

Financial Statements

United Way Simcoe Muskoka

March 31, 2025

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United Way Simcoe Muskoka

Statement of Financial Position

As at March 31

	2025	2024
	\$	\$
Assets		
Current		
Cash	1,675,295	1,190,207
Restricted cash <i>[note 3]</i>	1,632,214	940,604
Short term investments <i>[note 4]</i>	71,337	1,149,432
Pledges receivable <i>[note 5]</i>	500,725	554,332
Accounts and general receivable <i>[note 6]</i>	202,225	246,120
Prepaid expenses	50,778	62,948
Total current assets	4,132,574	4,143,643
Capital assets <i>[note 7]</i>	33,861	46,166
Long term investments <i>[note 4]</i>	1,071,783	939,380
Total assets	5,238,218	5,129,189
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	102,220	225,445
Accounts payable - donor's choice	20,801	20,801
Accounts payable – agency and deferred revenue	1,652,171	936,870
Total current liabilities	1,775,192	1,183,116
Total liabilities	1,775,192	1,183,116
Net assets		
Unrestricted net assets	3,146,611	3,617,353
Net assets invested in capital assets	33,861	46,166
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
	3,463,026	3,946,073
	5,238,218	5,129,189

See Commitments *[note 8]*

On behalf of the Board:

Director

Director

United Way Simcoe Muskoka

Statement of Changes in Net Assets

Year ended March 31

							2025	2024
	Unrestricted net assets	Invested in capital assets	Forever Reserve Fund	Collaborative Reserve Fund	Transformation Reserve Fund	Strategic Reserve Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	3,617,353	46,166	3,374	75,000	100,000	104,180	3,946,073	3,746,998
(Shortfall) excess of revenues over expenditures for the year	(483,047)	-	-	-	-	-	(483,047)	199,075
Amortization	12,305	(12,305)	-	-	-	-	-	-
Net investment in capital assets	-	-	-	-	-	-	-	-
Balance, end of year	3,146,611	33,861	3,374	75,000	100,000	104,180	3,463,026	3,946,073

See accompanying notes to the financial statements.

United Way Simcoe Muskoka

Statement of Operations

Year ended March 31

2025

2024

	\$	\$
Revenues		
Donations and special events revenue <i>[schedule 1]</i>	793,851	996,316
Funds transferred from other United Way Centraides <i>[schedule 1]</i>	475,789	359,621
Campaign revenue	1,269,640	1,355,937
Investment income	136,342	256,671
Administrative fees <i>[schedule 3]</i>	2,048,990	1,987,752
Less: provision for uncollectible pledges <i>[schedule 1]</i>	(217,637)	(107,000)
	3,237,335	3,493,360
Direct Expenditures <i>[schedule 2]</i>		
Resource development	870,470	658,671
Community impact	1,283,255	1,205,680
Social enterprise	588,772	565,018
	2,742,497	2,429,369
Net revenue available after community investment	494,838	1,063,991
Indirect expenditures		
Salaries and employee benefits	521,320	445,741
General and administrative	444,260	406,701
Amortization	12,305	12,474
	977,885	864,916
(Shortfall) excess of revenues over expenditures for the year	(483,047)	199,075

See accompanying notes to the financial statements.

United Way Simcoe Muskoka

Statement of Cash Flows

Year ended March 31

	2025	2024
	\$	\$
Operating activities		
(Shortfall) excess of revenues over expenditures	(483,047)	199,075
Items not affecting cash:		
Amortization	12,305	12,474
Unrealized gain on marketable securities	(103,299)	(76,144)
Net change in non-cash working capital balances		
Pledges receivable	53,607	(72,467)
Accounts and general receivable	43,895	(141,626)
Prepaid expenses	12,170	(37,825)
Accounts payable and accrued liabilities	(123,225)	41,741
Accounts payable – donor's choice	-	2,800
Accounts payable – agency and deferred revenue	715,301	(1,203,509)
	701,748	(1,410,886)
Cash used in operating activities	127,707	(1,275,481)
Investing activities		
Purchase of investments	(48,993)	(48,993)
Proceeds from investments	1,097,984	-
Cash used in investing activities	1,048,991	(48,993)
Net decrease in cash	1,176,698	(1,324,474)
Cash, beginning of year	2,130,811	3,455,285
Cash, end of year	3,307,509	2,130,811
Comprised of		
Cash	1,675,295	1,190,207
Restricted cash	1,632,214	940,604
	3,307,509	2,130,811

See accompanying notes to the financial statements.

