

Financial Statements

United Way Simcoe Muskoka

March 31, 2024

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# Independent Auditor's Report

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To the Board of Directors of United Way Simcoe Muskoka

## Qualified Opinion

We have audited the financial statements of United Way Simcoe Muskoka (“the Organization”), which comprise the statement of financial position as at March 31, 2024, and 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 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 March 31, 2024, and its results of 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 not-for-profit organizations, the Organization derives revenue from 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 event revenue, excess of revenues over expenditures 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 audit opinion on the financial statements for the year ended March 31, 2023 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Emphasis of Matter – Restated Comparative Information

We draw attention to Note 3 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2023 has been restated. Our opinion is not modified in respect of this matter.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Barrie, Canada  
June 27, 2024

  
Chartered Professional Accountants  
Licensed Public Accountants

# United Way Simcoe Muskoka Statement of Financial Position

As at March 31

|   | 2024             | 2023<br>Restated<br>(Note 3) |
|---|------------------|------------------------------|
|   | \$               | \$                           |
| <b>Assets</b>   |                  |                              |
| <b>Current</b>  |                  |                              |
| Cash  | 1,190,207        | 2,042,509                    |
| Restricted cash [note 4]                              | 940,604          | 1,412,776                    |
| Short term investments [note 5]                       | 1,149,432        | 1,084,242                    |
| Pledges receivable [note 6]                           | 554,332          | 481,865                      |
| Accounts and general receivable [note 7]              | 246,120          | 104,494                      |
| Prepaid expenses                                      | 62,948           | 25,123                       |
| <b>Total current assets</b>                           | <b>4,143,643</b> | <b>5,151,009</b>             |
| Capital assets [note 8]                               | 46,166           | 58,640                       |
| Long term investments [note 5]                        | 939,380          | 879,433                      |
| <b>Total assets</b>                                   | <b>5,129,189</b> | <b>6,089,082</b>             |
| <b>Liabilities and net assets</b>                     |                  |                              |
| <b>Current</b>  |                  |                              |
| Accounts payable and accrued liabilities              | 225,445          | 183,704                      |
| Accounts payable - donor's choice                     | 20,801           | 18,001                       |
| Accounts payable – agency and deferred revenue        | 936,870          | 2,140,379                    |
| <b>Total current liabilities</b>                      | <b>1,183,116</b> | <b>2,342,084</b>             |
| <b>Total liabilities</b>                              | <b>1,183,116</b> | <b>2,342,084</b>             |
| <b>Net assets</b>                                     |                  |                              |
| Unrestricted net assets                               | 3,617,353        | 3,405,804                    |
| Net assets invested in capital assets                 | 46,166           | 58,640                       |
| Net assets restricted for forever reserve fund        | 3,374            | 3,374                        |
| Net assets restricted for collaborative reserve fund  | 75,000           | 75,000                       |
| Net assets restricted for transformation reserve fund | 100,000          | 100,000                      |
| Net assets restricted for strategic reserve fund      | 104,180          | 104,180                      |
|   | <b>3,946,073</b> | <b>3,746,998</b>             |
|   | <b>5,129,189</b> | <b>6,089,082</b>             |

See Commitments [note 9]

