

Treasurer's Report

Our year ending March 31, 2021, was one of never-ending change. United Way Simcoe Muskoka (UWSM) was constantly put to the test with changes in funding, new government programs, and pandemic-related restrictions that created an urgency for adaptation. After having gone through our accounting system conversion last year, we were well prepared with current and up-to-date financial information.

The audit of the 2021 fiscal year is now complete with our auditors, Grant Thornton LLP, issuing a clean audit opinion. During the year, our CFO, Isaac Osiel, continued to work tirelessly implementing new accounting strategies and internal controls with the goal of facilitating a much smoother audit process than ever before. We were very pleased to hear from Grant Thornton LLP that Isaac and his finance team accomplished that goal, and the audit was completed on time.

"OUR TOTAL DONOR DOLLARS FROM CAMPAIGN GIFTS AND PLEDGES WERE DOWN, AND THIS WAS COMMON ACROSS MOST OF THE NOT-FOR-PROFIT SECTOR DURING THE LAST 18 MONTHS."

Excerpts from our audited financial statements are shown following this report and include our Statement of Operations and Statement of Financial Position as of March 31, 2021. Beginning with revenues, we saw donations and special events revenues decrease \$220,000 (24%). Due to the pandemic, we were unable to host, nor be the participant in, any special events. Our total donor dollars from campaign gifts and pledges were down, and this was common across most of the not-for-profit sector during the last 18 months.

While our dividend and interest revenues were also down, the markets had fortunately rebounded by March 2021 and we saw an increase in unrealized gains within our investment accounts which contributed to our overall investment revenue increase of over \$200,000.

Administrative fees are earned by UWSM when we administer grant funding to support various government programs. With the Low-income Energy Assistance Program (LEAP) on hold for many months of the year, we were fortunate to see many government programs expand funding while also becoming the administrator for the Emergency Community Support Fund. Although our LEAP fees were down \$307,000 (46%) we earned upwards of \$860,000 by

Treasurer's Report

administering these new and expanded government programs. The highlight of these fees is that it also means our UWSM team processed more than \$10.5 million dollars of support into our communities during the pandemic – an increase of \$4.9 million over our last fiscal year.

In response to the COVID-19 pandemic, the Government of Canada committed to provide various forms of relief. UWSM was eligible for the Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Business Account (CEBA). CEWS provided us with total subsidies of \$462,000 while the CEBA provided another \$10,000. These two forms of government assistance helped us immensely in keeping our staff employed throughout the past year.

"...OUR UWSM TEAM PROCESSED MORE THAN \$10.5 MILLION DOLLARS OF SUPPORT INTO OUR COMMUNITIES DURING THE PANDEMIC – AN INCREASE OF \$4.9 MILLION OVER OUR LAST FISCAL YEAR."

Our direct expenses were down overall which was largely due to our call centre being closed while LEAP was on hold. The contrasting increase was the direct expense of the funds starting to flow out to our Collaborative Projects that have started. Indirect expenses were also down approximately 10%, mostly as a result of salaries and employee benefits as we had a lower administrative headcount during the year.

Overall, our excess of revenues over expenditures for the year was up approximately \$1 million dollars. In summary, this was a result of \$860,000 of pandemic-related program administrative fees, \$472,000 of government assistance, and a contrasting decrease in campaign revenue of \$260,000. I'd like to personally thank the hard-working and dedicated UWSM staff and volunteers who persevered through the most challenging year. A special thank you to Isaac, Kerry, and Katie who have improved our financial processes and reporting to provide timely and accurate information to management and the Board.

Michael P. Blackburn, CPA, CA
Treasurer
United Way Simcoe Muskoka

Statement of Operations* Year ending 31Mar21

REVENUES

Donations and special events revenue
Funds transferred from other United Way Centraides

Campaign revenue

Less: Uncollectable pledges

Net campaign revenue

Investment income
Administrative fees
Government assistance

Direct expenses

Resource development
Community impact
Social enterprise

Indirect expenses

Salaries and employee benefits
General and administrative
Amortization

Excess (deficiency) of revenues over expenditures for the year

| | 2021 | 2020 |
|--|------------------|------------------|
| | 939,045 | 1,237,766 |
| | 427,184 | 388,889 |
| | 1,366,589 | 1,626,655 |
| | (65,844) | (64,067) |
| | 1,300,745 | 1,562,588 |
| | 210,341 | 8,912 |
| | 1,469,786 | 1,022,945 |
| | 472,112 | - |
| | 3,452,984 | 2,594,445 |
| | 604,505 | 477,864 |
| | 510,428 | 511,306 |
| | 361,857 | 550,881 |
| | 1,476,790 | 1,540,051 |
| | 370,584 | 467,181 |
| | 346,226 | 327,928 |
| | 22,476 | 26,213 |
| | 739,286 | 821,322 |
| | 1,236,908 | 233,072 |

Statement of Financial Position* Year ending 31Mar21

ASSETS

Current

Cash
Restricted cash
Short term investments
Pledges receivable
Accounts and grants receivable
Prepaid expenses

Total current assets

Capital assets (net)
Long-term investments

Total assets

LIABILITIES AND NET ASSETS

Current

Accounts payable and accrued charges
Accounts payable - Donor's choice
Deferred grant and other revenue - short term
Allocations payable to member agencies
CEBA loan payable

Total current liabilities

NET ASSETS

Unrestricted net assets
Net assets invested in capital assets
Collaborative Reserve Fund
Transformation Reserve Fund
Strategic Reserve Fund
Forever Reserve Fund

| | 2021 | 2020 |
|--|------------------|------------------|
| | 2,110,678 | 646,137 |
| | 2,314,741 | 881,884 |
| | 330,524 | 209,680 |
| | 275,322 | 485,523 |
| | 64,870 | 37,295 |
| | 20,826 | 47,588 |
| | 5,116,961 | 2,308,107 |
| | 69,317 | 91,793 |
| | 455,631 | 383,222 |
| | 5,641,909 | 2,783,122 |
| | 210,011 | 223,373 |
| | 198,043 | 214,029 |
| | 2,587,438 | 1,095,484 |
| | 712,680 | 583,407 |
| | 30,000 | - |
| | 2,116,293 | 2,116,293 |
| | 1,551,866 | 292,482 |
| | 69,317 | 91,793 |
| | 75,000 | 75,000 |
| | 100,000 | 100,000 |
| | 104,180 | 104,180 |
| | 3,374 | 3,374 |
| | 1,903,737 | 666,829 |
| | 5,641,909 | 2,783,122 |

* Please note: Financial Statements are audited by Grant Thornton LLP and remain in draft form until approved by United Way Simcoe Muskoka members at the Annual Meeting September 21, 2021. Full financials with notes and schedules may be made available to the public after that time.