

UNITED WAY NIAGARA

Financial Statements
for the Year Ended March 31, 2022
and Independent Auditor's Report to the Directors

UNITED WAY NIAGARA
FINANCIAL STATEMENTS
MARCH 31, 2022

CONTENTS

| | |
|---|--------|
| Independent Auditor's Report to the Directors..... | 1 - 2 |
| Statement of Operations - Operating Fund..... | 3 |
| Statement of Fund Balance - Operating Fund..... | 4 |
| Statement of Operations - Other Funds..... | 5 |
| Statement of Financial Position..... | 6 |
| Statement of Cash Flows..... | 7 |
| Notes to the Financial Statements..... | 8 - 18 |
| Schedule of Campaign and Administration Expenses..... | 19 |



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INDEPENDENT AUDITOR'S REPORT

To the Directors of
United Way Niagara:

Qualified Opinion

We have audited the accompanying financial statements of United Way Niagara (the Organization), which comprise the statement of financial position as at March 31, 2022 and the statements of operations - operating fund, statement of fund balance - operating fund, statement of operations - other funds, and of 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 financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and the results of its operations 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ending March 31, 2022 and year ending March 30, 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 30, 2021 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 in our audit 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 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.

Durward Jones Barkwell + Company LLP

Durward Jones Barkwell & Company LLP
Licensed Public Accountants

June 27, 2022

UNITED WAY NIAGARA
STATEMENT OF OPERATIONS - OPERATING FUND
YEAR ENDED MARCH 31, 2022

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|--------------|
| REVENUE | | |
| Contributions from donors | \$ 4,460,430 | \$ 4,857,090 |
| Allowance for pledge losses | (92,000) | (94,500) |
| Adjustment of prior year pledge loss estimate | 139,514 | 81,860 |
| Funds transferred from other United Ways | 54,743 | 90,268 |
| Funds transferred to other United Ways | (7,373) | (7,238) |
| | 4,555,314 | 4,927,480 |
| Emergency Community Support Fund Grants | - | 1,804,289 |
| New Horizon Seniors Fund Grants | - | 153,039 |
| Government program grants | 157,537 | 13,069 |
| Niagara Prosperity Initiative administration revenue | 100,000 | 100,000 |
| Investment income (Note 5) | 15,540 | 215,957 |
| TOTAL REVENUE | 4,828,391 | 7,213,834 |
| COST OF FUNDRAISING | | |
| Campaign salaries and benefits | 571,480 | 423,361 |
| Direct campaign expenses - page 19 | 125,366 | 88,809 |
| Shared expenses (Note 6) | 322,343 | 276,747 |
| Niagara Prosperity Initiative administration costs | 81,451 | 90,441 |
| | 1,100,640 | 879,358 |
| NET REVENUE BEFORE COMMUNITY INVESTMENT | 3,727,751 | 6,334,476 |
| COMMUNITY INVESTMENT | | |
| Grants to community partners (Note 12) | 3,385,316 | 2,960,381 |
| Emergency Community Support Fund Grants | - | 1,642,221 |
| New Horizon Seniors Fund Grants | - | 143,573 |
| Special project grants (Note 13) | 99,153 | 110,135 |
| Amounts designated by donors to other Registered Charities | 231,889 | 271,814 |
| Other direct program services (Note 7) | 270,015 | 282,652 |
| Shared expenses (Note 6) | 149,228 | 181,181 |
| United Way of Canada affiliation | 55,903 | 49,062 |
| | 4,191,504 | 5,641,019 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE OTHER INCOME | (463,753) | 693,457 |
| OTHER INCOME (Note 8) | | |
| Canada Emergency Wage Subsidy | 240,060 | 527,427 |
| Canada Emergency Rent Subsidy | - | 6,669 |
| Canada Recovery Hiring Program | 24,802 | - |
| | 264,862 | 534,096 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | \$ (198,891) | \$ 1,227,553 |

