# United Way of Stormont, Dundas & Glengarry

## Financial Statements

*March 31, 2024*

# United Way of Stormont, Dundas & Glengarry

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*For the year ended March 31, 2024*


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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, 2024, 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 and the related schedules.

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, 2024, 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, 2024 and 2023, current assets as at March 31, 2024 and 2023 and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our opinion on the financial statements for the year ended March 31, 2023 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.

MNP LLP

Cornwall, Ontario
June 14, 2024

Chartered Professional Accountants
Licensed Public Accountants

# United Way of Stormont, Dundas & Glengarry
## Statement of Financial Position
*As at March 31, 2024*

| | ***2024*** | *2023* |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash | **907,410** | 899,561 |
| Accounts receivable | **98,917** | 13,574 |
| Term deposits *(Note 4)* | **160,836** | 154,716 |
| Prepaid expenses | **18,186** | 2,653 |
| | **1,185,349** | 1,070,504 |
| **Capital assets** *(Note 5)* | **1,467** | 2,078 |
| | **1,186,816** | 1,072,582 |
| **Liabilities** | | |
| **Current** | | |
| Accounts payable and accruals | **132,766** | 26,017 |
| Deferred revenue *(Note 6)* | **280,270** | 297,691 |
| | **413,036** | 323,708 |
| **Net Assets** | | |
| Invested in capital assets | **1,465** | 2,078 |
| Unrestricted net assets | **377,315** | 434,796 |
| Internally restricted *(Note 7)* | **395,000** | 312,000 |
| | **773,780** | 748,874 |
| | **1,186,816** | 1,072,582 |

**Approved on behalf of the Board**

e-Signed by Wendy McDonald
2024-06-14 08:56:56:56 EST
**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, 2024*

| | *Unrestricted Fund* | *Invested in Capital Assets* | *2024* | *2023* |
|---|---|---|---|---|
| **Revenue** | | | | |
| **Campaign revenues** | | | | |
| General campaign revenues | 502,027 | - | **502,027** | 508,962 |
| Funds transferred from other United Ways | 57,247 | - | **57,247** | 83,583 |
| **Gross campaign revenues** *(Note 8)* | **559,274** | **-** | **559,274** | 592,545 |
| **Other revenue** | | | | |
| Major donors | 429,170 | - | **429,170** | 143,475 |
| COVID-19 relief funding *(Note 13)* | 303,823 | - | **303,823** | 12,625 |
| Fundraising events | 217,804 | - | **217,804** | 155,461 |
| Winter warmth | 18,845 | - | **18,845** | 17,941 |
| Grants and community development | 16,944 | - | **16,944** | 18,325 |
| Lottery | 7,640 | - | **7,640** | 12,542 |
| Interest income and other | 5,743 | - | **5,743** | 2,687 |
| | **999,969** | **-** | **999,969** | 363,056 |
| | **1,559,243** | **-** | **1,559,243** | 955,601 |
| **Expenses** | | | | |
| Fundraising (Schedule 1) | 311,970 | - | **311,970** | 235,718 |
| Distributions to agencies (Schedule 2) | 329,000 | - | **329,000** | 355,100 |
| Distributions to programs (Schedule 2) | 588,931 | - | **588,931** | 362,027 |
| COVID-19 relief funding *(Note 13)* | 303,823 | - | **303,823** | 12,625 |
| Amortization | **-** | 613 | **613** | 871 |
| **Total expenses** | **1,533,724** | **613** | **1,534,337** | 966,341 |
| **Excess (deficiency) of revenue over expenses** | **25,519** | **(613)** | **24,906** | (10,740) |

*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, 2024*

| | *Unrestricted Fund* | *Invested in Capital Assets* | *Internally restricted* | ***2024*** | *2023* |
|---|---|---|---|---|---|
| **Net assets, beginning of year** | 434,796 | 2,078 | 312,000 | **748,874** | 759,614 |
| **Excess (deficiency) of revenue over expenses** | 25,519 | (613) | - | **24,906** | (10,740) |
| **Interfund transfer** | (83,000) | - | 83,000 | - | - |
| **Net assets, end of year** | **377,315** | **1,465** | **395,000** | **773,780** | 748,874 |

