

UNITED WAY NIAGARA

Financial Statements
for the Year Ended March 31, 2023
and Independent Auditor's Report to the Directors

UNITED WAY NIAGARA
FINANCIAL STATEMENTS
MARCH 31, 2023

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CHARTERED
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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, 2023 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, 2023, 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, 2023 and year ending March 31, 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 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

May 29, 2023

UNITED WAY NIAGARA
STATEMENT OF OPERATIONS - OPERATING FUND
YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUE		
Contributions from donors	\$ 4,460,861	\$ 4,460,430
Allowance for pledge losses	(81,500)	(92,000)
Adjustment of prior year pledge loss estimate	124,609	139,514
Funds transferred from other United Ways	80,722	54,743
Funds transferred to other United Ways	(10,448)	(7,373)
Special contribution (Note 5)	590,627	-
FUNDRAISING REVENUE	5,164,871	4,555,314
Community Services Recovery Funding administration revenue	57,927	-
Government program grants	18,947	157,537
Niagara Prosperity Initiative administration revenue	63,755	100,000
Niagara Prosperity Initiative project revenue	132,494	-
Investment income (Note 6)	190,155	15,540
TOTAL REVENUE	5,628,149	4,828,391
COST OF FUNDRAISING		
Campaign salaries and benefits	606,527	571,480
Direct campaign expenses - page 19	144,751	125,366
Shared expenses (Note 7)	310,623	322,343
	1,061,901	1,019,189
NET REVENUE BEFORE COMMUNITY INVESTMENT	4,566,248	3,809,202
COMMUNITY INVESTMENT		
Grants to community partners (Note 12)	4,031,905	3,385,316
Special project grants (Note 13)	132,812	99,153
Amounts designated by donors to other Registered Charities	250,071	231,889
Other direct program services (Note 8)	342,385	270,015
Shared expenses (Note 7)	275,038	149,228
United Way of Canada affiliation	46,792	55,903
Niagara Prosperity Initiative administration costs	57,555	81,451
Niagara Prosperity Initiative project expenses	109,367	-
	5,245,925	4,272,955
DEFICIENCY OF REVENUE OVER EXPENDITURES BEFORE OTHER INCOME	(679,677)	(463,753)
OTHER INCOME		
Canada Emergency Wage Subsidy	-	240,060
Canada Recovery Hiring Program	3,444	24,802
	3,444	264,862
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (676,233)	\$ (198,891)

UNITED WAY NIAGARA
STATEMENT OF FUND BALANCE - OPERATING FUND
YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
FUND BALANCE, BEGINNING OF YEAR	\$ 3,638,296	\$ 3,788,202
DEFICIENCY OF REVENUE OVER EXPENDITURES	(676,233)	(198,891)
	2,962,063	3,589,311
TRANSFER FROM FOREVER FUNDS (Note 9)	100,000	65,000
TRANSFER TO CAPITAL FUND (Note 9)	(9,280)	(16,015)
FUND BALANCE, END OF YEAR	\$ 3,052,783	\$ 3,638,296
FUND BALANCE CONSISTS OF THE FOLLOWING:		
Unrestricted	\$ 1,869,277	\$ 2,529,790
Internally restricted special reserve	183,506	108,506
Internally restricted contingency reserve	1,000,000	1,000,000
	\$ 3,052,783	\$ 3,638,296


