

United Way of Stormont, Dundas & Glengarry
Financial Statements
March 31, 2023

United Way of Stormont, Dundas & Glengarry Contents

For the year ended March 31, 2023

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Independent Auditor's Report

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, 2023, 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, 2023, 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, 2023 and 2022, current assets as at March 31, 2023 and 2022 and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our opinion on the financial statements for the year ended March 31, 2022 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

Chartered Professional Accountants

Licensed Public Accountants

United Way of Stormont, Dundas & Glengarry Statement of Financial Position

As at March 31, 2023

	2023	2022
Assets		
Current		
Cash	899,561	680,972
Accounts receivable	13,574	11,184
Term deposits (Note 3)	154,716	54,716
Prepaid expenses	2,653	2,041
Pledges receivable	-	55,052
	1,070,504	803,965
Capital assets (Note 4)	2,078	2,949
	1,072,582	806,914
Liabilities		
Current		
Accounts payable and accruals	26,017	18,675
Deferred revenue (Note 5)	297,691	28,625
	323,708	47,300
Net Assets		
Unrestricted net assets	434,796	401,565
Internally restricted net assets	312,000	355,100
Invested in capital assets	2,078	2,949
	748,874	759,614
	1,072,582	806,914

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, 2023

	<i>Unrestricted Fund</i>	<i>Invested in Capital Assets</i>	<i>Internally restricted</i>	2023	2022
Revenue					
Campaign revenues					
General campaign revenues	508,962	-	-	508,962	567,786
Funds transferred from other United Ways	83,583	-	-	83,583	84,084
Gross campaign revenues (Note 6)	592,545	-	-	592,545	651,870
Recovery of pledges, prior year campaigns	-	-	-	-	2,536
	592,545	-	-	592,545	654,406
Other revenue					
Fundraising events	155,461	-	-	155,461	123,262
Grants and community development	18,325	-	-	18,325	8,000
Winter warmth	17,941	-	-	17,941	31,374
Major donors	143,475	-	-	143,475	157,950
COVID-19 relief funding (Note 12)	12,625	-	-	12,625	684,499
Lottery	12,542	-	-	12,542	21,978
Interest income and other	2,687	-	-	2,687	134
	363,056	-	-	363,056	1,027,197
	955,601	-	-	955,601	1,681,603
Expenses					
Fundraising (Schedule 1)	253,887	-	-	253,887	172,353
Distributions to agencies (Schedule 2)	355,100	-	-	355,100	358,071
Distributions to programs (Schedule 2)	343,858	-	-	343,858	311,571
COVID-19 relief funding (Note 12)	12,625	-	-	12,625	684,499
Amortization	-	871	-	871	1,236
Total expenses	965,470	871	-	966,341	1,527,730
Excess (deficiency) of revenue over expenses	(9,869)	(871)	-	(10,740)	153,873

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, 2023

	<i>Unrestricted Fund</i>	<i>Invested in Capital Assets</i>	<i>Internally restricted</i>	2023	<i>2022</i>
Net assets beginning of year, as previously stated	401,565	2,949	355,100	759,614	605,741
Excess (deficiency) of revenue over expenses	(9,869)	(871)	-	(10,740)	153,873
Interfund transfer	43,100	-	(43,100)	-	-
Net assets, end of year	434,796	2,078	312,000	748,874	759,614

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, 2023

	2023	2022
Cash provided by the following activities		
Operating		
Excess of revenue over expenses	(10,740)	153,873
Amortization	871	1,235
	(9,869)	155,108
Changes in working capital accounts		
Accounts receivable	(2,390)	(3,108)
Pledges receivable	55,052	(14,922)
Prepaid expenses	(612)	2,264
Accounts payable and accruals	7,342	1,532
Deferred campaign revenue	269,066	(11,497)
	318,589	129,377
Investing		
Increase in marketable securities	(100,000)	(85)
Increase in cash resources	218,589	129,292
Cash resources, beginning of year	680,972	551,680
Cash resources, end of year	899,561	680,972

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, 2023

1. Incorporation and nature of the organization

United Way of Stormont, Dundas & Glengarry (the "Organization") is incorporated under the laws of the Ontario 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

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. 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, 2023

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, 2023

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.

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 three Guaranteed Investment Certificates with interest rates of 1.25% and 1.50% (2022 - one GIC at 0.15%), maturing May 2023 and July 2023 respectively (2022 - May 2023).

4. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	7,545	5,690	1,855	2,651
Equipment	3,529	3,416	113	140
Furniture and fixtures	1,171	1,061	110	158
	12,245	10,167	2,078	2,949

5. Deferred revenue

Deferred revenue is comprised of the following:

	2023	2022
City of Cornwall - Last Resort	256,000	-
CSRF Admin Fees	31,835	-
Wine event - Auction revenue	900	-
Community Development	5,953	-
Tampon Tuesday	3,003	2,000
Five B Family Foundation	-	25,000
Misc. donations	-	1,625
Balance, end of year	297,691	28,625

United Way of Stormont, Dundas & Glengarry

Notes to the Financial Statements

For the year ended March 31, 2023

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 2022 campaign results and the gross campaign revenue reported as at March 31, 2023.

	2023	2022
Annual campaign achievement	623,028	863,172
Less:		
Special gifts restricted to specific programs	(17,941)	(38,114)
Special events contributions	(12,542)	(183,978)
Campaign revenues recognized in fiscal year	592,545	641,080

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:

	2023 %	2022 %
Fundraising	42	42
Programs	58	58
	100	100

8. Agency allocations

For the next fiscal year, the Organization is planning to distribute \$312,000 (2022 - \$355,100) from the annual campaign achievement to its member agencies.

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 \$14,159 (2022 - \$7,566).

10. 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.

United Way of Stormont, Dundas & Glengarry

Notes to the Financial Statements

For the year ended March 31, 2023

11. Restrictions on net assets

Internally restricted net assets

During the year, the Organization's board of directors internally restricted \$312,000 (2022 – \$355,100) 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.

12. COVID-19 relief funding

	2023	2022
REVENUE		
City of Cornwall	-	634,499
	-	634,499
Received from other sources	12,625	50,000
	12,625	50,000
Total Revenue	12,625	684,499
EXPENSES		
Covid-19 relief programs	875	614,424
Administration	-	26,065
Technology COVID Relief Fund	-	44,010
Community Services Recovery Fund	11,750	-
Total Expenses	12,625	684,499

United Way of Stormont, Dundas & Glengarry
Schedule 1 - Schedule of Fundraising and Community Impact Initiatives

For the year ended March 31, 2023

	2023	2022
Advertising	15,995	13,561
Fundraising costs	108,278	79,951
Printing material	3,115	2,722
Professional development and training	1,167	238
General administration expenditures <i>(Schedule 3)</i>	125,332	75,881
	253,887	172,353

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

For the year ended March 31, 2023

	2023	2022
Distributions to agencies		
Agape Centre	-	2,500
Agape Centre (Diversity Cornwall)	16,000	13,000
Anglican Diocese of Ottawa - Centre 105	28,000	16,175
Bereaved Families of Ontario - South Eastern Region	-	5,000
Big Brothers and Big Sisters of Cornwall and District	26,000	26,000
Boys and Girls Club of Cornwall and District	60,000	60,900
Canadian Hearing Society	-	4,275
Canadian Mental Health Association	30,000	30,000
Centre Charles Emile Claude	20,000	25,000
Community Contributions	-	12,834
Community Navigation of Eastern Ontario - 211	10,750	9,650
Cornwall Meals on Wheels	20,000	25,000
Equipe Psycho-Sociale	14,000	6,000
House of Lazarus	-	2,500
Inspire Community Support Services	61,600	60,000
Ontario March of Dimes	10,000	12,000
Sexual Assault & Support Services	32,750	30,000
The Hub for Beyond 21 Foundation	-	(12,763)
Tri-County Literacy Council	20,000	20,000
Vista Centre Brain Injury Services	6,000	10,000
	355,100	358,071
Distributions to programs		
General administration expenditures <i>(Schedule 3)</i>	115,658	104,787
Last Resort	143,475	157,950
Other programs (recovery)	27,913	(2,885)
Salaries	24,712	17,488
United Way of Canada <i>(Note 9)</i>	14,159	7,566
Winter Warmth	17,941	26,665
	343,858	311,571

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

For the year ended March 31, 2023

	2023	2022
Administration		
Conference, training and sundry	2,349	2,378
Insurance	8,060	4,955
Office	22,333	21,097
Professional fees	20,311	14,987
Salaries and benefits	162,193	112,400
Telephone and communications	3,158	3,005
	218,404	158,822
Building		
Rent	20,986	19,996
Repairs and maintenance	1,600	1,850
	22,586	21,846
Total general administration expenditures	240,990	180,668
Allocation to fundraising and community impact initiatives	(125,332)	(75,881)
Allocation to distributions to programs	(115,658)	(104,787)
	-	-