UNITED WAY NIAGARA
 STATEMENT OF FUND BALANCE - OPERATING FUND
 YEAR ENDED MARCH 31, 2022

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|--------------|
| FUND BALANCE, BEGINNING OF YEAR | \$ 3,788,202 | \$ 2,501,624 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | (198,891) | 1,227,553 |
| | 3,589,311 | 3,729,177 |
| TRANSFER FROM FOREVER FUNDS (Note 9) | 65,000 | 66,000 |
| TRANSFER TO CAPITAL FUND | (16,015) | (6,975) |
| FUND BALANCE, END OF YEAR | \$ 3,638,296 | \$ 3,788,202 |
| FUND BALANCE CONSISTS OF THE FOLLOWING: | | |
| Unrestricted | \$ 2,529,790 | \$ 2,738,202 |
| Internally restricted special reserve | 108,506 | 150,000 |
| Internally restricted contingency reserve | 1,000,000 | 900,000 |
| | \$ 3,638,296 | \$ 3,788,202 |

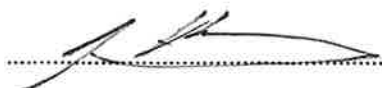
UNITED WAY NIAGARA
STATEMENT OF OPERATIONS - OTHER FUNDS
YEAR ENDED MARCH 31, 2022

| | Capital Fund | Forever Funds Externally Restricted | Forever Funds Internally Restricted | Total 2022 | Total 2021 |
|---|-----------------|--|--|---------------|---------------|
| | | | (Note 9) | | |
| REVENUE | | | | | |
| Bequests and other gifts | \$ - | \$ 427,384 | \$ 229,674 | \$ 657,058 | \$ 70,198 |
| Investment income (Note 5) | - | 1,034 | 68,657 | 69,691 | 222,935 |
| | - | 428,418 | 298,331 | 726,749 | 293,133 |
| EXPENDITURES | | | | | |
| Depreciation | 10,584 | - | - | 10,584 | 7,466 |
| Community investment | - | 4,700 | 40,368 | 45,068 | 16,372 |
| Investment management fees | - | 1,649 | 16,766 | 18,415 | 16,416 |
| | 10,584 | 6,349 | 57,134 | 74,067 | 40,254 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | (10,584) | 422,069 | 241,197 | 652,682 | 252,879 |
| FUND BALANCE, BEGINNING OF YEAR | 21,860 | 142,233 | 1,667,999 | 1,832,092 | 1,638,238 |
| | 11,276 | 564,302 | 1,909,196 | 2,484,774 | 1,891,117 |
| TRANSFER FROM (TO) OPERATING FUND | 16,015 | - | (65,000) | (48,985) | (59,025) |
| FUND BALANCE, END OF YEAR | \$ 27,291 | \$ 564,302 | \$ 1,844,196 | \$ 2,435,789 | \$ 1,832,092 |

UNITED WAY NIAGARA
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash and equivalents - Operating Fund | \$ 1,097,453 | \$ 4,073,333 |
| Cash and equivalents - Niagara Prosperity Initiative grants | 541,294 | 335,263 |
| Cash - Forever Funds | 59,107 | 62,062 |
| Pledges receivable (Note 2) | 1,291,685 | 1,364,283 |
| Other receivables | 100,548 | 147,997 |
| Prepaid expenses | 76,175 | 69,175 |
| | <u>3,166,262</u> | 6,052,113 |
| Capital assets - Capital Fund (Note 3) | 27,291 | 21,860 |
| Long-term Investments - Operating Fund | 4,829,642 | 1,589,801 |
| Long-term Investments - Forever Funds | 2,349,391 | 1,748,170 |
| | <u>\$10,372,586</u> | <u>\$ 9,411,944</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued charges | \$ 208,050 | \$ 76,246 |
| Agency allocations payable | 2,642,375 | 2,582,202 |
| Donor directed designations payable | 184,505 | 223,395 |
| Deferred revenue | 820,021 | 574,544 |
| Niagara Prosperity Initiative grants payable (Note 4) | 443,550 | 335,263 |
| | <u>4,298,501</u> | 3,791,650 |
| Commitments (Note 11) | | |
| Fund balances | | |
| Operating Fund | | |
| Unrestricted | 2,529,790 | 2,738,202 |
| Internally restricted special reserve | 108,506 | 150,000 |
| Internally restricted contingency reserve | 1,000,000 | 900,000 |
| | <u>3,638,296</u> | 3,788,202 |
| Other Funds | | |
| Invested in capital assets | 27,291 | 21,860 |
| Internally restricted - Forever Funds | 1,844,196 | 1,667,999 |
| Externally restricted - Forever Funds | 564,302 | 142,233 |
| | <u>6,074,085</u> | 5,620,294 |
| | <u>\$10,372,586</u> | <u>\$ 9,411,944</u> |

