

**UNITED WAY FOR THE CITY OF
KAWARTHA LAKES
Financial Statements**

Year Ended March 31, 2023

Contents

	Page
Independent Auditors' Report	1a-b
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flow	5
Notes to the Financial Statements	6-12

Independent Auditor's Report

To the Directors of United Way For The City Of Kawartha Lakes:

Qualified Opinion

We have audited the accompanying financial statements of United Way for the City of Kawartha Lakes ("United Way"), which comprise the statement of financial position as at March 31, 2023, the statement of operations, statement of changes in fund balances, the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the United Way for the City of Kawartha Lakes as at March 31, 2023 and its financial performance and its cash flow for the year then ended are in accordance with Canadian accounting standards for not-for-profit organizations.

In common with many not-for-profit organizations, the United Way 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 United Way. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of expenses over revenues, and cash flows from operations for the year ended March 31, 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 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the United Way in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the Annual General Meeting report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 United Way'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 United Way or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the United Way'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 judgement 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 United Way'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 United Way'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 Society 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.

Jane Angelo Professional Corporation
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Lindsay, Ontario
September 12, 2023

P 705.320.8263 F 705.482.0662 www.janeangelo.ca
Suite 209 - 189 Kent Street West, Lindsay, ON K9V 5G6

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Statement of Financial Position
as at March 31, 2023

	2023	2022
ASSETS		
Current		
Cash and cash equivalents (Note 4)	\$ 242,092	\$ 343,866
Short term investments	1,018	-
HST rebate receivable	5,369	3,861
Uncollected Pledges (Note 5)	38,351	55,165
Other current assets (Note 6)	6,830	4,121
	293,660	407,013
Capital Assets (Note 7)	40,284	24,784
	\$ 333,944	\$ 431,797
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 52,028	\$ 53,672
Deferred grant revenue (Note 8)	73,968	51,542
	125,996	105,214
Deferred Capital Contributions (Note 9)	36,971	22,824
	162,967	128,038
Net Assets		
Distribution Reserve	170,977	303,759
	\$ 333,944	\$ 431,797

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Statement of Operations
for the year March 31, 2023

	2023	2022
Campaign Revenue		
Campaign donations	\$ 221,738	\$ 266,421
Uncollectible pledge (loss) recovery	(26,528)	366
	195,210	266,787
Other Revenues		
Community program grants and fees (Note 10)	70,364	114,889
Community Services Recovery Fund	11,052	-
COVID-19 grants:		
Canada Emergency Wage Subsidies	-	31,691
City of Kawartha Lakes COVID-19	-	35,146
Fundraising events and activities	20,056	1,220
	101,472	182,946
Total Revenue	296,682	449,733
Distributions and Community Programs:		
Amortization, small equipment and maintenance	8,090	6,475
Affiliation fee	3,022	3,020
Direct program expenses (Note 10)	35,957	19,181
Distributions to member agencies and others (Note 11)	47,684	34,826
Professional services	9,006	15,309
Publicity and promotion	18,200	5,687
Rent	33,503	23,797
Telephone, insurance, office and miscellaneous	13,398	9,731
Wages and benefits	199,077	203,035
Total distributions and community program expenses	367,937	321,061
Operating Expenses:		
Amortization, small equipment and maintenance	1,428	1,143
Advertising and promotion	3,212	1,004
Affiliation fee	533	533
Fundraising events and activities	7,976	2,917
Professional Services	1,589	2,702
Rent	5,912	4,199
Telephone, office and miscellaneous	6,020	2,187
Wages and benefits	34,857	34,683
Total operating expenses	61,527	49,368
Total distributions and operating expenses	429,464	370,429
Excess (Deficiency) of Revenue over Expenses	\$ (132,782)	\$ 79,304
See accompanying notes to the financial statements		3

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Statement of Changes in Net Assets

for the year ended March 31, 2023

	2023		2022
	Total	Distribution Reserve	Total
Balance- beginning of year	\$ 303,759	303,759	224,455
Excess(Deficit) of Revenues over Expenses for the year	(132,782)	(132,782)	79,304
Balance- end of year	\$ 170,977	\$ 170,977	\$ 303,759

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Statement of Cash Flow for the year March 31, 2023