On behalf of the Board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

# United Way Simcoe Muskoka Statement of Changes in Net Assets

Year ended March 31

|  |                            |                               |                         |                               |                                |                           | 2024             | 2023<br>Restated<br>(Note 3) |
|--|----------------------------|-------------------------------|-------------------------|-------------------------------|--------------------------------|---------------------------|------------------|------------------------------|
|  | Unrestricted<br>net assets | Invested in<br>capital assets | Forever<br>Reserve Fund | Collaborative<br>Reserve Fund | Transformation<br>Reserve Fund | Strategic<br>Reserve Fund | Total            | Total                        |
|  | \$                         | \$                            | \$                      | \$                            | \$                             | \$                        | \$               | \$                           |
| <b>Balance, beginning of year as previously stated</b> | 3,405,804                  | 58,640                        | 3,374                   | 75,000                        | 100,000                        | 104,180                   | <b>3,746,998</b> | 2,516,671                    |
| Prior period adjustment                                | -                          | -                             | -                       | -                             | -                              | -                         | <b>199,075</b>   | 544,075                      |
| Balance, beginning of year                             | -                          | -                             | -                       | -                             | -                              | -                         | -                | 3,060,746                    |
| Excess of revenues over expenditures for the year      | 199,075                    | -                             | -                       | -                             | -                              | -                         | <b>199,075</b>   | 686,252                      |
| Amortization   | 12,474                     | (12,474)                      | -                       | -                             | -                              | -                         | -                | -                            |
| Net investment in capital assets                       | -                          | -                             | -                       | -                             | -                              | -                         | -                | -                            |
| <b>Balance, end of year</b>                            | <b>3,617,353</b>           | <b>46,166</b>                 | <b>3,374</b>            | <b>75,000</b>                 | <b>100,000</b>                 | <b>104,180</b>            | <b>3,946,073</b> | <b>3,746,998</b>             |

See accompanying notes to the financial statements.

# United Way Simcoe Muskoka Statement of Operations

| Year ended March 31   | 2024             | 2023                 |
|---|------------------|----------------------|
|   |                  | Restated<br>(Note 3) |
|   | \$               | \$                   |
| <b>Revenues</b>   |                  |                      |
| Donations and special events revenue <i>[schedule 1]</i>                | <b>753,080</b>   | 750,940              |
| Funds transferred from other United Way Centraide's <i>[schedule 1]</i> | <b>495,857</b>   | 554,778              |
| Campaign revenue  | <b>1,248,937</b> | 1,305,718            |
| Investment income   | <b>256,671</b>   | 39,668               |
| Administrative fees <i>[schedule 3]</i>                                 | <b>1,987,752</b> | 2,453,658            |
|   | <b>3,493,360</b> | 3,799,044            |
| <b>Direct Expenditures <i>[schedule 2]</i></b>                          |                  |                      |
| Resource development  | <b>658,671</b>   | 623,550              |
| Community impact  | <b>1,205,680</b> | 1,127,994            |
| Social enterprise   | <b>565,018</b>   | 604,637              |
|   | <b>2,429,369</b> | 2,356,181            |
| <b>Net revenue available after community investment</b>                 | <b>1,063,991</b> | 1,442,863            |
| <b>Indirect expenditures</b>  |                  |                      |
| Salaries and employee benefits  | <b>445,741</b>   | 280,357              |
| General and administrative  | <b>406,701</b>   | 461,192              |
| Amortization  | <b>12,474</b>    | 15,062               |
|   | <b>864,916</b>   | 756,611              |
| <b>Excess of revenues over expenditures for the year</b>                | <b>199,075</b>   | 686,252              |

See accompanying notes to the financial statements.

# United Way Simcoe Muskoka Statement of Cash Flows

| Year ended March 31                             | 2024               | 2023                       |
|---|--------------------|----------------------------|
|   | \$                 | Restated<br>(Note 3)<br>\$ |
| <b>Operating activities</b>                     |                    |                            |
| Excess of revenues over expenditures            | 199,075            | 686,252                    |
| Items not affecting cash:                       |                    |                            |
| Amortization                                    | 12,474             | 15,062                     |
| Unrealized gain on marketable securities        | (76,144)           | (9,174)                    |
| Net change in non-cash working capital balances |                    |                            |
| Pledges receivable                              | (72,467)           | 8,131                      |
| Accounts and general receivable                 | (141,626)          | (58,118)                   |
| Prepaid expenses                                | (37,825)           | (13,916)                   |
| Accounts payable and accrued liabilities        | 41,741             | (130,293)                  |
| Accounts payable – donor’s choice               | 2,800              | (152,357)                  |
| Accounts payable – agency and deferred revenue  | (1,203,509)        | (3,394,079)                |
|   | (1,410,886)        | (3,740,631)                |
| <b>Cash used in operating activities</b>        | <b>(1,275,481)</b> | <b>(3,048,491)</b>         |
| <b>Investing activities</b>                     |                    |                            |
| Purchase of investments                         | (48,993)           | (1,043,661)                |
| <b>Cash used in investing activities</b>        | <b>(48,993)</b>    | <b>(1,043,661)</b>         |
| <b>Net decrease in cash</b>                     | <b>(1,324,474)</b> | <b>(4,092,152)</b>         |
| Cash, beginning of year                         | 3,455,285          | 7,547,437                  |
| <b>Cash, end of year</b>                        | <b>2,130,811</b>   | <b>3,455,285</b>           |
| <b>Comprised of</b>                             |                    |                            |
| Cash  | 1,190,207          | 2,042,509                  |
| Restricted cash                                 | 940,604            | 1,412,776                  |
|   | <b>2,130,811</b>   | <b>3,455,285</b>           |

See accompanying notes to the financial statements.