Approved by the Board:

 Director

 Director

UNITED WAY NIAGARA

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2022

| | Operating Fund | Other Funds | Total 2022 | Total 2021 |
|--|---------------------|------------------|---------------------|---------------------|
| OPERATING ACTIVITIES | | | | |
| Excess (deficiency) of revenue over expenses | \$ (198,891) | \$ 652,682 | \$ 453,791 | \$ 1,480,432 |
| Depreciation, an item not affecting cash | - | 10,584 | 10,584 | 7,466 |
| | (198,891) | 663,266 | 464,375 | 1,487,898 |
| Changes in non-cash operating assets and liabilities | | | | |
| Pledges receivable | 72,598 | - | 72,598 | 117,373 |
| Other receivables | 47,449 | - | 47,449 | (20,051) |
| Prepaid expenses | (7,000) | - | (7,000) | (20,152) |
| Accounts payable and accrued charges | 131,804 | - | 131,804 | 1,235 |
| Agency allocations payable | 60,173 | - | 60,173 | 74,246 |
| Donor directed designations payable | (38,890) | - | (38,890) | (34,281) |
| Deferred revenue | 245,477 | - | 245,477 | 71,292 |
| Niagara Prosperity Initiative grants payable | 108,287 | - | 108,287 | (104,230) |
| | 421,007 | 663,266 | 1,084,273 | 1,573,330 |
| INVESTING ACTIVITIES | | | | |
| Interfund transfers | 48,985 | (48,985) | - | - |
| Purchase of capital assets | - | (16,015) | (16,015) | (6,975) |
| Purchase of long-term investments | (3,239,841) | (601,221) | (3,841,062) | (384,456) |
| | (3,190,856) | (666,221) | (3,857,077) | (391,431) |
| INCREASE (DECREASE) IN CASH AND EQUIVALENTS | (2,769,849) | (2,955) | (2,772,804) | 1,181,899 |
| CASH AND EQUIVALENTS, BEGINNING OF YEAR | 4,408,596 | 62,062 | 4,470,658 | 3,288,759 |
| CASH AND EQUIVALENTS, END OF YEAR | \$ 1,638,747 | \$ 59,107 | \$ 1,697,854 | \$ 4,470,658 |

UNITED WAY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Purpose of the Organization

United Way Niagara is a public foundation incorporated in Ontario that primarily solicits and collects donations which are disbursed to various registered charitable organizations and carries out various other programs and charitable activities throughout the community. The Organization is exempt from federal and provincial income taxes.

Fund accounting

The Organization follows the fund method of accounting whereby financial statement elements are reported by fund.

