartered Professional Accountants
Licensed Public Accountants

June 3, 2021

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STATEMENT OF FINANCIAL POSITION

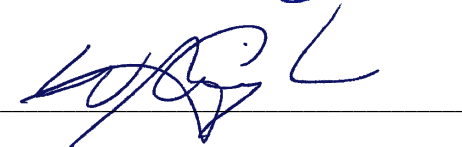
December 31, 2020

Statement 1

| | 2020 | 2019 |
|---|-------------|-----------|
| ASSETS | | |
| Current | | |
| Cash | \$19,152 | \$7,290 |
| Cash reserved for restricted fund uses (note 2) | 448,999 | 418,929 |
| Sales tax rebates and sundry receivables | 8,435 | 11,080 |
| Deposits and prepaid expenses | 8,314 | 8,180 |
| | 484,900 | 445,479 |
| Endowment investments (note 3) | 4,100,000 | - |
| | \$4,584,900 | \$445,479 |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | \$18,060 | \$19,080 |
| FUND BALANCES (Statement 2) | | |
| Restricted funds | | |
| Temerty Endowment Fund | 4,100,000 | - |
| Temerty Expendable Fund | 378,555 | 354,109 |
| Other restricted program funds (note 4) | 70,444 | 64,820 |
| | 4,548,999 | 418,929 |
| Unrestricted | | |
| General fund | 17,841 | 7,470 |
| | 4,566,840 | 426,399 |
| | \$4,584,900 | \$445,479 |

APPROVED ON BEHALF OF THE BOARD:

 _____, DIRECTOR

 _____, DIRECTOR

Refer to the accompanying notes.

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STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended December 31, 2020

Statement 2

| | Temerty Endowment Fund (restricted) | | Temerty Expendable Fund (restricted) | | Other restricted program funds (note 4) | | General Fund | | Totals | |
|---|--|------|---|-----------|--|-----------|-----------------|---------|--------------------|-----------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues | | | | | | | | | | |
| Contributions | | | | | | | | | | |
| Foundations, other charities | \$4,100,000 | \$ - | \$429,864 | \$500,000 | \$19,300 | \$143,764 | \$2,000 | \$ - | \$4,551,164 | \$643,764 |
| Individuals and others | | | - | - | 148,636 | 123,625 | 48,400 | 6,053 | 197,036 | 129,678 |
| | 4,100,000 | - | 429,864 | 500,000 | 167,936 | 267,389 | 50,400 | 6,053 | 4,748,200 | 773,442 |
| Government grants | - | - | - | - | - | - | 8,739 | - | 8,739 | 0 |
| Fundraising events, other | - | - | - | - | - | 39,115 | 1,286 | 268,354 | 1,286 | 307,469 |
| | 4,100,000 | - | 429,864 | 500,000 | 167,936 | 306,504 | 60,425 | 274,407 | 4,758,225 | 1,080,911 |
| Expenses | | | | | | | | | | |
| Charitable programs | | | | | | | | | | |
| Children's activities and aid | - | - | 66,573 | 55,000 | 108,332 | 200,824 | 8,977 | 69,343 | 183,882 | 325,167 |
| Scholarships, bursaries | - | - | 37,000 | - | 41,578 | 61,744 | - | - | 78,578 | 61,744 |
| Veteran support | - | - | 25,000 | - | 12,402 | 17,106 | - | - | 37,402 | 17,106 |
| Fundraising costs | - | - | - | - | - | 30,695 | 15,750 | 190,132 | 15,750 | 220,827 |
| Administrative | - | - | 276,845 | 90,891 | - | - | 25,327 | 12,845 | 302,172 | 103,736 |
| | - | - | 405,418 | 145,891 | 162,312 | 310,369 | 50,054 | 272,320 | 617,784 | 728,580 |
| Revenues over expenses (expenses over revenues) for the year | | | | | | | | | | |
| | 4,100,000 | - | 24,446 | 354,109 | 5,624 | (3,865) | 10,371 | 2,087 | 4,140,441 | 352,331 |
| Fund balances, beginning | - | - | 354,109 | - | 64,820 | 68,685 | 7,470 | 5,383 | 426,399 | 74,068 |
| Fund balances, ending | \$4,100,000 | \$ - | \$378,555 | \$354,109 | \$70,444 | \$64,820 | \$17,841 | \$7,470 | \$4,566,840 | \$426,399 |

Refer to the accompanying notes.

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STATEMENT OF CASH FLOWS

Year ended December 31, 2020

Statement 3

| | 2020 | 2019 |
|--|---------------|-----------------|
| Cash provided by (used for): | | |
| Operating activities | | |
| Non-endowment contributions received | \$648,200 | \$773,442 |
| Other operating revenue sources | 10,025 | 307,469 |
| Payments on account of expenses and net sales taxes | (616,293) | (744,354) |
| | 41,932 | 336,557 |
| Financing activities | | |
| Contribution for endowment | 4,100,000 | - |
| Decrease (Increase) of cash reserved for restricted funds | (30,070) | (350,244) |
| | 4,069,930 | (350,244) |
| Investment activities | | |
| Increase in endowment investments | (4,100,000) | - |
| Net increase (decrease) in unreserved cash for the year | 11,862 | (13,687) |
| Cash - unreserved, beginning of year | 7,290 | 20,977 |
| Cash - unreserved, end of year | \$19,152 | \$7,290 |

Refer to the accompanying notes.

Help Us Help

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Description of Organization and Reporting Entity

Help Us Help ("the organization") is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act. It is registered as a charitable organization under provisions of the Income Tax Act of Canada.

