

**UNITED WAY OF CENTRAL
ALBERTA SOCIETY**

**Independent Auditor's Report and
Financial Statements**

March 31, 2019



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INDEPENDENT AUDITOR'S REPORT

To the Members of United Way of Central Alberta Society

Qualified Opinion

We have audited the financial statements of United Way of Central Alberta Society (the Society), which comprise the statement of financial position as at March 31, 2019, and the statements of changes in net assets, operations and 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 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 Society as at March 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations and 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2019, current assets as at March 31, 2019, and net assets as at April 1, 2018 and March 31, 2019. The predecessor auditor's opinion on the financial statements for the year ended March 31, 2018 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 Society 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 qualified opinion.

Other Matter

The financial statements of the Society for the year ended March 31, 2018, were audited by another public accounting firm who expressed a qualified opinion on those statements on May 31, 2018 for reasons described in the *Basis for Qualified Opinion* section.

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INDEPENDENT AUDITOR'S REPORT

Responsibilities 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society's internal control.

INDEPENDENT AUDITOR'S REPORT

- ♦ 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 Society'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.

RSM Alberta LLP

Red Deer County, Alberta

June 13, 2019

Chartered Professional Accountants

UNITED WAY OF CENTRAL ALBERTA SOCIETY

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UNITED WAY OF CENTRAL ALBERTA SOCIETY

Statement of Financial Position

As at March 31, 2019

	2019	2018
ASSETS		
Current assets		
Cash (note 3)	\$ 685,689	\$ 122,764
Short-term investments (note 4)	65,478	728,040
Accounts receivable	28,264	26,403
Pledges receivable (note 5)	500,843	467,021
Prepaid expenses	71,787	90,339
	<u>1,352,061</u>	<u>1,434,567</u>
Investments (note 4)	1,044,830	1,125,175
Capital assets (note 6)	<u>6,195</u>	<u>7,181</u>
	<u>\$ 2,403,086</u>	<u>\$ 2,566,923</u>
LIABILITIES		
Current liabilities		
Accounts payable and accruals	\$ 70,120	\$ 45,671
Deferred designation revenue	146,073	162,789
Deferred contributions (note 7)	35,868	13,079
Allocations payable (note 8)	1,100,000	1,213,028
	<u>1,352,061</u>	<u>1,434,567</u>
FUND BALANCES		
Restricted for endowment purposes (note 9)	14,980	14,357
Invested in capital assets	6,195	7,181
Internally restricted (note 10)	1,029,850	1,110,818
Unrestricted	<u>-</u>	<u>-</u>
	<u>1,051,025</u>	<u>1,132,356</u>
	<u>\$ 2,403,086</u>	<u>\$ 2,566,923</u>

Commitments (note 16)

Approved by the board:



President



Treasurer

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Statement of Changes in Net Assets

Year ended March 31, 2019

	Restricted for Endowment Purposes	Invested in Capital Assets	Internally Restricted	Unrestricted	Total 2019	Total 2018
Balance, beginning of year	\$ 14,357	\$ 7,181	\$ 1,110,818	\$ -	\$ 1,132,356	\$ 1,303,768
Deficiency of revenues over program expenses	-	-	-	(81,331)	(81,331)	(171,412)
Capital additions	-	1,339	-	(1,339)	-	-
Amortization expense	-	(2,325)	-	2,325	-	-
Board approved transfers	623	-	(80,968)	80,345	-	-
Balance, end of year	<u>\$ 14,980</u>	<u>\$ 6,195</u>	<u>\$ 1,029,850</u>	<u>\$ -</u>	<u>\$ 1,051,025</u>	<u>\$ 1,132,356</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Statement of Operations
Year ended March 31, 2019

	2019	2018
Revenues		
Campaign revenue (note 11)	\$ 1,737,337	\$ 1,709,916
Funds transferred from other United Ways	260,337	335,073
Other income (note 12)	163,230	178,891
Less uncollectible pledges	<u>(9,476)</u>	<u>(9,365)</u>
	2,151,428	2,214,515
Direct expenses		
Fundraising (page 19)	<u>383,151</u>	<u>385,591</u>
Net revenue available for programs	<u>1,768,277</u>	<u>1,828,924</u>
Program expenses		
Allocations and grants (note 13)	1,114,532	1,235,950
Program expenses (page 20)	479,412	467,219
Designations	<u>246,207</u>	<u>262,316</u>
	<u>1,840,151</u>	<u>1,965,485</u>
Deficiency of revenues over expenses before the following:	(71,874)	(136,561)
Unrealized loss on investments	(7,589)	(25,212)
Realized loss on sale of investments	<u>(1,868)</u>	<u>(9,639)</u>
Deficiency of revenues over program expenses	<u>\$ (81,331)</u>	<u>\$ (171,412)</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Statement of Cash Flows
Year ended March 31, 2019

	2019	2018
CASH PROVIDED BY (USED FOR)		
Operating activities		
Cash received from contributions and other sources	\$ 2,103,022	\$ 2,276,130
Cash paid to suppliers and employees	(817,235)	(884,266)
Interest received	48,793	58,414
Cash paid for allocations and designations	<u>(1,503,766)</u>	<u>(1,589,133)</u>
	<u>(169,186)</u>	<u>(138,855)</u>
Investing activities		
Purchase of capital assets	(1,339)	-
Purchase of investments	(1,083,493)	(569,772)
Proceeds on redemption of investments	<u>1,816,943</u>	<u>624,445</u>
	<u>732,111</u>	<u>54,673</u>
Increase (decrease) in cash	562,925	(84,182)
Cash, beginning of year	<u>122,764</u>	<u>206,946</u>
Cash, end of year	<u>\$ 685,689</u>	<u>\$ 122,764</u>

