

United Way of Stormont, Dundas & Glengarry
Financial Statements
March 31, 2022

United Way of Stormont, Dundas & Glengarry Contents

For the year ended March 31, 2022

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To the Members of United Way of Stormont, Dundas & Glengarry:

Qualified Opinion

We have audited the financial statements of United Way of Stormont, Dundas & Glengarry (the "Organization"), which comprise the statement of financial position as at March 31, 2022, the statements of operations, 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 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 March 31, 2022, 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 donations and fundraising activities, 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 donation and fundraising revenues, excess of revenue over expenses and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021 and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 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.

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.

Cornwall, Ontario

June 7, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

United Way of Stormont, Dundas & Glengarry

Statement of Financial Position

As at March 31, 2022

	2022	2021
Assets		
Current		
Cash	680,972	551,680
Term deposits (Note 3)	54,716	54,632
Pledges receivable (Note 4)	55,052	40,130
Accounts receivable	11,184	8,076
Prepaid expenses	2,041	4,305
	803,965	658,823
Capital assets (Note 5)	2,949	4,185
	806,914	663,008
Liabilities		
Current		
Accounts payable and accruals	18,675	17,145
Deferred contributions for programs and fundraising activities	28,625	-
COVID-19 relief contributions (Note 13)	-	40,122
	47,300	57,267
Net Assets		
Unrestricted net assets	401,565	248,556
Internally restricted net assets (Note 12)	355,100	353,000
Invested in capital assets	2,949	4,185
	759,614	605,741
	806,914	663,008

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

United Way of Stormont, Dundas & Glengarry
Statement of Operations
For the year ended March 31, 2022

	<i>Unrestricted Fund</i>	<i>Invested in Capital Assets</i>	<i>Internally restricted</i>	2022	2021
Revenue					
Campaign revenues	556,996	-	-	556,996	395,224
Funds transferred from other United Ways	84,084	-	-	84,084	89,312
Gross campaign revenues (Note 6)	641,080	-	-	641,080	484,536
Recovery of pledges, prior year campaigns	2,536	-	-	2,536	968
	643,616	-	-	643,616	485,504
Other revenue					
Lottery	21,978	-	-	21,978	21,077
Interest income and other	134	-	-	134	1,456
Fundraising events	123,262	-	-	123,262	98,506
Winter warmth	38,114	-	-	38,114	13,360
COVID-19 relief funding (Note 13)	684,499	-	-	684,499	930,851
Grants	8,000	-	-	8,000	-
Major donors	162,000	-	-	162,000	-
	1,037,987	-	-	1,037,987	1,065,250
Total revenue	1,681,603	-	-	1,681,603	1,550,754
Expenses					
Fundraising (Schedule 1)	172,353	-	-	172,353	111,519
Distributions to agencies (Schedule 2)	358,071	-	-	358,071	337,786
Distributions to programs (Schedule 2)	311,571	-	-	311,571	112,883
Amortization	-	1,236	-	1,236	853
COVID-19 relief funding (Note 13)	684,499	-	-	684,499	930,851
Total expenses	1,526,494	1,236	-	1,527,730	1,493,892
Excess (deficiency) of revenue over expenses	155,109	(1,236)	-	153,873	56,862

The accompanying notes are an integral part of these financial statements

United Way of Stormont, Dundas & Glengarry
Statement of Changes in Net Assets

For the year ended March 31, 2022

	<i>Unrestricted Fund</i>	<i>Invested in Capital Assets</i>	<i>Internally restricted</i>	2022	<i>2021</i>
Net assets beginning of year, as previously stated	248,556	4,185	353,000	605,741	148,087
Correction of an error	-	-	-	-	400,792
Net assets, beginning of year, as restated	248,556	4,185	353,000	605,741	548,879
Excess (deficiency) of revenue over expenses	155,109	(1,236)	-	153,873	56,862
	403,665	2,949	353,000	759,614	605,741
Interfund transfer	(2,100)	-	2,100	-	-
Net assets, end of year	401,565	2,949	355,100	759,614	605,741

The accompanying notes are an integral part of these financial statements

United Way of Stormont, Dundas & Glengarry
Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
<hr/>		
Cash provided by the following activities		
Operating		
Excess of revenue over expenses	153,873	56,862
Amortization	1,235	853
	<hr/>	<hr/>
	155,108	57,715
Changes in working capital accounts		
Pledges receivable	(14,922)	19,070
Accounts receivable	(3,108)	(2,001)
Prepaid expenses	2,264	(2,657)
Accounts payable and accruals	1,531	5,059
Deferred campaign revenue	(11,497)	-
Deferred contributions for programs and fundraising activities	-	(13,245)
COVID-19 relief contributions	-	40,122
	<hr/>	<hr/>
	129,376	104,063
Investing		
Increase in marketable securities	(84)	-
Purchase of term deposits	-	(54,980)
Purchase of capital assets	-	(4,229)
Proceeds on disposal of term deposits	-	54,980
	<hr/>	<hr/>
	(84)	(4,229)
Increase in cash resources	129,292	99,834
Cash resources, beginning of year	551,680	451,846
	<hr/>	<hr/>
Cash resources, end of year	680,972	551,680

