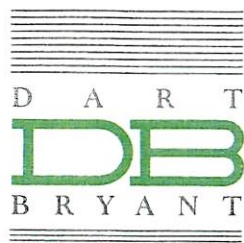


**HUMANITARIAN AID RESPONSE TEAMS  
SOCIETY**

**Financial Statements**

**Year Ended December 31, 2020**



**DART BRYANT LLP**  
Chartered Professional Accountants  
#250, 1319 Edmonton Trail NE  
Calgary, Alberta T2E 4Y8

David R Dart, CPA, CA  
Edwin L Bryant, CPA, CA  
Denis G Perron, CPA, CA

Bus: (403) 230-3764  
Fax: (403) 230-3766  
davedart@dartbryant.com  
edbryant@dartbryant.com  
denisperron@dartbryant.com

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## INDEPENDENT AUDITOR'S REPORT

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**To the Members of Humanitarian Aid Response Teams Society**

### ***Qualified Opinion***

We have audited the financial statements of Humanitarian Aid Response Teams Society (the Organization), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Qualified Opinion***

In common with many charitable organizations, the organization derives revenue from contributions and donated goods the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our 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 recorded contributions, operational excess, cash flows from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation of scope.

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 ethical responsibilities in accordance with those 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 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

*(continues)*

**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 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.
- 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.

October 20, 2021

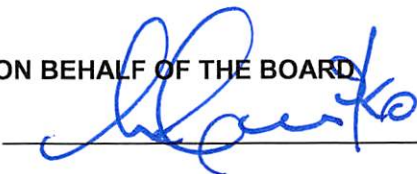


Chartered Professional Accountants

**HUMANITARIAN AID RESPONSE TEAMS SOCIETY**  
**Statement of Financial Position**  
**December 31, 2020**

|                                       | 2020                | 2019                |
|---------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                         |                     |                     |
| <b>CURRENT</b>                        |                     |                     |
| Cash and cash equivalent              | \$ 1,610,056        | \$ 1,142,464        |
| Accounts receivable                   | 1,411               | 12,476              |
| Goods and services tax recoverable    | 4,199               | 3,722               |
| Government subsidies receivable       | 72,253              | -                   |
|                                       | <u>1,687,919</u>    | <u>1,158,662</u>    |
| EQUIPMENT (Note 4)                    | 16,800              | 24,246              |
|                                       | <u>\$ 1,704,719</u> | <u>\$ 1,182,908</u> |
| <b>LIABILITIES AND NET ASSETS</b>     |                     |                     |
| <b>CURRENT</b>                        |                     |                     |
| Accounts payable                      | \$ 37,083           | \$ 41,454           |
| CEBA LOAN PAYABLE (Note 5)            | 40,000              | -                   |
| DEFERRED CONTRIBUTIONS (Note 6)       | 199,160             | 159,318             |
|                                       | <u>276,243</u>      | <u>200,772</u>      |
| <b>NET ASSETS</b>                     |                     |                     |
| General fund                          | 1,345,282           | 923,345             |
| Project funds (Note 7)                | 66,394              | 34,545              |
| Investment in capital assets (Note 4) | 16,800              | 24,246              |
|                                       | <u>1,428,476</u>    | <u>982,136</u>      |
|                                       | <u>\$ 1,704,719</u> | <u>\$ 1,182,908</u> |