UNITED WAY NIAGARA
STATEMENT OF OPERATIONS - OTHER FUNDS
YEAR ENDED MARCH 31, 2023

	Capital Fund	Forever Funds Externally Restricted	Forever Funds Internally Restricted	Total 2023	Total 2022
			(Note 9)		
REVENUE					
Bequests and other gifts	\$ -	\$ 25,452	\$ 24,203	\$ 49,655	\$ 657,058
Investment income (Note 6)	-	22,777	67,425	90,202	69,691
	-	48,229	91,628	139,857	726,749
EXPENDITURES					
Depreciation	10,721	-	-	10,721	10,584
Community investment	-	45,558	20,934	66,492	45,068
Investment management fees	-	5,721	17,404	23,125	18,415
	10,721	51,279	38,338	100,338	74,067
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(10,721)	(3,050)	53,290	39,519	652,682
FUND BALANCE, BEGINNING OF YEAR	27,291	564,302	1,844,196	2,435,789	1,832,092
	16,570	561,252	1,897,486	2,475,308	2,484,774
TRANSFER FROM (TO) OPERATING FUND	9,280	-	(100,000)	(90,720)	(48,985)
FUND BALANCE, END OF YEAR	\$ 25,850	\$ 561,252	\$ 1,797,486	\$ 2,384,588	\$ 2,435,789

UNITED WAY NIAGARA
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash and equivalents - Operating Fund	\$ 3,848,803	\$ 1,097,453
Cash and equivalents - Niagara Prosperity Initiative grants	-	541,294
Cash - Forever Funds	43,098	59,107
Investments - Operating Fund	3,980,794	4,829,642
Investments - Forever Funds	2,315,640	2,349,391
Pledges receivable (Note 2)	1,279,066	1,291,685
Other receivables	133,568	100,548
Prepaid expenses	60,211	76,175
	<u>11,661,180</u>	<u>10,345,295</u>
Capital assets - Capital Fund (Note 3)	<u>25,850</u>	<u>27,291</u>
	<u>\$11,687,030</u>	<u>\$10,372,586</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued charges	\$ 228,886	\$ 208,050
Other grants payable	190,683	-
Agency allocations payable	2,617,384	2,642,375
Donor directed designations payable	169,841	184,505
Deferred revenue	667,316	820,021
Deferred revenue - special contribution	824,000	-
Niagara Prosperity Initiative grants payable	-	443,550
Niagara Prosperity Initiative projects (Note 4)	116,176	-
	<u>4,814,286</u>	<u>4,298,501</u>
Deferred revenue - special contribution (Note 5)	<u>1,435,373</u>	<u>-</u>
Commitments (Note 11)		
	<u>6,249,659</u>	<u>4,298,501</u>
Fund balances		
Operating Fund		
Unrestricted	1,869,277	2,529,790
Internally restricted special reserve	183,506	108,506
Internally restricted contingency reserve	1,000,000	1,000,000
	<u>3,052,783</u>	<u>3,638,296</u>
Other Funds		
Invested in capital assets	25,850	27,291
Internally restricted - Forever Funds	1,797,486	1,844,196
Externally restricted - Forever Funds	561,252	564,302
	<u>5,437,371</u>	<u>6,074,085</u>
	<u>\$11,687,030</u>	<u>\$10,372,586</u>

Approved by the Board:

..... Director

..... Director

UNITED WAY NIAGARA

STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2023

	Operating Fund	Other Funds	Total 2023	Total 2022
OPERATING ACTIVITIES				
Excess (deficiency) of revenue over expenses	\$ (676,233)	\$ 39,519	\$ (636,714)	\$ 453,791
Depreciation, an item not affecting cash	-	10,721	10,721	10,584
	(676,233)	50,240	(625,993)	464,375
Changes in non-cash operating assets and liabilities				
Pledges receivable	12,619	-	12,619	72,598
Other receivables	(33,020)	-	(33,020)	47,449
Prepaid expenses	15,964	-	15,964	(7,000)
Accounts payable and accrued charges	20,836	-	20,836	131,804
Other grants payable	190,683	-	190,683	-
Agency allocations payable	(24,991)	-	(24,991)	60,173
Donor directed designations payable	(14,664)	-	(14,664)	(38,890)
Deferred revenue	(152,705)	-	(152,705)	245,477
Deferred revenue - special contribution	2,259,373	-	2,259,373	-
Niagara Prosperity Initiative grants payable	(443,550)	-	(443,550)	108,287
Niagara Prosperity Initiative projects	116,176	-	116,176	-
	1,270,488	50,240	1,320,728	1,084,273
INVESTING ACTIVITIES				
Interfund transfers	90,720	(90,720)	-	-
Purchase of capital assets	-	(9,280)	(9,280)	(16,015)
Proceeds from (purchase of) investments	848,848	33,751	882,599	(3,841,062)
	939,568	(66,249)	873,319	(3,857,077)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	2,210,056	(16,009)	2,194,047	(2,772,804)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,638,747	59,107	1,697,854	4,470,658
CASH AND EQUIVALENTS, END OF YEAR	\$ 3,848,803	\$ 43,098	\$ 3,891,901	\$ 1,697,854