The accompanying notes are an integral part of these financial statements

United Way of Stormont, Dundas & Glengarry

Notes to the Financial Statements

For the year ended March 31, 2022

1. Incorporation and nature of the organization

United Way of Stormont, Dundas & Glengarry (the "Organization") is incorporated under the laws of the Canada Not-for-Profit Corporations Act and is a registered charity and thus is exempt from income taxes under the Income Tax Act ("the Act").

The Organization's purpose is to improve lives and build our community.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada.

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Fundraising revenue

Pledges and donations that are undesignated or are directed to a focus area or priority goal by the donor are recognized as revenue in the year that they are received or pledged at the amount committed less a provision for uncollectible pledges. Funds raised, net of related fundraising expenses and provisions, are used to provide funds for operations in the current year and fund partner programs and services in the following fiscal year.

Funds received from other United Ways

National or regional workplace campaigns that are coordinated by one United Way on behalf of other United Ways are known as Centrally Coordinated Campaigns. The pledges and donations received by other United Ways on behalf of the Organization are reported separately and included in pledges receivable until the revenue is received.

Designated fundraising revenue

Pledges and donations that are designated by the donor to other Canadian registered charities and other United Ways are considered to be externally restricted, and are deferred and recognized as revenue in the year they are distributed to the designated charity.

Investment income

Unrestricted investment income is recognized when earned in the statement of operations.

One-time COVID-19 relief funding

Funding that was received for COVID-19 relief is deferred and recognized as revenue in the year the funds are distributed to other designated non-profit organizations.

Allocation of expenses

The Organization engages in fundraising and other programs. The costs of each program includes allocations to agencies and the cost of programs directly delivered by the Organization. The Organization also incurs a number of general support expenses that are common to the administration of the Organization and each of its programs.

The Organization allocates the general support expenses to fundraising and other programs based on the time spent to deliver each program. This basis of allocation is applied consistently each year.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

United Way of Stormont, Dundas & Glengarry
Notes to the Financial Statements
For the year ended March 31, 2022

2. **Significant accounting policies** (Continued from previous page)

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	30 %
Equipment	declining balance	20 %
Furniture and fixtures	declining balance	30 %

Contributed services

The Organization benefits from substantial services in the form of volunteer time. Since these invaluable donated services are not purchased by United Way, and their value is not readily determinable, they are not recorded in these financial statements.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures all financial assets and liabilities at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (deficiency) of revenue over expenses in the year the reversal occurs.

United Way of Stormont, Dundas & Glengarry

Notes to the Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Pledges receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful pledges is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the years in which they become known.

3. Term deposits

Term deposits consist of a Guaranteed Investment Certificate with an interest rate of 0.15% (2021 - 1.00%), maturing May 2023 (2021 - May 2021).

4. Pledges receivable

Pledges receivable consist of payroll and other monthly pre-authorized donations that have been pledged by donors. They also include corporate pledges that are unpaid at the end of the year. The provision for uncollectible pledges is based on a three-year average and is reported in the statement of operations. Pledges receivable are presented net of a provision for uncollectible pledges. The provision for uncollectible pledges is \$5,000 (2021 - \$4,800).

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2022 Net book value</i>	<i>2021 Net book value</i>
Computer equipment	7,545	4,895	2,650	3,786
Equipment	3,529	3,387	142	204
Furniture and fixtures	1,171	1,014	157	195
	12,245	9,296	2,949	4,185

6. Campaign revenues

The revenue reported in the Statement of Operations includes the deferred portion of the previous year's campaign. The following schedule provides a reconciliation between the 2021 campaign results and the gross campaign revenue reported as at March 31, 2022.

	<i>2022</i>	<i>2021</i>
Annual campaign achievement	863,172	608,160
Less:		
Special gifts restricted to specific programs	(38,114)	(13,360)
Provision for uncollectible pledges	-	(4,800)
Special events contributions	(183,978)	(105,464)
Campaign revenues recognized in fiscal year	641,080	484,536

United Way of Stormont, Dundas & Glengarry

Notes to the Financial Statements

For the year ended March 31, 2022

7. General administration expenditures

The Organization allocates its administrative costs to two functional areas, fundraising and programs. General costs which do not pertain specifically to either function are considered administrative and are allocated as follows:

	2022 %	2021 %
Fundraising	42	42
Programs	58	58
	100	100

8. Agency allocations

For the next fiscal year, the Organization is planning to distribute \$355,100 (2021 - \$353,000) from the annual campaign achievement to its member agencies, subject to the collection of outstanding pledges.