ON BEHALF OF THE BOARD



Director

Director

**HUMANITARIAN AID RESPONSE TEAMS SOCIETY**  
**Statement of Revenues and Expenses**  
**Year Ended December 31, 2020**

|   | 2020              | 2019             |
|---|-------------------|------------------|
| <b>REVENUES</b>   |                   |                  |
| Contributions (Note 8)                                  | \$ 2,215,218      | \$ 2,228,321     |
| Donated goods (Note 9)                                  | 56,136            | 196,328          |
| Investment income (loss)                                | 2,880             | 14,388           |
|   | <u>2,274,234</u>  | <u>2,439,037</u> |
| <b>EXPENSES</b>   |                   |                  |
| INTERNATIONAL PROGRAMS (Note 10)                        |                   |                  |
| Child sponsorship programs                              | 426,521           | 552,264          |
| Education sponsorship programs                          | 114,640           | 113,523          |
| Missions projects, church and pastor support            | 513,891           | 800,261          |
| Medical aid programs                                    | 47,037            | 90,969           |
| Relief aid programs                                     | 358,035           | 285,633          |
|   | <u>1,460,124</u>  | <u>1,842,650</u> |
| CANADIAN PROGRAMS                                       |                   |                  |
| Domestic ministries (Note 11)                           | 105,615           | 119,228          |
| Fundraising expenses (Note 12)                          | 64,805            | 108,788          |
| Administration (Note 13)                                | 313,146           | 332,824          |
|   | <u>1,943,690</u>  | <u>2,403,490</u> |
| <b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b> | <b>330,544</b>    | <b>35,547</b>    |
| GOVERNMENT SUBSIDIES (Note 16)                          | 115,796           | -                |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>                 | <b>\$ 446,340</b> | <b>\$ 35,547</b> |

**HUMANITARIAN AID RESPONSE TEAMS SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2020**

|   | General<br>Fund     | Invested in<br>capital assets | Project<br>Funds | 2020                | 2019              |
|---|---------------------|-------------------------------|------------------|---------------------|-------------------|
| <b>NET ASSETS -<br/>BEGINNING OF<br/>YEAR</b> | \$ 923,345          | \$ 24,246                     | \$ 34,545        | \$ <b>982,136</b>   | \$ 946,589        |
| Excess of revenues over<br>expenses           | 414,491             | -                             | 31,849           | <b>446,340</b>      | 35,547            |
| Amortization                                  | 7,446               | (7,446)                       | -                | -                   | -                 |
| <b>NET ASSETS - END OF<br/>YEAR</b>           | <b>\$ 1,345,282</b> | <b>\$ 16,800</b>              | <b>\$ 66,394</b> | <b>\$ 1,428,476</b> | <b>\$ 982,136</b> |

**HUMANITARIAN AID RESPONSE TEAMS SOCIETY**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

|   | 2020                       | 2019                       |
|---|----------------------------|----------------------------|
| <b>OPERATING ACTIVITIES</b>                             |                            |                            |
| Cash receipts from supporters                           | \$ 2,266,124               | \$ 2,152,107               |
| Cash paid for programs, fund-raising and administration | (1,884,955)                | (2,209,847)                |
| Cash receipts from government subsidy programs          | 43,543                     | -                          |
| Interest and dividend received                          | 2,880                      | 5,187                      |
|   | <u>427,592</u>             | <u>(52,553)</u>            |
| Cash flow from (used by) operating activities           |                            |                            |
| <b>INVESTING ACTIVITIES</b>                             |                            |                            |
| Purchase of equipment                                   | -                          | (3,079)                    |
| Proceeds from sale of marketable securities             | -                          | 57,641                     |
|   | <u>-</u>                   | <u>54,562</u>              |
| Cash flow from investing activities                     |                            |                            |
| <b>FINANCING ACTIVITY</b>                               |                            |                            |
| CEBA loan advance                                       | 40,000                     | -                          |
|   | <u>40,000</u>              | <u>-</u>                   |
| <b>INCREASE IN CASH FLOW</b>                            | <b>467,592</b>             | <b>2,009</b>               |
| Cash and cash equivalents - beginning of year           | <u>1,142,464</u>           | <u>1,140,455</u>           |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>          | <b>\$ 1,610,056</b>        | <b>\$ 1,142,464</b>        |
| <b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>            |                            |                            |
| Cash  | \$ 1,574,478               | \$ 1,106,886               |
| Cash equivalents  | <u>35,578</u>              | <u>35,578</u>              |
|   | <u><b>\$ 1,610,056</b></u> | <u><b>\$ 1,142,464</b></u> |

**HUMANITARIAN AID RESPONSE TEAMS SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**1. DESCRIPTION OF OPERATIONS**

The Humanitarian Aid Response Team Society ("HART") is a Christian Relief Aid and Missions organization providing spiritual, physical and social aid to people, primarily in the Carpathian Mountains area of the Ukraine, as well as in several other places in Eastern Europe and in the Caribbean Region and Central America. Since 1996, HART has been committed to demonstrating compassion and love to people suffering from poverty and disease. HART functions as a "Supply-Line" through which people in North America can support National partners and ministries who are providing Relief Aid to the poor and sharing God's love to people in their own countries.