UNITED WAY NIAGARA
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2023

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, 2023 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 \$300,000 has been added to this reserve with \$116,494 spent, leaving a balance of \$183,506.

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

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, 2023 is comprised primarily of the proceeds from the 2022 fall campaign. Pledges are recorded as revenue for the 2022 fall campaign.

UNITED WAY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

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 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.

Niagara Prosperity Initiative project revenue is deferred and recognized in income as the related project expense occurs.

Cash and equivalents

Cash and equivalents include deposits in banks, cash on hand and term deposits with original maturity dates of less than 6 months.

Investments

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

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.

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, 2023

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, other grants payable, agency allocations payable, designations payable and deferred revenue.

Financial assets measured at fair value include 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.

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.

Shared expenses

Shared expenses are allocated using a percentage of salary costs for campaign and community investment as a proportion of total salaries.

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 and Canada Recovery Hiring Program.

UNITED WAY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

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.

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>2023</u>	<u>2022</u>
Campaign pledges receivable - current year	\$ 1,258,802	\$ 1,310,213
Campaign pledges receivable - prior year	108,249	88,630
Less allowance for pledge losses	<u>(87,985)</u>	<u>(107,158)</u>
	<u>\$ 1,279,066</u>	<u>\$ 1,291,685</u>

3. CAPITAL ASSETS

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Office equipment and furniture	\$ 99,362	\$ 96,198	\$ 99,362	\$ 95,408
Computer hardware	163,948	144,120	154,668	135,622
Leasehold improvements	12,891	10,033	14,324	10,033
	<u>276,201</u>	<u>250,351</u>	<u>268,354</u>	<u>241,063</u>
Net book value		<u>\$ 25,850</u>		<u>\$ 27,291</u>

4. NIAGARA PROSPERITY INITIATIVE PROJECTS

The Organization has entered into a service agreement with the Regional Municipality of Niagara to administer two projects relating to the Niagara Prosperity Initiative: the Living Wage Program and the Community Pop-Up Produce Markets. The Organization is responsible for providing resources, planning and coordination of the projects. The balance of \$116,176 represents unexpended funds as of March 31, 2023.

UNITED WAY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

5. DEFERRED REVENUE - SPECIAL CONTRIBUTION

During the year, the Organization received a \$2,850,000 special contribution from a donor. At the donor's request, this funding is to be allocated to certain of the Organization's various programs over a period of multiple years. In the current year, \$590,627 was spent on those programs and brought into income.

The remaining funding is to be spent over a period of five years, with \$824,000 to be spent in the fiscal year ended March 31, 2024.

6. INVESTMENT INCOME

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

	<u>Operating Fund</u>		<u>Forever Fund</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 186,022	\$ 61,396	\$ 49,970	\$ 39,624
Net realized gains (losses)	(26,001)	45,487	(13,230)	21,706
Net unrealized gains (losses)	30,134	(91,343)	53,462	8,361
	<u>\$ 190,155</u>	<u>\$ 15,540</u>	<u>\$ 90,202</u>	<u>\$ 69,691</u>

7. 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 salaries, between the cost of fundraising and the cost of programs.

