

Help Us Help

ANNUAL FINANCIAL STATEMENTS

December 31, 2021

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, 2021, 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, 2021, 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.

Emphasis of Matter

We draw attention to notes 3 and 8 that describe a material decline in the fair value of investments that occurred after the date of these financial statements, December 31, 2021. Our opinion is not modified in respect of this matter.

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

May 5, 2022

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STATEMENT OF FINANCIAL POSITION

December 31, 2021

Statement 1

	2021	2020
ASSETS		
Current		
Cash	\$59,919	\$19,152
Cash reserved for restricted fund uses (note 2)	213,696	448,999
Amounts receivable and other current assets	9,841	16,749
	283,456	484,900
Endowment principal investments (note 3)	9,000,000	4,100,000
Other portfolio investments (note 3)	743,946	-
	\$10,027,402	\$4,584,900
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$29,040	\$18,060
FUND BALANCES (Statement 2)		
Restricted funds		
Temerty Endowment Fund	9,000,000	4,100,000
Temerty Expendable Fund	213,696	378,555
Other restricted program funds (note 4)	-	70,444
	9,213,696	4,548,999
Unrestricted		
General fund	784,666	17,841
	9,998,362	4,566,840
	\$10,027,402	\$4,584,900

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, 2021

Statement 2

	Temerty Endowment Fund (restricted)		Temerty Expendable Fund (restricted)		Other restricted program funds <i>(note 4)</i>		General Fund		Totals	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues										
Contributions										
Foundations, other charities	\$4,900,000	\$4,100,000	\$115,000	\$429,864	\$12,925	\$19,300	\$35,500	\$2,000	\$5,063,425	\$4,551,164
Individuals and others			-	-	70,885	148,636	133,492	48,400	204,377	197,036
	4,900,000	4,100,000	115,000	429,864	83,810	167,936	168,992	50,400	5,267,802	4,748,200
Government grants	-	-	-	-	-	-	18,828	8,739	18,828	8,739
Investment income	-	-	-	-	-	-	749,256	1,286	749,256	1,286
	4,900,000	4,100,000	115,000	429,864	83,810	167,936	937,076	60,425	6,035,886	4,758,225
Expenses										
Charitable programs										
Children's activities and aid	-	-	27,045	68,591	46,209	108,332	76,150	8,977	149,404	185,900
Scholarships, bursaries	-	-	20,651	37,000	67,466	41,578	16,407	-	104,524	78,578
Veteran support	-	-	25,000	25,000	40,579	12,402	6,492	-	72,071	37,402
Fundraising costs	-	-	-	48,854	-	-	71,202	15,750	71,202	64,604
Administrative	-	-	207,163	225,973	-	-	-	25,327	207,163	251,300
	-	-	279,859	405,418	154,254	162,312	170,251	50,054	604,364	617,784
Revenues over expenses (expenses over revenues) for the year										
	4,900,000	4,100,000	(164,859)	24,446	(70,444)	5,624	766,825	10,371	5,431,522	4,140,441
Fund balances, beginning	4,100,000	-	378,555	354,109	70,444	64,820	17,841	7,470	4,566,840	426,399
Fund balances, ending	\$9,000,000	\$4,100,000	\$213,696	\$378,555	\$ -	\$70,444	\$784,666	\$17,841	\$9,998,362	\$4,566,840

Refer to the accompanying notes.

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STATEMENT OF CASH FLOWS

Year ended December 31, 2021

Statement 3

	2021	2020
Cash provided by (used for):		
Operating activities		
Non-endowment contributions received	\$367,802	\$648,200
Investment and sundry revenue sources	24,138	10,025
Payments on account of expenses and net sales taxes	(586,476)	(616,293)
	(194,536)	41,932
Financing activities		
Contribution for endowment	4,900,000	4,100,000
Decrease (Increase) of cash reserved for restricted funds	235,303	(30,070)
	5,135,303	4,069,930
Investment activities		
Increase in endowment investments	(4,900,000)	(4,100,000)
Net increase in unreserved cash for the year	40,767	11,862
Cash - unreserved, beginning of year	19,152	7,290
Cash - unreserved, end of year	\$59,919	\$19,152

Refer to the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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.