9. Related party transactions

The United Way of Stormont, Dundas & Glengarry submits annual membership dues to the United Way of Canada/Centraide Canada. Total dues paid were \$7,566 (2021 - \$5,657).

10. Operating lease

The Organization has entered into an operating lease agreement which expires April 30, 2023 with estimated minimum annual payments as follows:

2023	18,600
2024	1,550
	20,150

11. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's interest-bearing assets include term deposits.

The Organization has fixed interest rates on its term deposits. Consequently, the exposure to fluctuations in future cash flows, with respect to these instruments, as a result of changes in market interest rates, is limited.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its pledges receivable. Pledges receivable arise from pledges made by the public during the annual campaign. The maximum exposure to credit risk is the carrying value of pledges receivable on the statement of financial position. The Organization assesses the collectability of its pledges receivable and records a provision for estimated uncollectible pledges based on historical results.

United Way of Stormont, Dundas & Glengarry
Notes to the Financial Statements

For the year ended March 31, 2022

12. Restrictions on net assets

Internally restricted net assets

During the year, the Organization's board of directors internally restricted \$355,100 (2021 – \$353,000) of unrestricted net assets to be held for future distributions to agencies. These internally restricted amounts are not available for other purposes without approval of the board of directors.

United Way of Stormont, Dundas & Glengarry
Notes to the Financial Statements
For the year ended March 31, 2022

13. COVID-19 relief funding

	2022	2021
REVENUE		
United Way Centraide Canada	-	659,611
City of Cornwall	634,499	262,572
Unspent funds deferred	-	(30,489)
	634,499	232,083
Received from other sources	50,000	48,790
Unspent funds deferred	-	(9,633)
	50,000	39,157
Total Revenue	684,499	930,851
EXPENSES		
Covid-19 relief programs	614,424	883,890
Administration	26,065	-
Technology COVID Relief Fund	44,010	-
Office and communications	-	11,633
External fees	-	8,876
Program management	-	26,452
Total Expenses	684,499	930,851

United Way of Stormont, Dundas & Glengarry
Schedule 1 - Schedule of Fundraising Expenditures

For the year ended March 31, 2022

	2022	2021
Advertising	13,561	6,889
Event costs	79,951	35,222
Printing material	2,722	1,682
Professional development and training	238	-
General administration expenditures <i>(Schedule 3)</i>	75,881	67,726
	172,353	111,519

United Way of Stormont, Dundas & Glengarry Schedule 2 - Distributions to Agencies and Programs

For the year ended March 31, 2022

	2022	2021
Distributions to agencies		
Agape Centre	2,500	-
Agape Centre (Diversity Cornwall)	13,000	-
Anglican Diocese of Ottawa - Centre 105	16,175	10,000
Bereaved Families of Ontario - South Eastern Region	5,000	5,000
Big Brothers and Big Sisters of Cornwall and District	26,000	25,400
Boys and Girls Club of Cornwall and District	60,900	30,500
Canadian Hearing Society	4,275	4,132
Canadian Mental Health Association	30,000	29,484
Centre Charles Emile Claude	25,000	8,145
Community Contributions	12,834	-
Community Navigation of Eastern Ontario - 211	9,650	5,000
Cornwall Meals on Wheels	25,000	32,400
Equipe Psycho-Sociale	6,000	17,668
Glengarry Inter Agency Group Inc. (Alexandria Youth Centre)	-	30,400
House of Lazarus	2,500	-
Inspire Community Support Services	60,000	61,600
Ontario March of Dimes	12,000	8,500
Sexual Assault & Support Services	30,000	23,275
The Hub for Beyond 21 Foundation	(12,763)	16,532
Tri-County Literacy Council	20,000	23,500
Upper Canada Leger	-	6,250
Vista Centre Brain Injury Services	10,000	-
	358,071	337,786
Distributions to programs		
General administration expenditures (Schedule 3)	104,787	93,527
House of Lazarus	157,950	-
Other programs (recovery)	(2,885)	4,243
Salaries	17,488	-
United Way of Canada (Note 9)	7,566	5,657
Winter Warmth	26,665	9,456
	311,571	112,883

United Way of Stormont, Dundas & Glengarry
Schedule 3 - Schedule of Administrative Expenses

For the year ended March 31, 2022

	2022	2021
Administration		
Conference, training and sundry	2,378	1,472
Insurance	4,955	4,453
Office	21,097	15,295
Professional fees	14,987	14,570
Salaries and benefits	112,400	102,166
Telephone and communications	3,005	2,306
	158,822	140,262
Building		
Rent	19,996	19,333
Repairs and maintenance	1,850	1,658
	21,846	20,991
Total general administration expenditures	180,668	161,253
Allocation to fundraising expenditures	(75,881)	(67,726)
Allocation to distributions to programs	(104,787)	(93,527)
	-	-