



Wounded Warriors Canada

Financial Statements

March 31, 2023



Independent Auditors' Report

To the Board of directors of Wounded Warriors Canada

Qualified Opinion

We have audited the accompanying financial statements of **Wounded Warriors Canada** (the "Organization") which comprise the statement of financial position as at **March 31, 2023** and the statements of changes in restricted net assets, operations and changes in unrestricted net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Organization as at **March 31, 2023** and the results of its operations and cash flows for the year then ended then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Basis for Qualified Opinion

In common with many not for profit organizations, the Organization derives revenues from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to income, excess of income over expenses and cash flows from operations for the year ended **March 31, 2023**, current assets as at **March 31, 2023** and unrestricted net assets as at **March 31, 2023**.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 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 qualified audit opinion.



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 (ASNFPPO), 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.

Auditors' 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 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 Local's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Organization 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 findings, including any significant deficiencies in internal control that we identify during our audit.

Fazzari + Partners

FAZZARI + PARTNERS LLP
Chartered Professional Accountants
Licensed Public Accountants

Vaughan, Ontario
October 6, 2023

Wounded Warriors Canada

Statement of Financial Position

As at March 31

	2023	2022
Assets		
Current		
Cash	\$ 4,446,061	\$ 3,955,345
Donation receivable	-	150,000
HST receivable	133,658	88,227
Prepaid expenses and deposits	7,306	7,306
	4,587,025	4,200,878
Capital assets (Note 3)	17,309	16,681
Restricted investments (Note 4)	1,059,567	1,030,075
	\$ 5,663,901	\$ 5,247,634
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 97,649	\$ 105,835
Government remittances payable	14,252	15,482
	111,901	121,317
Net Assets		
Restricted net assets	1,059,567	1,030,075
Unrestricted net assets	4,492,433	4,096,242
	5,552,000	5,126,317
	\$ 5,663,901	\$ 5,247,634

Commitments (Note 5)

Approved on behalf of the Board

Director

Director

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

Wounded Warriors Canada

Statement of Changes in Restricted Net Assets

Year Ended March 31

	2023	2022
Balance, beginning of year	\$ 1,030,075	\$ 999,068
Investment income	19,321	31,007
Purchase of investments	10,171	-
Balance, end of year	\$ 1,059,567	\$ 1,030,075

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

Wounded Warriors Canada

Statement of Operations and Changes in Unrestricted Net Assets

Year Ended March 31

	2023	2022 (Note 8)
Income		
Donation revenue	\$ 5,635,276	\$ 5,543,072
Subsidies and grants	-	3,985
	5,635,276	5,547,057
Administrative expenses		
Programs	4,138,763	3,371,105
Office salaries	467,866	468,682
Fundraising	197,267	178,259
Advertising and promotion	134,819	89,340
Office and general	97,456	79,895
Subscription fees	51,434	73,721
Professional fees	47,260	45,400
Insurance	35,632	12,163
Vehicle and travel	32,752	50,975
Bank charges	16,944	15,339
Telephone	4,053	5,714
Amortization	4,668	5,169
	5,228,914	4,395,762
Excess of income over expenses	406,362	1,151,295
Allocation to restricted funds	(10,171)	-
Balance, beginning of year	4,096,242	2,944,947
Balance, end of year	\$ 4,492,433	\$ 4,096,242

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

Wounded Warriors Canada

Statement of Cash Flows

Year Ended March 31

	2023	2022
Cash flows from (used in):		
Operating activities		
Excess of income over expenses	\$ 406,362	\$ 1,151,295
Items not impacting cash: amortization	4,668	5,169
Changes in non-cash working capital items (Note 6)	95,155	(94,522)
	506,185	1,061,942
Investing activities		
Acquisition of capital assets	(5,298)	(543)
Purchase of investments	(10,171)	-
	(15,469)	(543)
Increase in balance	490,716	1,061,399
Balance, beginning of year	3,955,345	2,893,946
Balance, end of year	\$ 4,446,061	\$ 3,955,345

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

Wounded Warriors Canada

Notes to Financial Statements

March 31, 2023

1. Purpose of the organization

Wounded Warriors Canada is a registered charity and incorporated without share capital pursuant to the Corporations Act of Canada.