The Operating Fund accounts for all of the Organization's campaign and administrative activities. This Fund reports unrestricted resources and has an allocation to the Contingency Reserve as determined annually by the Board of Directors. The Board has placed restrictions on the Contingency Reserve to provide funding stability to member agencies in a time of need, to provide funds in the event of a natural or man-made disaster and to set funds aside to meet the Board directive of a minimum Contingency Reserve balance. A resolution of the Board of Directors has set a goal that the Organization maintain a minimum Contingency Reserve balance equivalent to one-third of the following year allocation commitment to agencies, up to a maximum balance of \$1,000,000. As at March 31, 2022 this goal has been attained. The internally restricted special reserve fund was established to further United Way's commitment to Food Security. This reserve sustains the Niagara Community Garden Network and supports development of the Community Farm Project. The Niagara Community Garden Network is a collaborative network of local food security leaders working together to build thriving community gardens. The Board has approved funding for this reserve of \$75,000 per year over four years. To date \$225,000 has been added to this reserve with \$116,494 spent, leaving a balance of \$108,506.

The Forever Funds report only specialized contributions and activities. The revenues generated by these funds are used for purposes designated by the directors and donors of the Organization. These funds have internal and external restrictions.

The Capital Fund accounts for all of the Organization's capital assets. Capital assets are recorded at cost and depreciated over their estimated useful lives as follows:

| | |
|--------------------------------|------------------------|
| Office equipment and furniture | 20% declining-balance |
| Computer hardware | 30% declining-balance |
| Computer software | 2 years straight-line |
| Leasehold improvements | 10 years straight-line |

Long-lived assets

Long-lived assets are tested for recoverability if events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of the long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. Impairment losses are measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

UNITED WAY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions. Income from non-designated donations and fundraising is recorded when received. Contributions to the Restricted Fund are recorded as revenue of that Fund in the year received. Restricted contributions received for which a separate fund is not presented are recognized in the Operating Fund in accordance with the deferral method, whereby contributions for expenses of future periods are deferred and recognized as revenue in the periods the related expenses are incurred. Pledges are recognized as receivable if the amounts can be reasonably estimated and collectibility is reasonably assured.

The annual United Way campaign raises funds for allocation in the subsequent fiscal year. Accordingly, revenue recognized in the statement of operations for the year ended March 31, 2022 is comprised primarily of the proceeds from the 2021 fall campaign. Pledges are recorded as revenue for the 2021 fall campaign.

Pledge losses normally result from donor relocations, business closings, retirements and changes in economic conditions. The pledge loss is recorded for estimated uncollectible pledges and is based on known losses for the year and an allowance for losses from outstanding campaign pledges.

Contributions to the Forever Funds are recognized as revenue in the year received. Investment income on the resources of these Funds are recognized as revenue in the Funds as outlined in long-term investments.

Niagara Prosperity Initiative administration revenue is recognized evenly over the contract term, and is applied against the related expense. Funds received for after school programs and special projects are deferred and recognized in income as the related expense occurs.

Government Assistance

Government assistance related to current expenses or revenues are included in the determination of net income for the period. When government assistance relates to expenses of future accounting periods, the appropriate amounts shall be deferred and amortized to income as related expenses are incurred.

Held for trading financial assets

The long-term investments that the Organization holds are classified as held for trading. They were acquired or assumed principally for the purpose of obtaining investment income. They are initially recognized and subsequently measured at fair value without adjustment for transaction costs that would be incurred on disposal and changes in fair value are recognized in income in the period. Transaction costs associated with the acquisition of these investments is recognized in net income in the year incurred.

Long-term investments

The Organization has money invested through an investing pooling arrangement administered by the Toronto Foundation. Amounts from the Operating Fund and Forever Funds are invested through this Foundation.

Financial instruments

Initial measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the company is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the company in the transaction.

UNITED WAY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

Subsequent measurement

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash and equivalents, pledges receivable and other receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued charges, government remittances, agency allocations payable, designations payable, deferred revenue and Niagara Prosperity Initiative grants payable.

Financial assets measured at fair value include long-term investments.

(b) Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(c) Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

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 expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates and assumptions are used when accounting for items such as impairment and determination of useful lives of capital assets, revenue recognition, allocation to deferred revenue, shared expenses allocation, allowances for pledge losses, allocations payable, contingent liabilities, Canada Emergency Wage Subsidy and Canada Recovery Hiring Program.