The organization's mission is to provide tools, training and resources that improve the lives of Ukraine's disadvantaged children and conflict-affected veterans, enabling them to become fully contributing members of society.

1 / Significant Accounting Policies

These financial statements have been prepared based on the following accounting policies, in accordance with Canadian accounting standards for not-for-profit organizations.

a. Fund Accounting

The organization follows the restricted fund method of accounting for contributions. This is a change in accounting method and financial statement presentation from the preceding year, further explained in note 6.

The Temerty Endowment Fund was established pursuant to a funding agreement with the Temerty Foundation. The total already received and further pledged for this endowment fund is \$9,000,000. The purpose of the endowment is to provide stable funding for the organization's children's, veteran and scholarship programs, as well as an allotment for administrative expenses. Contributions to the Fund are to be invested and income derived from the investments may be used for the above purposes.

The Temerty Expendable Fund consists of contributions, also under the agreement above, to provide medium-term funding, with an emphasis on development of the organization's infrastructure. It also provides some allocations for charitable activities. The total already received and further pledged for the Expendable Fund is \$1,030,000.

Other restricted program funds are those where donors, other than the above, specified that their donations be used for specific programs.

The General Fund includes revenue received for which there are no restrictions attached by a donor.

Both of the Temerty funds above have a condition where the donor may require the organization to return any remaining funds or to transfer them to another Canadian registered charity if the donor considers that the organization is not fulfilling its obligations under the funding agreement.

b. Financial Instruments

Investments quoted in an active market are stated at fair value. Unrealized changes in fair values of such investments are recognized as gains and losses in the Statement of Operations. All other financial instruments are measured at amortized cost less a reduction for any assessed impairment in value.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1 / Significant Accounting Policies *(continued)*

c. Revenue Recognition

Contributions are recognized as revenue of the fund for which they are intended when received. Unrestricted contributions that are intended for use in future periods are deferred and recognized as revenue in the period in which they are used. Donation pledges are not recognized as revenue until received.

Interest and dividend investment income, and all other income, is recognized as revenue on an accrual basis. Realized and unrealized gains or losses on investments are recorded as they occur. Investment income, gains and losses are allocated to the fund to which they relate.

Fundraising event revenue includes donations (including sponsorships) in support of the event, along with ticket sales and auction proceeds.

d. Contributed Services and Goods

The organization benefits from the efforts of its volunteers, who have varied skills and experience. Since the monetary value of services contributed by volunteers is difficult to determine objectively, the value of these services has not been recognized in these financial statements. Donated goods used in the regular operations of the organization that would otherwise be purchased are recorded at fair value at the time they are acquired by the organization.

e. Use of Estimates

Generally accepted accounting principles require the use of reasonable estimates. Management is of the opinion that, where required, it has used reasonable estimates and assumptions to measure the future realization or utilization of various assets and the settlement of various liabilities. Estimates are reviewed at least annually and, when revisions are necessary, their effects are reflected in net income when they become known. Actual results could vary from those estimates.

2 / Cash Reserved for Restricted Fund Uses

Cash is reserved to meet the obligations of the non-endowment restricted funds referred to above and also in note 4.

3 / Endowment Investments

Investments consist of professionally managed pooled investment funds.

| Asset class: | 2020 | 2019 |
|-------------------|--------------------|-------------|
| Global equities | \$2,245,500 | \$ - |
| Fixed income | 1,102,500 | - |
| Canadian equities | 752,000 | - |
| | \$4,100,000 | \$ - |

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

4 / Other Restricted Program Funds

The following are balances that comprise other restricted program funds at the end of the year:

| | 2020 | 2019 |
|-------------------------------|-----------------|-----------------|
| Scholarships, bursaries | \$41,890 | \$61,624 |
| Veteran support | 25,730 | 221 |
| Children's activities and aid | 2,824 | 2,975 |
| | \$70,444 | \$64,820 |

5 / Financial Instrument Risks

Investments are the significant financial assets. There are no significant financial liabilities. The investments are subject to:

- credit risk, which is the possibility of a creditor's failure to repay debt instruments and related income when due;
- interest rate risk, which can affect the value of bonds and debt-based funds with future changes in interest rates;
- market risk, which is the risk that future fair values or cash flows will fluctuate because of changes in market prices. Market prices can be affected by currency fluctuations and other economic factors; and
- currency risk, which is the risk that the value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The risk exposures have changed because of endowment investments made this year. Previously, most financial assets were cash balances. All cash balances shown in these financial statements were chequing and savings accounts at a Canadian credit union.

6 / Comparative Figures

The financial statement presentation for the current year reflects a change in accounting method for restricted contributions. The organization changed the policy so that the financial statements would provide clearer and more relevant information in light of significant changes in the restricted contributions it has recently received. This policy change has been applied retrospectively so that the figures for the preceding year are comparable. This change did not affect the overall net fund (previously net asset) positions of prior years.

The organization also adopted the direct method of presentation for the statement of cash flows. It had previously used the indirect method.

7 / Effects of the COVID-19 Pandemic

The pandemic caused programs for camps and activities for children to be curtailed but caused an increased need for other forms of aid. It has also prohibited fundraising events with physical gatherings of people. Management is of the opinion that the organization has sufficient ability to adapt and sufficient resources to continue its work in the foreseeable future. However, it is not possible to estimate the duration, possible recurrences or future severity of the effects of COVID-19 at this time, nor the resulting impact on the financial position and results of operations for future periods.