The Organization's purpose is to honour and support Canada's ill and injured Canadian Armed Forces members, Veterans, First Responders and their families. Creating an innovative approach to mental health care using clinical best practices and evidence-based care. It also supports other similar charities and provides transportation services to assist war veterans and other wounded soldiers.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) 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 amount of assets, liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Estimates are required in determining the useful lives of assets for amortization purposes, determining future cash flows when assessing assets for impairment and contingencies. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

(b) Fund accounting

Revenues and expenses related to program delivery and administrative activities are reported as unrestricted funds.

Wounded Warriors Canada

Notes to Financial Statements

March 31, 2023

2. Significant accounting policies (continued)

(c) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Donations are recognized when received.

(d) Contributed services

Volunteer and donated services contributed to the Organization in carrying out its operating activities are not recognized in these financial statements due to the difficulty in determining their value.

(e) Capital assets

Capital assets are recorded at cost, and amortized over their estimated useful lives using the following annual rates and methods:

Asset	Rate	Method
Vehicle	30%	Declining balance
Computer equipment	30%	Declining balance
Office furniture and equipment	20%	Declining balance
Photo equipment	20%	Declining balance
Telephone equipment	30%	Declining balance
Leasehold improvements	5 years	Straight line

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value.

Wounded Warriors Canada

Notes to Financial Statements

March 31, 2023

2. Significant accounting policies (continued)

(f) Income taxes

The Organization is a registered charity under the Income Tax Act and is exempt from income tax under Section 149(1)(l) of Income Tax Act. Registration remains valid so long as the Organization continues to fulfil the requirements of the Act and regulations in respect of registered charities.

(g) Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost except for marketable securities quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations. Financial assets measured at amortized cost include cash and investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

3. Capital assets

Capital assets consist of the following:

			2023	2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicle	\$ 24,561	\$ 23,782	\$ 779	\$ 1,114
Computer equipment	20,651	13,813	6,838	4,792
Office furniture and equipment	12,524	9,518	3,006	3,758
Photo Equipment	10,850	4,212	6,638	6,949
Telephone equipment	1,500	1,452	48	68
Leasehold improvements	15,867	15,867	-	-
	\$ 85,953	\$ 68,644	\$ 17,309	\$ 16,681

Wounded Warriors Canada

Notes to Financial Statements

March 31, 2023

4. Restricted investments

Restricted investments consist of the following:

	2023	2022 (Note 8)
BMO Wealth Management		
Investment cash account	\$ 949,406	\$ 671,050
Fixed income securities, carried at fair value	101,257	348,114
Equity instruments, carried at fair value	8,905	10,911
	\$ 1,059,568	\$ 1,030,075

The above investment is to ensure Wounded Warriors Canada's ongoing commitments to mental health program delivery and concurrent research are met.

5. Commitments

(a) Pursuant to lease agreements for the rental of premises the Organization is committed to future minimum lease payments as follows:

2024	\$ 42,744
2025	42,744
2026	42,744
2027	32,058
	\$ 160,290

Wounded Warriors Canada

Notes to Financial Statements

March 31, 2023

6. Changes in non-cash working capital items

Cash flows provided by (used in):

	2023	2022
Donation receivable	\$ 150,000	\$ (115,074)
HST receivable	(45,430)	(34,090)
Accounts payable and accrued liabilities	(8,185)	50,344
Government remittances payable	(1,230)	4,298
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	\$ 95,155	\$ (94,522)

7. Financial instruments and risk management

The Organization is exposed to the following risks related to its financial assets and liabilities. The Organization is not exposed to credit risk, interest rate risk, currency risk, market risk, other price risk, or any significant concentrations of risk. The following financial risk assessment has remained unchanged from prior year.

(a) Liquidity risk

Liquidity risk is the risk of being unable to honour its financial commitments by the deadlines set out under the terms of such commitments. The Organization is exposed to this risk mainly through its accounts payable and accrued liabilities. Senior management manages the Organization's cash resources based on financial forecasts and anticipated cash flows.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market prices. The company's restricted investments expose it to this risk.

8. Comparative figures

Certain comparative balances have been reclassified to conform to current year presentation.