# **United Way Simcoe Muskoka**

## **Notes to the Financial Statements**

March 31, 2024

### **1. OPERATIONS**

United Way Simcoe Muskoka ("United Way") is a non-profit organization incorporated without share capital under the laws of Ontario. Its principal activities include the fund raising for and allocation to non-profit organizations.

United Way is a registered charitable foundation and as such, is exempt from income tax and may issue income tax receipts to donors.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

The financial statements of United Way have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO), consistently applied. The following is a summary of the more significant accounting policies:

#### **Use of estimates**

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The areas most subject to management estimate are in developing the allowance for pledges receivable and the allocation of general and administrative expenditures.

#### **Short term investments**

Short term investments include cash, term deposits, and guaranteed investment certificates due within one year and are recorded at fair market value.

#### **Long term investments**

Long term investments consist of money market funds, corporate bonds, equities and mutual funds and are recorded at fair market value. These investments are intended to be held for the long-term and not for short-term trading purposes.

#### **Net assets**

The unrestricted net assets are available for general purposes and reflects the transactions associated with the operating activities of United Way.

# United Way Simcoe Muskoka

## Notes to the Financial Statements

March 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Net assets (cont'd)

The Forever Reserve Fund is an endowment fund set up to support community investments or specific operational requirements. Endowment funds are to be held in perpetuity, any investment income generated may be used for operational requirements.

The Collaborative Reserve Fund is an internally restricted fund set up to support special initiative community impact partnerships or projects.

The Transformation Reserve Fund is an internally restricted fund, set up to support costs associated with realigning United Way operations, to meet strategic business activities.

The Strategic Reserve Fund is an internally restricted fund, set up to provide financial flexibility for the growth mandate, unplanned outcomes, capital expenditures or strategic opportunities that may emerge in the future.

The Invested in Capital Assets is an internally restricted fund, set up to support future capital expenditures that may emerge in the future.

#### Fund transfers

The Board approves fund transfers to the internally restricted reserve funds for the specific purposes as described above. The internally restricted reserve fund net assets are not available for other purposes without the approval of the Board.

#### Pension plan

United Way maintains a defined contribution plan available to some of its permanent full-time personnel. The expenditure for the plan is equal to United Way's required contribution for the year.

#### Capital assets

Capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair market value at the date of acquisition or in rare instances at a nominal amount when the fair market value of contributed capital assets cannot be determined. Capital assets are amortized over their estimated useful lives on a declining balance basis, with the exception of leasehold improvements which are amortized straight line. Amortization rates are as follows:

|                        |                               |
|------------------------|-------------------------------|
| Computer equipment     | 30% diminishing balance basis |
| Computer software      | 20% diminishing balance basis |
| Office equipment       | 20% diminishing balance basis |
| Leasehold improvements | 5 year straight-line          |

#### Revenue recognition

United Way follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

# United Way Simcoe Muskoka

## Notes to the Financial Statements

March 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Revenue recognition (Cont'd)

Provisions are estimated and recorded to account for known or unknown pledge losses on amounts which have previously been reported as revenue. Where amounts that have previously been included in the provision for pledge losses are subsequently collected, these amounts are recognized as revenue in the year collected.

Administrative fees are charged to facilitate and administer certain grant programs, as appropriate. The nature and amount of these fees are outlined in the individual grant agreements, and the fees are recorded on a periodic basis, as they are earned.

Pledges are recorded as revenue when collection is reasonably assured. Receivables are subsequently adjusted to net realizable value.

Investment income includes interest, dividends, fund distributions, and both realized and unrealized gains and losses on the sale of investments. Investment income is recognized as revenue, as it is earned.