	<u>2023</u>	<u>2022</u>
Salaries and benefits	\$ 334,563	\$ 295,003
Other operating costs - page 19	251,098	176,568
	<u>\$ 585,661</u>	<u>\$ 471,571</u>
Allocation to fundraising	\$ 310,623	\$ 322,343
Allocation to programs	275,038	149,228
	<u>\$ 585,661</u>	<u>\$ 471,571</u>

UNITED WAY NIAGARA
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2023

8. 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>2023</u>	<u>2022</u>
Salaries and benefits	\$ 326,031	\$ 256,769
Other operating costs - page 19	<u>16,354</u>	<u>13,246</u>
	<u>\$ 342,385</u>	<u>\$ 270,015</u>

9. INTERFUND TRANSFERS

During the year, \$100,000 was transferred from the internally restricted funds in the Forever Funds to the Operating Fund to support the following programs.

	<u>2023</u>	<u>2022</u>
After-School Programs	\$ 40,532	\$ 42,837
Emerging Issues	20,000	11,954
Food Security	13,000	-
Garden Network	14,000	-
Welcome Home Kits	<u>12,468</u>	<u>10,209</u>
	<u>\$ 100,000</u>	<u>\$ 65,000</u>

During the year, \$9,280 was transferred from the Operating Fund to the Capital Fund to fund capital purchases.

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, 2023

11. COMMITMENTS

The Organization has signed a lease agreement for 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, 2023 to March 31, 2024 is \$2,617,000. 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, 2023

12. GRANTS TO COMMUNITY PARTNERS

	<u>2023</u>	<u>2022</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
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	20,000
Gillian's Place West Niagara	25,000	25,000
Links for Greener Learning	25,000	25,000
Mainstream	35,000	35,000
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	22,736
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 (Birchway Niagara)	59,777	59,777
YWCA Niagara Region	71,367	71,367
	982,957	1,004,957
FROM POVERTY TO POSSIBILITY		
Bethlehem Housing and Support Services	55,000	55,000
Community Care of St. Catharines & Thorold	145,000	145,000
Community Care of West Niagara	64,000	64,000
Fort Erie Multicultural Centre	15,000	15,000
Niagara Regional Learning Centre	7,500	7,500
Niagara Women's Enterprise Centre	8,000	8,000
Port Cares	12,500	12,500
Southridge Community Church	25,000	25,000
The Society of St. Vincent de Paul - St. Michaels Conference	10,000	10,000
Start Me Up Niagara	75,000	75,000
The Hope Centre	53,040	53,040
Westview Christian Fellowship	40,000	40,000
YWCA Niagara Region	197,743	197,743
	707,783	707,783

UNITED WAY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

12. GRANTS TO COMMUNITY PARTNERS (continued)

	<u>2023</u>	<u>2022</u>
ALL THAT KIDS CAN BE		
Autism Ontario - Niagara Region Chapter	25,000	22,500
Bethlehem Housing and Support Services	7,000	7,000
Big Brothers Big Sisters of South Central Niagara	154,968	168,553
Big Brothers Big Sisters of North & West Niagara	95,000	95,000
BGC Niagara (Boys & Girls Club of Niagara)	75,000	75,098
Canadian National Institute for the Blind (CNIB)	417	9,259
Community Care of St. Catharines & Thorold	45,000	46,363
Community Living Grimsby, Lincoln, and West Lincoln	-	8,000
Community Living Port Colborne - Wainfleet	25,000	25,000
Family Counselling Centre Niagara	66,000	66,024
Foundation of Resources for Teens (FORT)	60,000	57,500
Gillian's Place West Niagara	23,550	23,550
Learning Disabilities Association of Niagara Region	99,000	98,875
Niagara Folk Arts Multicultural Centre	36,709	27,532
Niagara Region Sexual Assault Centre (CARSA Inc.)	7,500	7,500
Niagara Resource Service for Youth (The RAFT)	81,500	75,250
Quest Community Health Centre	45,000	33,750
Strive Niagara	27,500	31,008
YMCA of Niagara	30,000	30,000
YWCA Niagara Region	22,500	21,875
	<u>926,644</u>	<u>929,637</u>
OTHER COMMUNITY PROGRAMS		
After School Matters Program	396,695	200,272
Backpacks for Kids Program	58,070	55,782
Hygiene & Welcome Home Kits	81,283	47,231
InCommunities (211)	52,037	52,112
Food Security Initiatives	425,000	255,883
North Niagara Special Projects	144,120	100,880
Niagara Community Garden Network	99,461	-
Other Initiatives	35,011	16,909
Other Food Security Initiatives	60,117	-
Summer School Program	-	13,870
Pop-Up Markets	17,120	-
Rental Assistance Program	22,000	-
Seniors Fund	23,607	-
	<u>1,414,521</u>	<u>742,939</u>
	<u>\$ 4,031,905</u>	<u>\$ 3,385,316</u>

