

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

Year Ended March 31, 2024

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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, 2024, 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, 2024 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.

Basis for Qualified Opinion

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, 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation 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 presentation and Reports, 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.

Lindsay, Ontario
September 10, 2024



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

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UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Statement of Financial Position
as at March 31, 2024

	2024	2023
ASSETS		
Current		
Cash and cash equivalents (Note 4)	\$ 239,607	\$ 242,092
Short term investments	2,204	1,018
HST rebate receivable	4,208	5,369
Uncollected Pledges (Note 5)	36,358	38,291
Fundraising revenues receivable	13,271	60
Other current assets (Note 6)	8,359	6,830
	304,007	293,660
Capital Assets (Note 7)	36,626	40,284
	\$ 340,633	\$ 333,944
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 41,083	\$ 52,028
Government remittances	4,492	-
Deferred grant revenue (Note 8)	49,709	73,968
	95,284	125,996
Deferred Capital Contributions (Note 9)	125,093	36,971
	220,377	162,967
Net Assets		
Unrestricted Net Assets	116,748	-
Net Assets Invested in Capital Assets	3,508	-
Distribution Reserve	-	170,977
	120,256	170,977
	\$ 340,633	\$ 333,944

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Statement of Operations
for the year March 31, 2024

	2024	2023
Campaign Revenue		
Campaign donations	\$ 264,618	\$ 221,738
Uncollectible pledge (loss) recovery	2,373	(26,528)
	266,991	195,210
Other Revenues		
Edwin Binney's Community Farm & Education Centre (Note 10)	27,451	66,511
Community Services Recovery Fund	280,171	11,052
Amortization of deferred capital funding	3,853	3,853
Fundraising and related income	37,599	20,056
	349,074	101,472
Total Revenue	616,065	296,682
Distributions and Community Programs:		
Amortization, small equipment and maintenance	6,769	8,090
Affiliation fee	2,250	3,022
Farm direct expenses (Note 10)	31,063	15,028
Distributions (Note 11)	316,023	47,684
Professional services	15,104	9,006
Publicity and promotion	-	18,200
Rent	31,416	33,503
Telephone, insurance, office and miscellaneous	11,312	13,398
Wages and subcontractors	165,000	220,005
Total distributions and community program expenses	578,937	367,936
Operating Expenses:		
Amortization, small equipment and maintenance	2,256	1,428
Advertising and promotion	1,353	3,213
Affiliation fee	750	533
Fundraising events and activities	9,212	7,976
Professional Services	5,035	1,589
Rent	10,472	5,912
Telephone, office and miscellaneous	3,771	6,020
Wages and subcontractors	55,000	34,857
Total operating expenses	87,849	61,528
Total Expenses	666,786	429,464
Deficiency of Revenue over Expenses	\$ (50,721)	\$ (132,782)

See accompanying notes to the financial statements

UNITED WAY FOR THE CITY OF KAWARTHA LAKES
Statement of Changes in Net Assets
for the year ended March 31, 2024

	2024				2023
	Unrestricted Net Assets	Net Assets Invested in Capital Assets	Distribution Reserve	Total	Total
Balance- beginning of year	\$ -	\$ -	170,977	170,977	303,759
Excess(Deficit) of Revenues over Expenses for the year	(50,916)	195	-	(50,721)	(132,782)
Interfund Transfers (Note 12)	259,639	(88,662)	(170,977)	-	-
Deferred Capital Funding received but unexpended	(91,975)	91,975	-	-	-
Balance- end of year	\$ 116,748	\$ 3,508	\$ -	\$ 120,256	\$ 170,977

UNITED WAY FOR THE CITY OF KAWARTHA LAKES
Statement of Cash Flows
For the year March 31, 2024