Contributed materials and services

The Organization receives contributed materials and services which are not recognized in the financial statements because of the difficulty in determining their fair value.

UNITED WAY NIAGARA
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2022

2. PLEDGES RECEIVABLE

Pledges receivable represent pledges from the prior years' campaigns which have not yet been honoured. An allowance for pledge losses has been provided to reflect these pledge receivables at their estimated net realizable value.

| | <u>2022</u> | <u>2021</u> |
|--|----------------------------|----------------------------|
| Campaign pledges receivable - current year | \$ 1,310,213 | \$ 1,387,060 |
| Campaign pledges receivable - prior year | 88,630 | 93,028 |
| Less allowance for pledge losses | <u>(107,158)</u> | <u>(115,805)</u> |
| | <u>\$ 1,291,685</u> | <u>\$ 1,364,283</u> |

3. CAPITAL ASSETS

| | <u>2022</u> | | <u>2021</u> | |
|--------------------------------|----------------|-----------------------------|-------------|-----------------------------|
| | Cost | Accumulated Depreciation | Cost | Accumulated Depreciation |
| Office equipment and furniture | \$ 99,362 | \$ 95,408 | \$ 99,362 | \$ 94,419 |
| Computer hardware | 154,668 | 135,622 | 138,653 | 127,459 |
| Leasehold improvements | 14,324 | 10,033 | 14,324 | 8,601 |
| | <u>268,354</u> | <u>241,063</u> | 252,339 | 230,479 |
| Net book value | | <u>\$ 27,291</u> | | <u>\$ 21,860</u> |

4. NIAGARA PROSPERITY INITIATIVE GRANTS PAYABLE

The Organization has entered into a service agreement with the Regional Municipality of Niagara to administer funds relating to the Niagara Prosperity Initiative. The Organization is responsible for overseeing the operation of all contracts with Niagara Poverty Reduction Partners and to provide administrative support to the Niagara Poverty Reduction Network. All decisions regarding disbursement of the grants are made by a committee of the Region. The balance of \$443,550 represents unexpended funds as at March 31, 2022.

A surplus from fiscal 2021 grants of \$97,743 will be repaid to the Regional Municipality of Niagara and is included in accounts payable and accrued charges.

UNITED WAY NIAGARA
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2022

5. INVESTMENT INCOME

Investment income is derived from a variety of sources and is analysed as follows.

| | <u>Operating Fund</u> | | <u>Forever Fund</u> | |
|-------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Interest and dividends | \$ 61,396 | \$ 78,305 | \$ 39,624 | \$ 63,038 |
| Net realized gains | 45,487 | 294 | 21,706 | 496 |
| Net unrealized gains (losses) | (91,343) | 137,358 | 8,361 | 159,401 |
| | \$ 15,540 | \$ 215,957 | \$ 69,691 | \$ 222,935 |

6. SHARED EXPENSES

Shared costs include all administrative and occupancy costs common to the overall operation of the Organization. The shared expenses have been allocated, based on management's best estimate, between the cost of fundraising and the cost of programs.

| | <u>2022</u> | <u>2021</u> |
|---------------------------------|-------------------|-------------------|
| Salaries and benefits | \$ 295,003 | \$ 269,157 |
| Other operating costs - page 19 | 176,568 | 188,771 |
| | \$ 471,571 | \$ 457,928 |
| Allocation to fundraising | \$ 322,343 | \$ 276,747 |
| Allocation to programs | 149,228 | 181,181 |
| | \$ 471,571 | \$ 457,928 |

7. OTHER DIRECT PROGRAM SERVICES

Other direct program service costs are those costs directly attributable to carrying out the community programs and are comprised of the following.

| | <u>2022</u> | <u>2021</u> |
|---------------------------------|-------------------|-------------------|
| Salaries and benefits | \$ 256,769 | \$ 268,489 |
| Other operating costs - page 19 | 13,246 | 14,163 |
| | \$ 270,015 | \$ 282,652 |

UNITED WAY NIAGARA
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2022

8. OTHER INCOME

In the current year, the Organization applied for and recognized \$240,060 under the Canada Emergency Wage Subsidy ("CEWS") as a result of their decline in revenue attributed to the COVID-19 pandemic. The CEWS program transitioned into the Canada Recovery Hiring Program ("CHRP"), for which the Organization applied for and recognized \$24,802. Entities must satisfy certain eligibility criteria, including among others a significant decline in revenue as compared to earlier periods.