#### Contributed goods and services

The work of United Way is dependent on the voluntary service of many members and volunteers. Since these services are not normally purchased by United Way and because of the difficulty of estimating their fair value, the cost of these services are not recognized in these financial statements. Certain donations of assets, or billable services, are recognized as donations-in-kind in these financial statements, however, the cost of these are recorded only in those cases where fair market value can be established. When fair value cannot be estimated the cost recognized is \$nil.

#### Allocation of general and administrative expenditures

United Way uses a number of methods to allocate its costs across the various functional areas, or departmental responsibility centres within the United Way.

Where possible and practical, certain expenditures are allocated at the time of recording those expenditures, using formulas that best reflect the most accurate allocation methodologies, based on the nature of the expenditure. These include allocations based on time, space, personnel, or job function, and are considered to be either direct costs attributable to each major departmental area including Corporate, Resource Development, Community Impact, Finance and the Call Centre.

General and administrative costs not allocated using other means, are allocated to the functional areas based on management's estimates.

#### Financial instruments

United Way considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. United Way accounts for the following as financial instruments:

- Cash
- Investments

# United Way Simcoe Muskoka

## Notes to the Financial Statements

March 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Financial instruments (Cont'd)

- Accounts receivable
- Accounts payable

A financial asset or liability is recognized when United Way becomes party to contractual provisions of the instrument.

United Way initially measures its financial assets and financial liabilities at fair value.

At each reporting date, United Way subsequently measures its financial assets and financial liabilities at amortized cost, except for investments quoted in an active market which are subsequently measured at fair value.

United Way removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess of revenue over expenditures.

### 3. PRIOR PERIOD ADJUSTMENT

During the year, United Way determined that the Organization had inappropriately recognized liabilities related to future commitments prior to the time in which these commitments met the definition of a liability.

The impact of the restatement for the year ending March 31, 2023 financial statements is as follows:

|  | <u>Previously Reported</u> | <u>Adjustments</u> | <u>Restated</u> |
|--|----------------------------|--------------------|-----------------|
| <u>Statement of Operations</u>                   |                            |                    |                 |
| Direct Expenditures- Community impact            | 923,379                    | 204,615            | 1,127,994       |
| Net revenue available after community investment | 1,647,478                  | (204,615)          | 1,442,863       |
| Excess of revenue over expenditures              | 890,867                    | (204,615)          | 686,252         |
|  |                            |                    |                 |
| <u>Statement of Financial Position</u>           |                            |                    |                 |
| Allocations payable to member agencies           | 339,460                    | (339,460)          | -               |
| Unrestricted net assets                          | 3,066,344                  | 339,460            | 3,405,804       |

# United Way Simcoe Muskoka

## Notes to the Financial Statements

March 31, 2024

|   |             |           |             |
|---|-------------|-----------|-------------|
| <u>Statement of Cash Flow</u>                   |             |           |             |
| Excess of revenue over expenditures             | 890,867     | (204,615) | 686,252     |
| Allocations payable to member agencies          | (204,614)   | 204,615   | -           |
| Net change in non-cash working capital balances | (3,945,246) | 204,615   | (3,740,631) |
| <u>Statement of Changes in Net Assets</u>       |             |           |             |
| Beginning total fund balance                    | 2,516,671   | 544,075   | 3,060,746   |
| Excess of revenue over expenditures             | 890,867     | (204,615) | 686,252     |
| Ending total fund balance                       | 3,407,538   | 339,460   | 3,746,998   |

#### 4. EXTERNALLY RESTRICTED FUNDS

Certain cash balances are not available for general use, and are classified as restricted, as these funds are received from various funders, to be allocated as grants under the LEAP program, reaching homes, and CSRF. As at March 31, 2024, these restricted funds totaled \$940,604 (2023 - \$1,412,776).