The Humanitarian Aid Response Team Society was incorporated under the Canada Corporations Act and began operations in 1996. As the Organization is a registered charity under the Income Tax Act authorized to issue income tax receipts, it is also exempt from income taxes.

HART pursues the fulfillment of its mission in conjunction with Humanitarian Aid Response Team Inc. ("HART USA"), a US charitable organization which is separately incorporated and managed by a separate and independent Board of Directors. The two organizations work together to accomplish the same objectives; however, they are economically dependent on each other.

The continuous operation of the organization is dependent on the donation support of interested individuals and organizations.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The financial statements were prepared on a going concern basis in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

**Financial instruments policy**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Financial instruments subsequently measured at amortized cost includes Cash and cash equivalents, accounts receivable, accounts payable and deferred contributions. Marketable securities are measured at fair value.

*(continues)*

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**HUMANITARIAN AID RESPONSE TEAMS SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

**Measurement uncertainty**

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 and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

The most significant estimates included in these financial statements include useful life and impairment of capital assets, the amount of accrued liabilities, deferred contributions and valuation of donated materials.

**Revenue recognition**

HART follows the deferral method of accounting for contributions.

- a) Restricted contributions are recognized as deferred contributions and brought into revenue in the year in which the related expenses are incurred.
- b) Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- c) Other assets and supplies ("gifts in kind") contributed for which a donation receipt is issued, are recorded on the basis of fair values determined by third parties as at the date of contribution.
- d) Other gifts in kind for which independent fair values have not been determined are recorded at nominal values estimated by management at the time when the goods become used for charitable purposes in the operation of HART's programs. Management annually reviews the method used to value these gifts in kind.

**Foreign currency translation**

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses are translated at the rate of exchange prevailing at the date of transaction. Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

**Cash and cash equivalents**

Cash and cash equivalents are made up mostly of unrestricted cash and short-term investments with original maturity of three months or less from the date of acquisition.

**Marketable securities**

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income.

*(continues)*

**HUMANITARIAN AID RESPONSE TEAMS SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Equipment**

Equipment is stated at cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

|                        |                   |                          |
|------------------------|-------------------|--------------------------|
| Vehicles               | 30%               | declining balance method |
| Computer equipment     | 30%               | declining balance method |
| Furniture and fixtures | 20%               | declining balance method |
| Leasehold improvements | term of the lease | straight-line method     |

The organization regularly reviews its equipment to eliminate obsolete items. Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Equipment are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may exceed their fair value. The impairment test consists of a comparison of the fair value of the capital assets with their carrying amount. When the carrying amount exceeds the fair value, an impairment loss equal to the difference is recognized in income.

**Contributed services**

Volunteers contribute a significant amount of time each year to assist HART in carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**Allocation of expenses**

HART presents the expenses in its statement of operations on the basis of Programs and Support functions undertaken. Program expenses are those costs which are directly related to the undertaking of the various programs; support expenses, which include fund-raising. Management and general costs are not allocated to programs expense where the costs are not directly related to a specific program.

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**3. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2020.

**Currency risk**

Currency risk is the risk to the organization's expenses that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization collects donations denominated in Canadian dollars but disburses cash grants to partner organizations in US dollars. During the year, the organization spent \$1,230,054 (2019: \$1,425,135 in cash grants. At year end, the organization held \$106,128 (2019: \$179,973) cash in US dollars.

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**HUMANITARIAN AID RESPONSE TEAMS SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**4. EQUIPMENT**

|                        | Cost              | Accumulated<br>amortization | 2020<br>Net book<br>value | 2019<br>Net book<br>value |
|------------------------|-------------------|-----------------------------|---------------------------|---------------------------|
| Vehicles               | \$ 17,000         | \$ 16,765                   | \$ 235                    | \$ 336                    |
| Computer equipment     | 36,569            | 33,563                      | 3,006                     | 4,293                     |
| Furniture and fixtures | 15,347            | 12,457                      | 2,890                     | 3,613                     |
| Leasehold improvements | 32,630            | 21,961                      | 10,669                    | 16,004                    |
|                        | <u>\$ 101,546</u> | <u>\$ 84,746</u>            | <u>\$ 16,800</u>          | <u>\$ 24,246</u>          |

**5. CEBA LOAN PAYABLE**

The Canadian Emergency Business Account (CEBA) loan payable bears interest at 0% per annum until December 31, 2022. If the loan is not repaid by December 2022, it will be converted into a 3-year term loan bearing interest at 5% per annum.