	2023	2022
Cash flow from operating activities		
Excess of Revenue over Expenses	\$ (132,782)	79,304
Items not affecting cash:		
Amortization of operating grants	\$ (126,595)	(99,352)
Amortization of capital assets	4,169	3,407
Amortization of deferred capital contributions	(3,853)	(2,653)
	(259,060)	(19,294)
Changes in non-cash working capital:		
HST rebate receivable	(1,508)	664
Uncollected Pledges	16,814	16,543
Other current assets	(2,709)	(274)
Accounts payable and accrued liabilities	(1,642)	25,471
Net cash provided by operating activities	(248,105)	23,110
Cash flows from investing activities		
Purchase of tangible capital assets	(19,672)	(11,603)
Capital asset grants received and deferred	18,000	11,603
Purchase of investments	(1,018)	-
Net cash provided by investing activities	(2,690)	-
Cash flows from financing activities		
Operating reallocated to capital grants deferred	(18,000)	(11,603)
Operating grants received and deferred	167,021	88,816
	149,021	77,213
Cash and cash equivalents at the beginning of the year	343,866	243,543
Cash and cash equivalents at the end of the year	\$ 242,092	\$ 343,866
Cash and cash equivalents consists of:		
Cash	\$ 242,092	\$ 343,866

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements
for the year March 31, 2023

1. DESCRIPTION OF THE ORGANIZATION

United Way for the City of Kawartha Lakes is a not-for-profit registered charity incorporated without share capital under the laws of Ontario. It is not subject to income taxes.

The purpose of the United Way for the City of Kawartha Lakes is to identify and evaluate the current and future social needs of the community and provide leadership for their resolution through guidance, reducing overlap and fundraising for its member agencies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

Revenue Recognition

The United Way for the City of Kawartha Lakes follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the year in which the revenue is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted investment income is recognized in the year in which the related expenses are incurred. Unrestricted investment income is recognized as income in the year it is earned rather than received. Legacies are recorded when the funds are received.

(i) Campaign revenue

Campaign revenue represents pledges received from various donors. The revenue is recognized at the time pledges are received.

(ii) Community program grants and fees

Community program grants and fees represents restricted funding to be spent on specific programs. Revenue is recognized on an accrual basis.

Any unused funding at the end of the fiscal year is either deferred to the next fiscal period or repaid to the funder depending upon the funder requirements.

(iii) Fundraising events

Fundraising events revenue represents monies raised from fundraiser events. Revenue is recognized when monies are received.

(iv) Rental income

Rental income represents the sublet rental income earned from tenant sharing the facilities with United Way for the City of Kawartha Lakes. This income is recognized on an accrual basis.

(v) Investment income

In fiscal 2023, United Way for the City of Kawartha Lakes received securities donations. The investment income represents the dividends, interest and gains/losses on those shares. Investment income is recognized when it is earned.

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements
for the year March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Uncertainty

The preparation of financial statements in conformity to Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the period.

Key areas where management has made judgments include, among others, the collectability of pledges receivable, allocations payable, useful life of tangible capital assets, deferred revenue and allocations of expenses between operating and program expenses. Actual results could differ from this and other estimates, the impact of which would be recorded in future periods.

Capital Assets

Capital assets are recorded at cost and amortized over their estimate lives using the declining balance method at the following annual rates. When the Organization observes conditions that indicate that a tangible capital assets is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets are accounted for as expenses in the statement of operations

Garden buildings and structures	15 years
Furniture, Fixtures and Equipment	10 years
Computer hardware	3 years

Financial Instruments

United Way for the City of Kawartha Lakes is exposed to various risks through its financial instruments. Analysis of the Organization's risk exposure and concentrations indicates that there is the credit risk pertaining to uncollected pledges. There are no material exposures to liquidity risk, market risk, currency risk, interest rate risk nor other price risk as at March 31, 2023 and no changes in these exposures from last year.

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arms length transactions. The Organization subsequently measures all of its financial assets and financial liabilities at amortized costs, 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 net income.

Financial assets that are measured at amortized cost include the cash, accounts receivable, and investments.

Financial liabilities measured at amortized cost include accounts payable.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is 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 net income.

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements
for the year March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributed Services

Volunteers contributed a significant number of hours per year to assist the United Way for the City of Kawartha Lakes in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Distributions to member agencies

Donors are provided the opportunity to direct their donations to any registered Canadian charity. These donations are directed to specified agencies independent of any allocations determined by the organization.