9. FOREVER FUNDS

During the year, \$65,000 was transferred from the internally restricted funds in the Forever Funds to the Operating Fund to support the following programs.

| | <u>2022</u> | <u>2021</u> |
|----------------------------|------------------|------------------|
| After-School Programs | \$ 42,837 | \$ 30,566 |
| Backpacks for Kids Program | - | 8,044 |
| Welcome Home Kits | 11,954 | 14,190 |
| Emerging Issues | 10,209 | 13,200 |
| | \$ 65,000 | \$ 66,000 |

10. FINANCIAL RISK MANAGEMENT

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, market risk, currency risk, credit risk and liquidity risk.

(a) Market risk:

The Organization is subject to market risk on investments carried at fair value. These investments are subject to market risk such that the fair value of these investments may change as a result of factors specific to a particular investment or as a result of factors affecting all instruments trading in the market. The Organization mitigates these risks with an investment policy designed to limit exposure and concentration while achieving optimal return with reasonable risk tolerances.

(b) Credit risk:

Credit risk arises from cash and cash equivalents and credit exposures on outstanding receivables. Management annually assesses its receivables and has provided an allowance for pledge loss based on historical percentages for pledge collections, actual collection experience and specific account identification.

It is management's opinion that the Organization is not exposed to significant interest rate, currency or liquidity risks arising from its financial instruments.

UNITED WAY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

11. COMMITMENTS

The Organization has signed a lease agreement at its premises in St. Catharines for a period of ten years terminating May 31, 2024. This lease calls for a base annual amount of \$50,000 paid in equal monthly instalments for the first five years. The base annual amount increases to \$55,000 for the remaining five years of the agreement.

The Organization's funding formula provides funding to various agency programs. The total amount committed for April 1, 2022 to March 31, 2023 is \$2,642,000. The commitments are subject to adjustment mainly if economic conditions adversely affect the Organization's fundraising during the year.