	2024	2023
Cash flow from operating activities		
Excess of Revenue over Expenses	\$ (50,721)	(132,782)
Items not affecting cash:		
Amortization of operating grants	\$ (338,379)	(126,595)
Amortization of capital assets	3,658	4,169
Amortization of deferred capital contributions	(3,853)	(3,853)
	(389,295)	(259,061)
Changes in non-cash working capital:		
HST rebate receivable	1,161	(1,508)
Uncollected Pledges and Fundraising receivable	(11,278)	16,814
Other current assets	(1,529)	(2,709)
Accounts payable and accrued liabilities	(6,453)	(1,642)
Net cash provided by operating activities	(407,394)	(248,106)
Cash flows from investing activities		
Purchase of tangible capital assets	-	(19,672)
Capital asset grants received and deferred	91,975	18,000
Purchase of investments	(1,186)	(1,018)
Net cash provided by investing activities	90,789	(2,690)
Cash flows from financing activities		
Operating reallocated to capital grants deferred	(91,975)	(18,000)
Operating grants received and deferred	406,095	167,022
	314,120	149,022
Cash and cash equivalents at the beginning of the year	242,092	343,866
Cash and cash equivalents at the end of the year	\$ 239,607	\$ 242,092
Cash and cash equivalents consists of:		
Cash	\$ 239,607	\$ 242,092

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements
for the year March 31, 2024

1. DESCRIPTION OF THE ORGANIZATION

United Way for the City of Kawartha Lakes ("UWCKL") 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

The United Way for the City of Kawartha Lakes does receive securities donations. The investment income represents the dividends, interest and gains/losses on those shares. Investment income is recognized when it is earned. The income is included in "Fundraising and related income" on the Operations Statement.

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements
for the year March 31, 2024

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, 2024 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, 2024

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.

Donor Designated Distributions

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

The United Way for the City of Kawartha Lakes accounting policy is to allocate costs which do not pertain specifically to campaign and community programs, as operating costs, based on management's estimates of time and direct expenditures as follows:

	2024	2023
Operating expenses	25%	15%
Distributions and community programs	75%	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, 2024 was nil.

4. CASH AND CASH EQUIVALENTS

	2024	2023
Petty Cash	\$ 350	\$ 150
Undeposited funds	5,293	-
TD Canada Trust	93,332	214,741
TD Trust Account	6,150	2,302
TD Grant Funding Account	134,482	24,899
	\$ 239,607	\$ 242,092

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, 2024

5. UNCOLLECTED PLEDGES

	2024	2023
Pledges receivable	\$ 41,657	\$ 61,818
Allowance for uncollectible pledges	(5,299)	(23,527)
	\$ 36,358	\$ 38,291

The 2024 allowance for uncollectible pledges was calculated based on specific identification of pledges receivable. Most of the old outstanding pledges, tracked by city centres, that had no recovery since 2021, were no longer allowed for and were written off entirely in 2024. The 2024 allowance for uncollectible pledges was calculated as an overall average of 12.7% of the pledges receivable balance based on specific identification and detailed historical information on collection.

6. OTHER CURRENT ASSETS

Other current assets represents prepaid expenses:

	2024	2023
Prepaid United Way Centraide fees	\$ 4,238	\$ 2,709
Prepaid insurance	1,455	1,455
Prepaid rent	2,666	2,666
	\$ 8,359	\$ 6,830

7. CAPITAL ASSETS

	2024		2023	
	Cost	Accumulated Amortization	Net book value	Net book value
Garden buildings and structures	\$ 21,073	\$ 2,828	\$ 18,245	\$ 19,547
Furniture, fixtures and equipment	25,594	8,017	17,577	19,531
Computers	4,071	3,267	804	1,206
	\$ 50,738	\$ 14,112	\$ 36,626	\$ 40,284

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.

\$ 3,658	\$ 4,169
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UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements
for the year March 31, 2024

8. DEFERRED OPERATING CONTRIBUTIONS

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

	2024	2023
Balance - beginning of year	\$ 73,968	\$ 51,542
Amount recognized as revenue in the year	(338,379)	(126,595)
Amount reallocated to deferred capital funding	(91,975)	(18,000)
Amount received in the current year	406,095	167,021
Balance - end of year	\$ 49,709	\$ 73,968

Allocation of deferred contributions operating funding are as follows:

	2024	2023
Community Services Recovery Fund	12,131	25,841
Restricted donations	7,203	19,852
Otto and Marie Pick Foundation	30,000	25,000
Whole Kids Foundation	375	3,275
	\$ 49,709	\$ 73,968

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.