Expense allocations

In accordance with the United Way of Canada- Centraide Canada's Transparency Accountability and Financial Reporting Policies for United Ways, the United Way for the City of Kawartha Lakes allocates costs which do not pertain specifically to campaign and community programs based on management's estimates of time and direct expenditures as follows:

	2023	2022
Operating expenses	15%	15%
Distributions and community programs	85%	85%
	100%	100%

3. CREDIT FACILITY

The organization has a line of credit facility of \$50,010 limit at the floating rate of prime plus 3.25% per annum interest, with TD Bank. The balance of the facility utilized at March 31st, 2023 was nil.

4. CASH AND CASH EQUIVALENTS

	2023	2022
Petty Cash	\$ 150	\$ 150
TD Canada Trust	214,741	309,055
TD Trust Account	2,302	1,728
TD Grant Funding Account	24,899	32,933
	\$ 242,092	\$ 343,866

The Agency uses the TD Grant Funding Account to segregate funds held for specific externally funded programs.

The TD Trust Account is used for lotteries and other fundraising.

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements

for the year March 31, 2023

5. UNCOLLECTED PLEDGES

	2023		2022	
Pledges receivable	\$	61,818	\$	59,962
Allowance for uncollectible pledges		(23,527)		(4,797)
	\$	38,291	\$	55,165

The 2023 allowance for uncollectible pledges was calculated based on specific identification of pledges receivable. Old outstanding pledges, tracked by city centres, that have had no recovery since 2021, are written off in 2023. The 2022 allowance for uncollectible pledges was calculated as 8% of the pledges receivable balance.

6. OTHER CURRENT ASSETS

Other current assets represents prepaid expenses:

	2023		2022	
Prepaid United Way Centraide fees	\$	2,709	\$	-
Prepaid insurance		1,455		1,455
Prepaid rent		2,666		2,666
	\$	6,830	\$	4,121

7. CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated Amortization	Net book value	Net book value
Garden buildings and structures	\$ 21,073	\$ 1,525	\$ 19,548	\$ 1,274
Furniture, fixtures and equipment	25,594	6,064	19,530	21,701
Computers	4,071	2,865	1,206	1,809
	\$ 50,738	\$ 10,454	\$ 40,284	\$ 24,784
Amortization expense charged during the year to the statement of operations and included in the "Amortization, small equipment and maintenance" balances under the Operating and Program allocations.			\$ 4,169	\$ 3,407

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements
for the year March 31, 2023

8. DEFERRED OPERATING CONTRIBUTIONS

Deferred contributions represents unspent resources externally restricted for funding of specific programs received in the

	2023	2022
Balance - beginning of year	\$ 51,542	\$ 73,681
Amount recognized as revenue in the year	(126,595)	(99,352)
Amount reallocated to deferred capital funding	(18,000)	(11,603)
Amount received in the current year	167,021	88,816
Balance - end of year	\$ 73,968	\$ 51,542

Allocation of deferred contributions operating funding are as follows:

	2023	2022
New Horizons - The Cultivators	\$ -	\$ 1,247
New Horizons - Veggies for Vets	-	12
CKL Legacy C.H.E.S.T	-	18,516
Community Services Recovery Fund	25,841	-
Restricted donations	19,852	(3,111)
TD Friends of the Environment Foundation	-	1,450
Otto and Marie Pick Foundation	25,000	16,432
President's Choice Children's Charity community Fund Grant	-	619
Ontario Trillium Foundation - Resilient Communities	-	12,655
Whole Kids Foundation	3,275	3,721
	\$ 73,968	\$ 51,542

9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets include the unamortized portions of contributed capital assets and restricted contributions that will be used for the Organization's programs.

	2023	2022
Balance, beginning of year	\$ 22,824	13,874
Restricted community gardens contributions utilized to purchase capital assets	18,000	11,603
Less:		
Amounts amortized to income	(3,853)	(2,653)
	\$ 36,971	\$ 22,824

10. COMMUNITY PROGRAMS

The Organization receives various grants and specific bequests to conduct various community building programs. The operating cost for these programs is not funded from campaign revenue.