UNITED WAY NIAGARA
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2022

12. GRANTS TO COMMUNITY PARTNERS

| | <u>2022</u> | <u>2021</u> |
|---|------------------|----------------|
| STRONG COMMUNITIES | | |
| Autism Ontario - Niagara Region Chapter | \$ 10,000 | \$ 10,000 |
| Bethlehem Housing and Support Services | 15,000 | 15,000 |
| Bridges Community Health Centre | 7,500 | 7,500 |
| Canadian Mental Health Association - Niagara Branch | 137,838 | 137,838 |
| Community Living Grimsby, Lincoln and West Lincoln | 22,000 | 16,500 |
| Distress Centre Niagara | 117,873 | 117,873 |
| Epilepsy Niagara | 47,516 | 47,516 |
| Family Counselling Centre Niagara | 68,482 | 68,482 |
| Family Mental Health Support Network of Niagara | 10,000 | 10,000 |
| Fort Erie Multicultural Centre | 20,000 | 19,500 |
| Gillian's Place West Niagara | 25,000 | 25,000 |
| Links for Greener Learning | 25,000 | 25,000 |
| Mainstream | 35,000 | 33,875 |
| March of Dimes Canada | 10,000 | 10,000 |
| Meals on Wheels Niagara Falls | 12,590 | 12,590 |
| Meals on Wheels Port Colborne | 14,000 | 14,000 |
| Niagara Centre for Independent Living | 22,736 | 22,136 |
| Niagara Region Sexual Assault Centre (CARSA Inc.) | 25,000 | 25,000 |
| Port Cares | 47,278 | 47,278 |
| Positive Living Niagara | 95,000 | 95,000 |
| Start Me Up Niagara | 60,000 | 60,000 |
| The Hope Centre | 10,000 | 10,000 |
| Victim Services Niagara | 30,000 | 30,000 |
| West Niagara Palliative Care Services | 6,000 | 6,000 |
| Women's Place of South Niagara | 59,777 | 59,777 |
| YWCA Niagara Region | 71,367 | 68,168 |
| | 1,004,957 | 994,033 |
| FROM POVERTY TO POSSIBILITY | | |
| Adult Literacy Council of Greater Fort Erie | - | 6,600 |
| Bethlehem Housing and Support Services | 55,000 | 54,468 |
| Community Care of St. Catharines & Thorold | 145,000 | 161,500 |
| Community Care of West Niagara | 64,000 | 60,250 |
| Fort Erie Multicultural Centre | 15,000 | 11,250 |
| Niagara Regional Learning Centre | 7,500 | 7,125 |
| Niagara Women's Enterprise Centre | 8,000 | 7,500 |
| Port Cares | 12,500 | 12,502 |
| Southridge Community Church | 25,000 | 18,750 |
| St. Vincent de Paul | 10,000 | 7,500 |
| Start Me Up Niagara | 75,000 | 73,750 |
| The Hope Centre | 53,040 | 53,040 |
| Westview Christian Fellowship | 40,000 | 40,000 |
| YWCA Niagara Region | 197,743 | 197,743 |
| | 707,783 | 711,978 |

UNITED WAY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

12. GRANTS TO COMMUNITY PARTNERS (continued)

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| ALL THAT KIDS CAN BE | | |
| Autism Ontario - Niagara Region Chapter | 22,500 | 15,000 |
| Bethlehem Housing and Support Services | 7,000 | 7,000 |
| Big Brothers Big Sisters of Niagara Falls/South Niagara | 168,553 | 101,967 |
| Big Brothers Big Sisters of North & West Niagara | 95,000 | 92,325 |
| Big Brothers Big Sisters of South Niagara | - | 105,016 |
| Boys & Girls Club of Niagara | 75,098 | 73,473 |
| Canadian National Institute for the Blind (CNIB) | 9,259 | 20,933 |
| Community Care of St. Catharines & Thorold | 46,363 | 50,453 |
| Community Living Grimsby, Lincoln, and West Lincoln | 8,000 | 2,875 |
| Community Living Port Colborne - Wainfleet | 25,000 | 21,250 |
| Family Counselling Centre Niagara | 66,024 | 66,094 |
| Foundation of Resources for Teens (FORT) | 57,500 | 47,500 |
| Gillian's Place West Niagara | 23,550 | 23,550 |
| Learning Disabilities Association of Niagara Region | 98,875 | 91,203 |
| Niagara Folk Arts Multicultural Centre | 27,532 | - |
| Niagara Region Sexual Assault Centre (CARSA Inc.) | 7,500 | 7,500 |
| Niagara Resource Service for Youth (The RAFT) | 75,250 | 56,500 |
| Quest Community Health Centre | 33,750 | - |
| Strive Niagara | 31,008 | 38,031 |
| YMCA of Niagara | 30,000 | 30,000 |
| Young Carer's Initiative | - | 250 |
| YWCA Niagara Region | 21,875 | 20,000 |
| | 929,637 | 870,920 |
| OTHER COMMUNITY PROGRAMS | | |
| Adult Dental Loan Program | - | 51,120 |
| Backpacks for Kids Program | 55,782 | 8,044 |
| Grantham After School Program | 63,648 | 25,472 |
| Hygiene Kits | 25,243 | 37,414 |
| InCommunities (211) | 52,112 | 51,137 |
| Manchester After School Program | 63,936 | 25,472 |
| Food Security Initiatives | 255,883 | 21,080 |
| North Niagara Special Projects | 100,880 | - |
| Other Initiatives | 16,909 | 92,577 |
| Rykert After School Program | 41,028 | 25,472 |
| Summer School Program | 13,870 | - |
| Warden & Waters After School Program | 31,660 | 25,472 |
| Welcome Home Kits | 21,988 | 20,190 |
| | 742,939 | 383,450 |
| | \$ 3,385,316 | \$ 2,960,381 |