# United Way Simcoe Muskoka

## Notes to the Financial Statements

March 31, 2024

### 5. INVESTMENTS AND FACILITIES

|  | 2024             |                     | 2023             |                     |
|--|------------------|---------------------|------------------|---------------------|
| <b>Short Term Investments</b>  | <b>Cost</b>      | <b>Market Value</b> | <b>Cost</b>      | <b>Market Value</b> |
|  | \$               | \$                  | \$               | \$                  |
| Cash   | 54,495           | 54,495              | 38,299           | 38,299              |
| Guaranteed investment certificate – interest at 3.00%, maturing May 2024 | 1,048,994        | 1,048,994           | 1,000,000        | 1,000,000           |
| Term deposit – interest at 3%, maturing May 2024                         | 45,943           | 45,943              | 45,943           | 45,943              |
|  | <b>1,149,432</b> | <b>1,149,432</b>    | <b>1,084,242</b> | <b>1,084,242</b>    |
| <b>Long Term Investments</b>   |                  |                     |                  |                     |
| Corporate bonds  | 99,247           | 96,926              | 99,248           | 95,768              |
| Equities   | 213,036          | 286,300             | 193,354          | 271,720             |
| Mutual funds   | 333,737          | 374,109             | 320,412          | 337,051             |
| Foreign securities   | 28,814           | 182,045             | 28,814           | 174,894             |
|  | <b>674,834</b>   | <b>939,380</b>      | <b>1,942,360</b> | <b>879,433</b>      |

The GIC's are pledged as security against a revolving demand facility line of credit with RBC with a limit of \$80,000 available to them. As at year-end, the line of credit balance was \$Nil (2023 - \$Nil).

### 6. PLEDGES RECEIVABLE

|  | 2024           | 2023           |
|--|----------------|----------------|
|  | \$             | \$             |
| Prior years' campaigns - pledges receivable  | 543,043        | 477,043        |
| Current year's campaign - pledges receivable | 375,502        | 270,951        |
| Allowance for pledge defaults                | (364,213)      | (266,129)      |
|  | <b>554,332</b> | <b>481,865</b> |

### 7. ACCOUNTS AND GENERAL RECEIVABLES

|                             | 2024           | 2023           |
|-----------------------------|----------------|----------------|
|                             | \$             | \$             |
| General accounts receivable | 120,523        | 20,473         |
| HST/GST recoverable         | 125,597        | 84,021         |
|                             | <b>246,120</b> | <b>104,494</b> |

# United Way Simcoe Muskoka

## Notes to the Financial Statements

March 31, 2024

### 8. CAPITAL ASSETS

|                        |                |                          | 2024           | 2023           |
|------------------------|----------------|--------------------------|----------------|----------------|
|                        | Cost           | Accumulated amortization | Net book value | Net book value |
|                        | \$             | \$                       | \$             | \$             |
| Computer equipment     | 186,283        | 175,372                  | <b>10,911</b>  | 15,588         |
| Computer software      | 106,273        | 86,554                   | <b>19,719</b>  | 24,649         |
| Office equipment       | 56,159         | 44,687                   | <b>11,472</b>  | 14,340         |
| Leasehold improvements | 84,270         | 80,206                   | <b>4,064</b>   | 4,063          |
|                        | <b>432,985</b> | <b>386,819</b>           | <b>46,166</b>  | <b>58,640</b>  |

### 9. COMMITMENTS

United Way committed funding to specific agencies and organizations for the upcoming year totaling \$647,362 (2023 - \$339,460). Funding issued during the year are included in Community Impact expense. These agency payments are to be funded by pledges made during the current year fundraising campaign. The maximum commitment for the next 3 years are as follows:

|      |                     |
|------|---------------------|
| 2025 | 647,362             |
| 2026 | 694,066             |
| 2027 | <u>576,521</u>      |
|      | <b>\$ 1,918,219</b> |

In addition, United Way has a lease agreement for the rental of facilities in the Township of Springwater. The minimum payments under this lease are \$41,392 annually until the expiration of the agreement on Feb 28, 2025.

### 10. EMPLOYEE FUTURE BENEFITS

During the year, United Way recorded contributions of \$37,474 (2023 - \$31,568) with respect to their defined contribution retirement plan included in salaries and employee benefits.