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements
for the year March 31, 2023

11. DISTRIBUTIONS TO MEMBER AGENCIES AND OTHERS

As a result of the pandemic the board of directors passed a motion to cease their formal needs assessment and allocations process to member agencies for 2021 and focussed their efforts as the chosen agency to distribute the Federal Government's Emergency Community Support Fund (ECSR) payments, as well as The Federal Government's (NHSP) New Horizon's for Seniors Program. Designated pledges made by donors throughout the year have been honoured as paid or payable as of the yearend date. For 2022 and 2023 UWCKL awarded Community Capacity and Collaborative Matching Grants to local agencies that applied and had programming/ needs that met the criteria for this funding allocation.

The distributions to member agencies and others, including COVID relief, prior year allocations and directed donations are as follows:

	Agency received produce from the Community Garden	Designated Donor Distributions	Collaborative Matching Grants	Community Capacity Grants	Total for 2023	Allocated & Designated Distributions 2022
A Place Called Home	✓	\$ -		\$ -	-	\$ 4,987
Big Brothers & Big Sisters of KL		-		-	-	3,840
Boys & Girls Club KL & Hal	✓	-		-	-	3,000
Centre of Hope	✓	-		-	-	-
Coboconk & Area Food Bank		-		5,000	5,000	-
Community Care CKL	✓	-		-	-	-
Early ON	✓	-		-	-	-
Fleming	✓	-		-	-	-
Globus Theatre		-		5,000	5,000	-
Haliburton FoodLove	✓	-		-	-	-
John Howard Society of Kaw.	✓	-		-	-	-
Kawartha Lakes Community Housing	✓	-		-	-	-
Kawartha Lakes Food Source	✓	-		-	-	-
Point in Time		-	10,000	-	10,000	3,000
Salvation Army	✓	-		-	-	-
The Centre Community Church	✓	-		-	-	-
Therapeutic Horse Riding in Lindsay		-		5,000	5,000	-
Victoria County Career Services		-		-	-	5,000
Other- one time allocations and donor designations	✓	22,684		-	22,684	14,999
		\$ 22,684	\$ 10,000	\$ 15,000	\$ 47,684	\$ 34,826

The other - one time allocations and designations represents specific funding that UWCKL distributes outside of the formal needs assessment and allocations program.

✓ Indicates a local member agency that received a portion of the estimated 21,683 pounds of produce grown in the community garden in fiscal 2023. Other groups/agencies not listed above include: Kawartha Lakes Food Source; Lindsay Salvation Army, Lindsay Community Food Market, The Centre Community Church, Garden at your Table program, Haliburton Food Love program.

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements
for the year March 31, 2023

12. RESTRICTIONS OF NET ASSETS

The Board of Directors has internally restricted all of unrestricted net assets to be used as follows:

Bequest Reserve Fund	To be maintained permanently with the investment income to be used for one-time allocations
Leadership Development Services Reserve	To be used to fund future cost of the Leadership Development Services in excess of grant revenue received.
Distribution Reserve	To be used for distributions to member agencies
Working capital Reserve	To be used for fundraising and administration expenses in the following year.
Campaign Stabilization Reserve	To be used to offset possible declines in future campaign contributions to maintain a consistent distribution of funds to member agencies.

These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

13. TRANSPARENCY, ACCOUNTABILITY AND FINANCIAL REPORTING

The United Way for the City of Kawartha Lakes follows the reporting guidelines as outlined in its membership agreement with United Way Centraide Canada. As part of these guidelines, the following is a recommended additional disclosure of Operating costs as a percentage of total revenue before the provision for uncollectible pledges.

	2023	2022
Operations ratio:		
Total revenue	\$ 296,682	\$ 449,733
Add (less) provision for uncollectible pledges	26,528	(366)
Total revenue before pledge loss provision	323,210	449,367
Direct fundraising	7,976	2,917
Allocation of indirect general management & administration expenses (Note 2)	53,551	46,451
Total operating expenses	\$ 61,527	\$ 49,368
Operating (fundraising) costs as a percentage of revenues	19%	11%

14. COMMITMENTS

The United Way for the City of Kawartha Lakes had a signed lease agreement, with 2274887 Ontario Inc, effective July 1, 2021 that ends June 30, 2026. No termination clause and an option to renew for another 5 years within 180 days of the lease expiry. The expected future minimum lease payments are as follows:

The estimated future minimum lease payments (net of HST) required under operating lease are as follows:

2024	\$ 40,300
2025	40,300
2026	40,300
2027	40,300
2028	40,300