*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, 2024*

| | ***2024*** | *2023* |
|---|---|---|
| **Cash provided by the following activities** | | |
| **Operating** | | |
| Excess of revenue over expenses | **24,906** | (10,740) |
| Amortization | **613** | 871 |
| | **25,519** | (9,869) |
| Changes in working capital accounts | | |
| Accounts receivable | **(85,343)** | (2,390) |
| Pledges receivable | **-** | 55,052 |
| Prepaid expenses | **(15,533)** | (612) |
| Accounts payable and accruals | **106,747** | 7,342 |
| Deferred revenue | **(17,421)** | 269,066 |
| | **13,969** | 318,589 |
| **Investing** | | |
| Increase in term deposits | **(6,120)** | (100,000) |
| **Increase in cash resources** | **7,849** | 218,589 |
| **Cash resources, beginning of year** | **899,561** | 680,972 |
| **Cash resources, end of year** | **907,410** | 899,561 |

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

## 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 utilized or 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.

**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.

**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. Change in accounting policies**

Effective April 1, 2022, the Organization adopted the amendments to Section 3400 Revenue pertaining to revenue reported on a gross basis. The amendments contain explicit guidance on determining whether the Organization should recognize revenue on a gross or net basis. The retrospective application of the change in accounting policy did not have a material impact on the results of operations and financial condition of the Organization.

**4. Term deposits**

Term deposits consist of Guaranteed Investment Certificates with interest rates ranging from 2.25% to 5.71% (2023 - 0.15% to 1.50%), maturing between May 2024 and December 2024 (2023 - May 2023 and July 2023).

**5. Capital assets**

| | ***Cost*** | ***Accumulated amortization*** | ***2024 Net book value*** | *2023 Net book value* |
|---|---|---|---|---|
| Computer equipment | **7,545** | **6,246** | **1,299** | 1,855 |
| Equipment | **3,529** | **3,438** | **91** | 113 |
| Furniture and fixtures | **1,171** | **1,094** | **77** | 110 |
| | **12,245** | **10,778** | **1,467** | 2,078 |

**6. Deferred revenue**

Deferred revenue is comprised of the following:

| | ***2024*** | *2023* |
|---|---|---|
| SDG Counties - Last Resort (House of Lazarus) | **130,000** | - |
| Community Services Recovery Fund | **43,027** | 31,835 |
| Scotiabank Corporate and Enbridge donation | **24,300** | - |
| Stepping Stone | **24,717** | - |
| Website Project | **20,000** | - |
| LEAP | **20,278** | - |
| Youth Grants - RBC Foundation | **13,500** | - |
| City of Cornwall - Last Resort Funds | **-** | 256,000 |
| Tampon Tuesday | **3,259** | 3,003 |
| Employee Donations | **1,189** | - |
| Community Development | **-** | 5,953 |
| Wine event - Auction revenue | **-** | 900 |
| Balance, end of year | **280,270** | 297,691 |

## 7. Restrictions on net assets

***Internally restricted net assets***

During the year, the Organization's board of directors internally restricted $395,000 (2023 – $312,000) 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.

## 8. Campaign revenues

The following schedule provides a reconciliation between campaign results and the gross campaign revenue reported.

| | ***2024*** | *2023* |
|---|---|---|
| Annual campaign achievement | **585,759** | 623,028 |
| Less: | | |
| Special gifts restricted to specific programs | **(18,845)** | (17,941) |
| Special events contributions | **(7,640)** | (12,542) |
| Campaign revenues recognized in fiscal year | **559,274** | 592,545 |

## 9. General administration expenditures

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

| | ***2024*** | *2023* |
|---|---|---|
| | ***%*** | *%* |
| Community Impact Distributions and Services | **20** | - |
| Fundraising | **45** | 42 |
| Programs | **35** | 58 |
| | **100** | 100 |

## 10. Agency allocations

For the next fiscal year, the Organization is planning to distribute $395,000 (2023 - $312,000) from the annual campaign achievement to its member agencies.