# United Way Simcoe Muskoka

## Notes to the Financial Statements

March 31, 2024

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### 11. DONOR'S CHOICE

United Way collects donations on behalf of registered charities at the specific request of the donor, and in certain cases, and upon payment of the designated amounts, United Way is entitled to an administration fee in respect of collecting and disbursing of the designated funds. The donations received (net of the fee) are included in accounts payable – Donor's choice. The fee earned is recognized as revenue when the funds are disbursed.

### 12. FINANCIAL INSTRUMENTS

United Way is exposed to various risks through its financial instruments. The following analysis provides a measure of United Way's risk exposures and concentrations at March 31, 2024.

#### (a) 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. United Way's main credit risks relate to its pledges, accounts and grants receivable.

#### (b) Liquidity risk

Liquidity risk is the risk that United Way will encounter difficulty in meeting the obligations associated with its financial liabilities. United Way is exposed to this risk mainly in respect of its allocations payable to member agencies, accounts payable - Donor's choice and accounts payable and accrued liabilities.

#### (c) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. United Way is mainly exposed to other price risk on the market prices of the investments in marketable securities and fund investments.

### 13. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform to the current year's financial statement presentation.



**United Way Simcoe Muskoka**  
**Schedule of Gross Campaign Achievement**

**Schedule 1**

Year ended March 31

**2024**

**2023**

|   | \$               | \$        |
|---|------------------|-----------|
| <b>Revenue</b>                                      |                  |           |
| Campaign gifts                                      | <b>441,402</b>   | 513,579   |
| Campaign pledges                                    | <b>197,512</b>   | 127,038   |
| Warden's Gala Dinner                                | <b>48,387</b>    | 83,435    |
| Major gifts and partnerships for special events     | <b>65,779</b>    | 26,888    |
| <b>Donations and fundraising</b>                    | <b>753,080</b>   | 750,940   |
| <b>Other</b>  |                  |           |
| Funds transferred from other United Way Centraide's | <b>495,857</b>   | 554,778   |
| <b>Gross campaign achievement</b>                   | <b>1,248,973</b> | 1,305,718 |

**United Way Simcoe Muskoka**  
**Schedule of Expenditures**

**Schedule 2**

Year ended March 31

| <b>Expenditure Allocations</b> |                             |                         |                          |                              |
|--------------------------------|-----------------------------|-------------------------|--------------------------|------------------------------|
| <b>Direct Expenditures</b>     | <b>Resource Development</b> | <b>Community Impact</b> | <b>Social Enterprise</b> | <b>2024 Total</b>            |
|                                | \$                          | \$                      | \$                       | \$                           |
| Salaries and benefits          | 449,440                     | 254,751                 | 521,702                  | 1,225,893                    |
| Program delivery               | 209,231                     | 950,929                 | 43,316                   | 1,203,476                    |
|                                | <b>658,671</b>              | <b>1,205,680</b>        | <b>565,018</b>           | <b>2,429,369</b>             |
|                                | Resource Development        | Community Impact        | Social Enterprise        | 2023 Total Restated (Note 3) |
|                                | \$                          | \$                      | \$                       | \$                           |
| Salaries and benefits          | 476,029                     | 241,205                 | 544,063                  | 1,261,297                    |
| Program delivery               | 147,521                     | 886,789                 | 60,574                   | 1,094,884                    |
|                                | 623,550                     | 1,127,994               | 604,637                  | 2,356,181                    |

**United Way Simcoe Muskoka****Schedule 3****Schedule of Administrative Fees on Grants Administered**

Year ended March 31

|  | 2024                  |                  | 2023                  |           |
|--|-----------------------|------------------|-----------------------|-----------|
|  | Grant<br>Administered | Admin fee        | Grant<br>Administered | Admin fee |
|  | \$                    | \$               | \$                    | \$        |
| Programs Administered by USWSM         | 6,831,577             | 1,024,737        | 5,516,940             | 858,699   |
| LEAP Emergency Financial<br>Assistance | 6,420,098             | 963,015          | 10,633,057            | 1,594,959 |
|  | <b>13,251,675</b>     | <b>1,987,752</b> | 16,149,997            | 2,453,658 |

United Way administers certain grant funding on behalf of grantors to support the programs detailed above. In its capacity as agent in administering these grants, United Way receives an administrative fee. The grants received and disbursed are reported on a net basis in the statement of operations.