UNITED WAY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

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>2023</u>	<u>2022</u>
Attachment and Trauma Therapy Centre for Healing Niagara	\$ 5,000	\$ -
Battle Field Gospel Church	-	8,500
Big Brothers Big Sisters of Niagara Falls	-	8,403
Bridges Community Health Centre	2,500	-
Community Crew	5,000	-
Community Living - Welland / Pelham	8,000	-
Falls View Church	-	10,000
Faith Welland	8,000	-
Gateway Residential and Community Support	2,400	-
GROW Community Food Literacy Centre	-	5,000
Holy Trinity Church Welland	10,000	10,000
Horse Cents for Kids	7,680	-
Kristen French Child Advocacy Centre	4,800	-
Le Club Renaissance Sacré-Coeur de Welland	-	3,500
Links for Greener Learning	-	5,000
Niagara Falls Public Library Board	10,000	-
Niagara Folk Arts Multicultural Centre	4,950	-
Niagara SPCA and Humane Society	3,024	-
Niagara Victim Crisis Support Service Inc.	1,584	-
Niagara Worship Centre	-	10,000
Open Arms Mission	4,500	-
Pelham Cares Inc.	10,000	-
Project Share	-	5,000
Start2Finish Canada	3,840	-
Start Me Up Niagara	6,942	-
St. James and St. Brendan Anglican Church	10,000	-
St. John Ambulance	3,840	-
Strong Fort Erie Neighbourhoods	-	10,000
The Bridges Missional Communities	10,000	-
The Crystal Ridge Dream Centre	2,752	-
The Society of St. Vincent de Paul - St. Michaels Conference	8,000	-
Women's Place of South Niagara (Birchway Niagara)	-	10,000
YWCA Niagara Region	-	13,750
	\$ 132,812	\$ 99,153

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, 2023

15. IMPACT OF COVID-19 PANDEMIC

As the pandemic continues to evolve with the emergence of new variants, entities may experience conditions often associated with general economic downturn, including but not limited to, financial market volatility, declining credit, potential return of government intervention, changes in labour markets, and other restructuring activities. The continuation of these circumstances could have a negative impact on an entity's financial conditions and results. Further, inflation, supply-chain disruptions, and labour shortages are affecting companies in different industries to varying degrees.

The ongoing impact of the COVID-19 pandemic and the uncertain economic conditions affecting major markets and economies still 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 Company for future periods.

UNITED WAY NIAGARA
SCHEDULE OF CAMPAIGN AND ADMINISTRATION EXPENSES
YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
Campaign supplies and expenses	\$ 96,478	\$ 82,721
Equipment lease and maintenance	12,297	13,892
Financial services	74,015	67,594
Insurance	18,936	16,262
Meetings	5,213	1,501
Office expenses	11,240	14,137
Postage	5,987	6,077
Professional fees and other purchased services	79,028	74,999
Rent	62,224	4,929
Subscriptions and memberships	8,563	6,113
Telephone	15,861	15,426
Training	9,563	2,884
Transportation	12,798	8,645
	<u>\$ 412,203</u>	<u>\$ 315,180</u>
Allocated as follows:		
Administration	\$ 251,098	\$ 176,568
Campaign	144,751	125,366
Community investment	16,354	13,246
	<u>\$ 412,203</u>	<u>\$ 315,180</u>