UNITED WAY NIAGARA
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2022

13. SPECIAL PROJECT GRANTS

United Way Niagara receives funding from The Branscombe Family Foundation to support Special Projects and Emergency Fund grant initiatives in the Niagara Falls, Fort Erie and South Niagara areas, separate from the Organization's annual grants programs.

| | <u>2022</u> | <u>2021</u> |
|---|------------------|-------------------|
| Adult Literacy Council of Greater Fort Erie | \$ - | \$ 1,500 |
| Battle Field Gospel Church | 8,500 | - |
| Big Brothers Big Sisters of Niagara Falls | 8,403 | - |
| Big Brothers Big Sisters of South Niagara | - | 6,350 |
| Centre de Santé Communautaire Niagara | - | 2,000 |
| Community Care of West Niagara | - | 3,950 |
| Community Living Welland/Pelham | - | 11,162 |
| Faith Welland Outreach | - | 4,000 |
| Falls View Church | 10,000 | - |
| GROW Community Food Literacy Centre | 5,000 | - |
| Heartland Forest Nature Experience | - | 6,035 |
| Holy Trinity Church Welland | 10,000 | - |
| Le Club Renaissance Sacré-Coeur de Welland | 3,500 | - |
| Lincoln County Humane Society | - | 9,960 |
| Links for Greener Learning | 5,000 | 5,000 |
| Niagara Falls Public Library Board | - | 8,500 |
| Niagara Ina Grafton Gage Village | - | 10,000 |
| Niagara Nutrition Partners | - | 10,000 |
| Niagara Region Developmental Services | - | 1,500 |
| Niagara Region Seniors Community Program | - | 5,623 |
| Niagara Worship Centre | 10,000 | - |
| Project Share | 5,000 | 7,055 |
| Southridge Community Church | - | 17,500 |
| Strong Fort Erie Neighbourhoods | 10,000 | - |
| Women's Place of South Niagara | 10,000 | - |
| YWCA Niagara Region | 13,750 | - |
| | \$ 99,153 | \$ 110,135 |

14. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's financial statement presentation.

UNITED WAY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

15. IMPACT OF COVID-19 PANDEMIC

Since March 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

The Organization has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended March 31, 2022 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

On March 16, 2020, in response to the spread of COVID-19 the Organization temporarily closed its offices in accordance with the provincial government's directive to close non-essential services. On March 1, 2022 the office re-opened.

UNITED WAY NIAGARA
SCHEDULE OF CAMPAIGN AND ADMINISTRATION EXPENSES
YEAR ENDED MARCH 31, 2022

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Campaign supplies and expenses | \$ 82,721 | \$ 55,491 |
| Equipment lease and maintenance | 13,892 | 13,213 |
| Financial services | 67,594 | 51,856 |
| Insurance | 16,262 | 14,420 |
| Meetings | 1,501 | 1,550 |
| Office expenses | 14,137 | 8,256 |
| Postage | 6,077 | 7,576 |
| Professional fees and other purchased services | 74,999 | 69,729 |
| Rent | 4,929 | 42,861 |
| Subscriptions and memberships | 6,113 | 4,663 |
| Telephone | 15,426 | 12,780 |
| Training | 2,884 | 1,105 |
| Transportation | 8,645 | 8,243 |
| | \$ 315,180 | \$ 291,743 |
| Allocated as follows: | | |
| Administration | \$ 176,568 | \$ 188,771 |
| Campaign | 125,366 | 88,809 |
| Community investment | 13,246 | 14,163 |
| | \$ 315,180 | \$ 291,743 |