The Temerty Endowment Fund was established pursuant to a funding agreement with the Temerty Foundation. The total received for this endowment fund is \$9,000,000. The purpose of the endowment is to provide stable funding for professional staffing of the organization and for some of its charitable programs. Contributions to the Fund are 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 allowances for charitable activities.

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

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.

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Help Us Help

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

1 / Significant Accounting Policies *(continued)*

d. Allocation of expenses

Expenses are recorded and reported by programs and services. Certain employees perform a combination of program, fundraising and administrative functions. Their salaries are allocated based on estimates of time dedicated to the above activities. Premises and certain other costs are allocated on bases that reflect their estimated contribution to those activities. No fundraising or general support administrative expenses have been allocated to charitable programs.

e. 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.

f. 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 / Investments

Investments consist of professionally managed pooled investment funds.

Asset class:	2021	2020
Global equities	\$4,562,290	\$2,245,500
Fixed income	2,348,951	1,102,500
Canadian equities	2,574,599	752,000
Other	258,106	-
	9,743,946	4,100,000
Less restricted for the Endowment Fund principal	9,000,000	4,100,000
Remainder - other portfolio investments	\$743,946	\$ -

Refer to note 8 concerning a material decline after December 31, 2021 in the above fair values. Other portfolio investments have not been classified as a current asset for the reason explained in that note.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

4 / Other Restricted Program Funds - Balances, End of Year

The organization has been encouraging unrestricted donations to have the flexibility to address the greatest needs at any given time. Restricted balances from prior years as well as restricted amounts received during the year, excluding the Temerty Funds, were fully used during the year for the specified charitable programs.

	2021	2020
Scholarships, bursaries	\$ -	\$41,890
Veteran support	-	25,730
Children's activities and aid	-	2,824
	\$ -	\$70,444

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 did not change substantially during the year. Refer to note 8 concerning subsequent events that have impacted them and will have further effects. All cash balances shown in these financial statements were chequing and savings accounts at Canadian credit unions.

6 / Comparative Figures

Certain figures shown for the preceding year have been reclassified to be comparable with the presentation adopted for the current year.

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.

Pandemic health regulations prohibited fundraising events with physical gatherings of people. The organization adapted where necessary and has not been impacted financially. While pandemic health risks have decreased, it is not possible to estimate possible future recurrences or their severity and whether there would be an impact on the financial position and results of operations of future periods.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

8 / Subsequent Event - Effects of the Full-scale Invasion of Ukraine

On February 24, 2022, Russia commenced a full-scale unprovoked military attack on all of Ukraine, invading the country and striking military, infrastructure and even civilian targets. Ukraine is in a state of war to repel the invaders. The whole population has been affected, with many people brutalized, killed, homeless or seeking refuge in other countries.

This war has caused immediate and great humanitarian needs. The organization's existing programs in Ukraine have been disrupted and delivery channels have been impaired. The organization has stepped up its appeals for donations and is continuously monitoring events. It is evaluating and adapting its aid activities and their delivery channels to respond to constantly changing needs and constraints.

The war has increased uncertainty in the global economy that has also been coping with the aftereffects of the pandemic referred to in note 7. This has resulted in significant market volatility. Subsequent to year-end, there was a decline in the fair value of the investment portfolio of approximately 11.6% as at the time of issuing these financial statements. This is comparable to general market results with consideration for the asset class mix. There are no investments connected to the countries directly involved in the war.

The portion of investments that is not part of the endowment principal would normally be classified as a current asset. However, given this subsequent information, it has not been classified as current as it is not reasonably certain that this amount will be realizable within one year.

Future changes in fair values and their effect on the future financial position and operations of the organization cannot be determined. Accounting standards specify that figures presented on the statement of financial position, measured at fair value at year-end, are not to be adjusted for the effects of this subsequent event since the conditions affecting fair value arose after the year-end date. Subsequent fair value changes are to be reported in the fiscal years in which they occur.