The Organization advanced \$40,000 during the fiscal year and \$10,000 of which will be forgiven if the loan is repaid by December 2022. The forgiven amount was not recognized as revenue in the year as it is unknown if the loan will be repaid within the established timeline.

**6. DEFERRED CONTRIBUTIONS**

HART accepts contributions from various partners who restrict the donation to specific partners and projects in Ukraine and Eastern Europe under the National Partners Program. Those partners are heavily involved in the daily operation of the programs and projects, usually with the assistance from HART staffing, resources and connections in the local community.

|                            | 2019       | Contributions | Utilized   | 2020       |
|----------------------------|------------|---------------|------------|------------|
| National Partners Programs | \$ 159,318 | \$ 336,980    | \$ 297,138 | \$ 199,160 |

**7. PROJECT FUNDS**

The Education Scholarship Programs Fund is used to assist motivated young people from underprivileged families realize their dream of furthering their education or receiving the necessary vocational training for career development.

|                       | 2019      | Contributions | Utilized   | 2020      |
|-----------------------|-----------|---------------|------------|-----------|
| Education Scholarship | \$ 35,545 | \$ 146,489    | \$ 114,640 | \$ 67,394 |

**HUMANITARIAN AID RESPONSE TEAMS SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**8. CONTRIBUTIONS**

During the year, the organization received the following contributions to its programs. Except for the contributions disclosed in Note 6, all contributions are considered unrestricted or internally restricted. When the organization receive more contributions for a given project than the cost incurred, it will use the remaining funds to meet a similar project as directed by the board.

|  | <u>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| General and fundraising                  | \$ 749,208          | \$ 855,798          |
| Child and education sponsorship programs | 604,917             | 647,143             |
| Missions programs                        | 379,530             | 348,350             |
| Medical aid programs                     | 52,075              | 29,695              |
| Relief aid programs                      | 429,488             | 347,335             |
|  | <u>\$ 2,215,218</u> | <u>\$ 2,228,321</u> |

**9. DONATED GOODS**

These financial statements include revenue and expenses for donated goods in kind for two purposes: 1) used in the Child Sponsorship, National Partners Support, and Relief Aid programs and are included in Humanitarian relief aid, medical and missions expense, and 2) used in auctions and are included in fundraising expenses.

|   | <u>2020</u>      | <u>2019</u>       |
|---|------------------|-------------------|
| International program - donated goods                 | \$ 32,395        | \$ 93,601         |
| International program - donated marketable securities | -                | 74,468            |
| Fundraising - donated auction items                   | 23,741           | 28,259            |
|   | <u>\$ 56,136</u> | <u>\$ 196,328</u> |

**10. INTERNATIONAL PROGRAMS**

|                                      | <u>2020</u>         | <u>2019</u>         |
|--------------------------------------|---------------------|---------------------|
| Ukraine - Program funding            | \$ 1,140,466        | \$ 1,308,972        |
| Ukraine - Gift in kinds and shipping | 48,177              | 139,931             |
| Moldova - Program funding            | 50,590              | 67,125              |
| Romaina - Program funding            | 39,000              | 29,000              |
| Haiti - Program funding              | -                   | 20,038              |
| Program overheads                    | 28,375              | 129,144             |
| Overseas support team                | 153,516             | 148,440             |
| Total program expenses               | <u>\$ 1,460,124</u> | <u>\$ 1,842,650</u> |

# HUMANITARIAN AID RESPONSE TEAMS SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2020

### 11. DOMESTIC MINISTRY

The focus of domestic ministries is to provide information through newsletters, website updates and presentations, that educates as to the challenges and successes experienced by those serving and being served in the Ukraine and other areas in which HART is present, as well as encouraging those interested in becoming engaged financially and / or through volunteer opportunities.