## 11. 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 $8,016 (2023 - $14,159).

## 12. 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.

## 13. COVID-19 relief funding

| | ***2024*** | *2023* |
|---|---|---|
| **REVENUES** | | |
| Community Services Recovery Fund | **283,311** | **-** |
| Received from other sources | **20,512** | 12,625 |
| | **303,823** | 12,625 |
| **EXPENSES** | | |
| Community Services Recovery Fund | **283,311** | 11,750 |
| Administration | **20,512** | **-** |
| Other | **-** | 875 |
| | **303,823** | 12,625 |

## 14. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

# United Way of Stormont, Dundas & Glengarry
## Schedule 1 - Schedule of Fundraising and Community Impact Initiatives
*For the year ended March 31, 2024*

| | ***2024*** | *2023* |
|---|---|---|
| Advertising | **13,947** | 15,995 |
| Fundraising costs | **101,567** | 108,278 |
| Printing material | **4,661** | 3,115 |
| Professional development and training | **1,574** | 1,167 |
| General administration expenditures *(Schedule 3)* | **190,221** | 107,163 |
| | **311,970** | 235,718 |

# United Way of Stormont, Dundas & Glengarry
## Schedule 2 - Distributions to Agencies and Programs
*For the year ended March 31, 2024*

| | ***2024*** | *2023* |
|---|---|---|
| **Distributions to agencies** | | |
| Agape Centre (Diversity Cornwall) | **22,000** | 16,000 |
| Anglican Diocese of Ottawa - Centre 105 | **-** | 28,000 |
| Big Brothers and Big Sisters of Cornwall and District | **30,750** | 26,000 |
| Boys and Girls Club of Cornwall and District | **55,000** | 60,000 |
| Canadian Mental Health Association | **30,000** | 30,000 |
| Centre Charles Emile Claude | **10,000** | 20,000 |
| Community Navigation of Eastern Ontario - 211 | **11,250** | 10,750 |
| Cornwall Meals on Wheels | **11,000** | 20,000 |
| Equipe Psycho-Sociale | **10,000** | 14,000 |
| House of Lazarus | **45,000** | **-** |
| Inspire Community Support Services | **44,000** | 61,600 |
| Ontario March of Dimes | **8,000** | 10,000 |
| Sexual Assault & Support Services | **30,000** | 32,750 |
| The Hub for Beyond 21 Foundation | **2,000** | 6,000 |
| Tri-County Literacy Council | **20,000** | 20,000 |
| | **329,000** | 355,100 |
| **Distributions to programs** | | |
| General administration expenditures *(Schedule 3)* | **102,426** | 147,986 |
| Last Resort | **417,327** | 143,475 |
| Other programs | **21,243** | 27,913 |
| Salaries | **29,090** | 24,712 |
| Winter Warmth | **18,845** | 17,941 |
| | **588,931** | 362,027 |

# United Way of Stormont, Dundas & Glengarry
## Schedule 3 - Schedule of Administrative Expenses
*For the year ended March 31, 2024*

| | ***2024*** | *2023* |
|---|---|---|
| **Administration** | | |
| Conference, training and sundry | **5,051** | 2,349 |
| Insurance | **4,487** | 8,060 |
| Memberships | **8,016** | 14,159 |
| Office | **25,937** | 22,333 |
| Professional fees | **42,049** | 20,311 |
| Salaries and benefits | **179,944** | 162,193 |
| Telephone and communications | **3,567** | 3,158 |
| | **269,051** | 232,563 |
| **Building** | | |
| Rent | **22,430** | 20,986 |
| Repairs and maintenance | **1,166** | 1,600 |
| | **23,596** | 22,586 |
| **Total general administration expenditures** | **292,647** | 255,149 |
| **Allocation to fundraising and community impact distrubutions and services** | **(190,221)** | (107,163) |
| **Allocation to distributions to programs** | **(102,426)** | (147,986) |
| | **-** | - |