United Way Simcoe Muskoka

Notes to the Financial Statements

March 31, 2025

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, 2025

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	Straight line over the term of the lease

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, 2025

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, 2025

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. 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, 2025, these restricted funds totaled \$1,632,214 (2024 - \$940,604).

United Way Simcoe Muskoka

Notes to the Financial Statements

March 31, 2025

4. INVESTMENTS AND FACILITIES

	2025		2024	
	Cost	Market Value	Cost	Market Value
Short Term Investments	\$	\$	\$	\$
Cash	22,959	22,959	54,495	54,495
Guaranteed investment certificate – interest at 3.00%, matured May 2024	-	-	1,048,994	1,048,994
Term deposit – interest at 3%, maturing May 2025	48,378	48,378	45,943	45,943
	71,337	71,337	1,149,432	1,149,432
Long Term Investments				
Corporate bonds	-	-	99,247	96,926
Equities	440,064	480,124	213,036	286,300
Mutual funds	500,616	526,645	333,737	374,109
Foreign securities	60,754	65,014	28,814	182,045
	1,002,434	1,071,783	674,834	939,380

The GIC's are pledged as security against a revolving demand facility line of credit with RBC with a limit of \$80,000 available. As at year-end, the line of credit balance was \$Nil (2024 - \$Nil).

5. PLEDGES RECEIVABLE

	2025	2024
	\$	\$
Prior years' campaigns - pledges receivable	411,578	543,043
Current year's campaign - pledges receivable	575,373	375,502
Allowance for pledge defaults	(486,226)	(364,213)
	500,725	554,332

6. ACCOUNTS AND GENERAL RECEIVABLES

	2025	2024
	\$	\$
General accounts receivable	149,099	120,523
HST/GST recoverable	53,126	125,597
	202,225	246,120

United Way Simcoe Muskoka

Notes to the Financial Statements

March 31, 2025

7. CAPITAL ASSETS

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computer equipment	186,283	178,645	7,638	10,911
Computer software	106,274	90,498	15,776	19,719
Office equipment	56,159	46,982	9,177	11,472
Leasehold improvements	84,270	83,000	1,270	4,064
	432,986	399,125	33,861	46,166

8. COMMITMENTS

United Way committed funding to specific agencies and organizations for the upcoming year totaling \$694,066 (2024 - \$647,632). 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 2 years are as follows:

2026	\$	694,066
2027		<u>576,521</u>
	\$	<u>1,270,587</u>

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 \$43,717 annually until the expiration of the agreement on Feb 28, 2026.

9. EMPLOYEE FUTURE BENEFITS

During the year, United Way recorded contributions of \$43,062 (2024 - \$37,474) 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, 2025

10. 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.

11. 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, 2025.

(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.

12. 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

Year ended March 31

Schedule 1

2025

2024

	\$	\$
Revenue		
Campaign gifts	441,308	576,865
Campaign pledges	132,575	304,511
Warden's Gala Dinner	39,118	48,387
Major gifts and partnerships for special events	180,850	66,553
Donations and fundraising	793,851	996,316
Other		
Funds transferred from other United Way Centraides	475,789	359,621
Gross campaign revenue	1,269,640	1,355,937
Less: provision for pledge loss	(217,637)	(107,000)
Net campaign revenue	1,052,003	1,248,937

United Way Simcoe Muskoka

Schedule of Expenditures

Schedule 2

Year ended March 31

Expenditure Allocations				
Direct Expenditures	Resource Development	Community Impact	Social Enterprise	2025 Total
	\$	\$	\$	\$
Salaries and benefits	453,111	332,542	539,749	1,325,402
Program delivery	417,359	950,713	49,023	1,417,095
	870,470	1,283,255	588,772	2,742,497
	Resource Development	Community Impact	Social Enterprise	2024 Total
	\$	\$	\$	\$
Salaries and benefits	449,440	254,751	521,702	1,225,893
Program delivery	209,231	950,929	43,316	1,203,476
	658,671	1,205,680	565,018	2,429,369

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

Year ended March 31

	2025		2024	
	Grant Administered	Admin fee	Grant Administered	Admin fee
	\$	\$	\$	\$
Programs Administered by UWSM	6,135,125	920,269	6,831,577	1,024,737
LEAP Emergency Financial Assistance	7,524,808	1,128,721	6,420,098	963,015
	13,659,933	2,048,990	13,251,675	1,987,752

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.