### 12. FUNDRAISING EVENTS

Throughout the year HART holds various events for the purpose of updating and educating supporters related to the geographic areas in which HART serves, and raising support for the programs. The following is a summary of these events. Fundraising revenue is included in contributions reported in the statement of revenues and expenses.

|             | Revenue   | Expenses  | 2020      | 2019       |
|-------------|-----------|-----------|-----------|------------|
| Auctions    | \$ 80,134 | \$ 64,805 | \$ 15,329 | \$ 88,925  |
| Fall Dinner | -         | -         | -         | 26,692     |
|             | \$ 80,134 | \$ 64,805 | \$ 15,329 | \$ 115,617 |

### 13. ADMINISTRATION

|  | 2020              | 2019              |
|--|-------------------|-------------------|
| Amortization                                 | \$ 7,446          | \$ 7,815          |
| Bank charges and credit card processing fees | 16,014            | 27,655            |
| Insurance                                    | 3,995             | 3,658             |
| Office and communication                     | 73,017            | 59,887            |
| Professional and consulting fees             | 27,301            | 31,165            |
| Rental                                       | 71,900            | 73,622            |
| Salaries and wages                           | 110,956           | 127,695           |
| Travel                                       | 2,517             | 1,327             |
|  | <u>\$ 313,146</u> | <u>\$ 332,824</u> |

### 14. GOVERNMENT SUBSIDIES

|                                | 2020              | 2019        |
|--------------------------------|-------------------|-------------|
| Canada Emergency Wages Subsidy | \$ 110,760        | \$ -        |
| Canada Emergency Rent Subsidy  | 5,036             | -           |
|                                | <u>\$ 115,796</u> | <u>\$ -</u> |

**HUMANITARIAN AID RESPONSE TEAMS SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**15. RELATED PARTY TRANSACTIONS**

HART has a three year lease for office and warehouse space with an organization of which the President of HART is also a director. During the year, payments of \$60,000 (2019 - \$60,000) were made to this organization for rent of space.

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**16. CLASSIFICATION OF EXPENSES**

|   | <u>2020</u>         | <u>2019</u>         |
|---|---------------------|---------------------|
| Humanitarian relief and aid, medical and missions | \$ 1,306,607        | \$ 1,696,369        |
| Salaries and benefits                             | 354,559             | 365,149             |
| Fund-raising                                      | 64,805              | 108,788             |
| Occupancy costs                                   | 71,900              | 73,622              |
| Office supplies                                   | 65,692              | 63,408              |
| Telecommunications, publications                  | 20,627              | 24,534              |
| Bank and wire charges                             | 16,014              | 27,655              |
| Professional fees                                 | 27,301              | 31,165              |
| Amortization                                      | 7,446               | 7,816               |
| Insurance   | 5,544               | 3,621               |
| Travel  | 3,195               | 1,363               |
|   | <u>\$ 1,943,690</u> | <u>\$ 2,403,490</u> |

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**17. CONTRACTUAL OBLIGATIONS**

HART entered into a three year lease for office and warehouse space which expires August 2022. The lease requires annual base rent of \$60,000 plus annual operating costs. The president of HART is also a director of the organization providing the lease. The rent and terms of the lease are considered to be at fair market value.

The organization also has a lease for office equipment that expires in 2022 for \$2,090 per annum plus annual operating cost.

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**HUMANITARIAN AID RESPONSE TEAMS SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**18. HEALTH PANDEMIC**

During the year, the World Health Organization categorized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which has led to a number of public health and emergency measures which have been put in place by various levels of government to attempt to combat the spread of the virus. With the Canadian government issuing a global travel advisory on all non-essential travel outside Canada effective March 13, 2020 due to COVID-19, the travel restrictions affect the cross-border collaboration between HART and its mission partners.

During the year, the Calgary and Edmonton Auctions were moved to an online platform due to the gathering restrictions imposed by the provincial government. Since the camp ministry in Ukraine was not able to run in the summer, the Organization reallocated its resources to focus on medical reliefs to the local communities.

At this time, the duration and potential impact of COVID-19 is unknown and it is not possible to reliably estimate the impact these events may have on the financial results and condition of the organization in future periods.

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