	2024	2023
Balance, beginning of year	\$ 36,971	22,824
Restricted community gardens contributions utilized to purchase capital assets	91,975	18,000
Less:		
Amounts amortized to income	(3,853)	(3,853)
	\$ 125,093	\$ 36,971

10. PROGRAM FUNDING- EDWIN BINNEY'S COMMUNITY FARM & EDUCATION CENTRE

The community programs revenues and expenses were all centered around the Edwin Binney's Farm & Education Centre for 2023 and 2024. Funding received supported: youth employment at the farm, seniors programs, capacity building, educational outreach, and food production and distribution. Funding and restricted donations recognized in revenue are as follows:

	2024	2023
Victoria County Career Services	\$ 3,956	\$ 3,000
Canada Summer Jobs	-	9,358
New Horizons	-	13,904
Ontario Trillium Foundation	-	20,456
Otto & Marie Pick Foundation	-	16,433
TD Friends of the Environment	-	1,450
Miscellaneous	90	1,911
Gifts in kind - seeds	23,405	-
	\$ 27,451	\$ 66,511

The donated seeds were expensed during the year, comprising the majority of the total farm direct expenses reported.

UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements
for the year March 31, 2024

11. DISTRIBUTIONS

The United Way centers across Canada have received funding from the federal government in response to the immediate and indirect, long-term impacts of the pandemic on communities, in order to efficiently and effectively distribute financial support to local agencies assisting the vulnerable members of their communities.

In 2023 and 2024, UWCKL received the federal Community Service Recovery Fund ("CSRF") to administer and distribute to applicant agencies. The applications for this funding made by local agencies were reviewed by volunteer citizen review panels and disbursed as follows:

Community Services Recovery Fund	2024
Big Brothers & Big Sisters of Kawartha Lakes	\$ 45,086
Coboconk & Area Food Bank	36,808
Fenelon Falls Museum	60,875
The Lindsay Gallery	63,712
Kawartha Lakes Museum	60,000
	\$ 266,481

The UWCKL also offers two granting programs funded by the annual fundraising and donation campaign. These opportunities for local service organizations are the Community Capacity Grants and the Collaborative Matching Grants. The distributions made to local service organizations under these grant programs were as follows:

Community Capacity Grants	2024	2023
Boys & Girls Club Kawarthas	\$ 5,000	\$ -
T.H.R.I.L (Therapeutic Horse Riding In Lindsay)	6,200	5,000
Victoria County Career Services	3,000	-
SIRCH Community Services	5,000	-
Point in Time Centre for Children, Youth and Parents	4,968	-
Coboconk & Area Food Bank	-	5,000
Globus Theatre	-	5,000
	\$ 24,168	\$ 15,000

Collaborative Matching Grants	2024	2023
Point in Time Centre for Children, Youth and Parents	\$ -	\$ 10,000

Donor Designations to Service Organizations	\$ 25,374	\$ 22,684
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Total Distributions	\$ 316,023	\$ 47,684
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UNITED WAY FOR THE CITY OF KAWARTHA LAKES

Notes to the Financial Statements
for the year March 31, 2024

12. Fund Balances and Internal Reserves

The Board of Directors have established the following available internal reserves for their net assets:

Net Assets Invested in Capital Assets	The carrying value of capital assets, net of all deferred funding and related liabilities
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
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.

The UWCKL board of directors passed a motion on September 10, 2024, to allocate the opening balance of the Distribution Reserve between Net Assets Invested in Capital Assets and Unrestricted Net Assets effective April 1, 2023.

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.

	2024	2023
Operations ratio:		
Total revenue	\$ 616,065	\$ 296,682
Add (less) provision for uncollectible pledges	(2,373)	26,528
Total revenue before pledge loss provision	613,692	323,210
Direct fundraising	9,212	7,976
Allocation of indirect general management & administration expenses (Note 2)	78,637	53,552
Total operating expenses	\$ 87,849	\$ 61,528
Operating (including fundraising) costs as a percentage of revenues	14%	19%

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. There is no termination clause and an option to renew for another 5 years within 180 days of the lease expiry.

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

2025	40,300
2026	40,300
2027	10,075