The Society records its investments at fair value, resulting in an unrealized loss for the year of \$7,589 (2018 - \$25,212). This is a non-cash transaction and as such has been excluded from the statement of cash flows.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2019

1. Nature of Operations

United Way of Central Alberta Society ("United Way" or "Society") is a not-for-profit organization aimed at enabling community minded citizens and organizations to join together and collectively fund health and social services. The United Way is incorporated under the Societies Act of Alberta and is a registered charity under the Income Tax Act and therefore is exempt from income tax in accordance with Section 149 of the Income Tax Act.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

Measurement uncertainty

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 period. Significant areas requiring the use of estimates include: allowance for uncollectible pledges receivable and the allocation of fundraising and program expenses. Actual results may differ from management's best estimates as additional information becomes available in the future.

The Society has recorded an allowance for uncollectible pledges receivable. When the pledges were recorded management acknowledged that it may not collect all pledge receivables. The allowance is based on management's best estimate of the expected pledge losses based on historical losses and future expectations.

Cash and cash equivalents

Cash and cash equivalents include cash and temporary investments with maturity dates less than three months at acquisition.

Pledges receivable

Pledges receivable include contributions that have been pledged to the Society, net of an allowance for uncollectible amounts.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2019

2. Significant Accounting Policies, continued

Investments

Investments are recorded at fair value. Unrealized gains and losses as a result of fair value adjustments at year end are included in the statement of operations.

Capital assets

Amortization of property, plant and equipment is calculated using the following rates and methods:

Computer software	5 years Straight-line
Furniture and equipment	20% Declining balance
Computer equipment	30% Declining balance

One half amortization is calculated in the year of acquisition. No amortization is calculated in the year of disposition.

Financial instruments

The Society measures its financial instruments initially at fair value and subsequently measures them at amortized cost except for investments which are measured at fair value.

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, and 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 and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Contributions from donations and the annual fundraising campaign conducted to raise support for agencies and new initiatives are recognized in the year in which they are received or receivable if the amount can be reasonably measured and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Endowment contributions externally restricted are recognized as direct increases in net assets. Capital contributions are amortized into income on the same basis as the asset is amortized over its useful life.

Other income is recognized as revenue when earned.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2019

2. Significant Accounting Policies, continued

Allocations and designations

Donations designated to agencies are recorded using the dollars on top method. Under this method, designated amounts to agencies are added to the amount allocated by the Community Impact Committee.

Designations are subject to a cost recovery fee of \$15 per designation.

Contributed goods and services

The Society benefits from contributed goods and services in the form of volunteer time for various committees. Due to the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Capital assets that are gifts in kind are only recorded when they are for the use of the Society's operations. The value of the gifts in kind is determined by using an approximation of fair market value when the goods are received.

3. Cash

	<u>2019</u>	<u>2018</u>
Operating bank	\$ 94,052	\$ 109,192
Investment cash	10,538	12,384
Money market mutual fund	<u>581,099</u>	<u>1,188</u>
	<u>\$ 685,689</u>	<u>\$ 122,764</u>

Included in cash is \$35,868 (2018 - \$13,079) of funds that are restricted by funders to be used for specific purposes as disclosed in note 7 and \$29,083 (2018 - \$25,231) of designated funds that are restricted by donors for specific agencies. Interest on the money market fund is earned at 1.6% (2018 - 1.1%) per annum. No interest is earned on the investment cash balances.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2019

4. Investments

Investments consist of stock, mutual funds and bonds that are invested in accordance with the Board approved Investment Policy.

Investments in the amount of \$1,029,850 (2018 - \$1,110,818) are internally restricted for the purposes disclosed in note 10. Policy dictates that investment income earned on these funds be allocated to the related reserves (with some Board discretion).

Investments in the amount of \$14,980 (2018 - \$14,357) are externally restricted for the purposes disclosed in note 9. Policy dictates that investment income earned on these funds be allocated to the endowment fund.

5. Pledges Receivable

Included in pledges receivable is an allowance for uncollectible pledges receivable of \$100,098 (2018 - \$117,008).

6. Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2019 Net</u>	<u>2018 Net</u>
Computer software	\$ 34,256	\$ 31,365	\$ 2,891	\$ 2,360
Furniture and equipment	57,504	55,274	2,230	2,788
Computer equipment	5,610	4,536	1,074	2,033
	<u>\$ 97,370</u>	<u>\$ 91,175</u>	<u>\$ 6,195</u>	<u>\$ 7,181</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2019

7. Deferred Contributions

Deferred contributions consists of unexpended funds which are restricted by the funder to be used for specific purposes.

	<u>Opening balance</u>	<u>Contributions received</u>	<u>Contributions recognized</u>	<u>Ending balance</u>
Enmax utility relief fund grant	\$ -	\$ 30,000	\$ -	\$ 30,000
MEGlobal loaned representative sponsorship	1,031	12,000	(7,163)	5,868
211 grants	<u>12,048</u>	<u>71,500</u>	<u>(83,548)</u>	<u>-</u>
	<u>\$ 13,079</u>	<u>\$ 113,500</u>	<u>\$ (90,711)</u>	<u>\$ 35,868</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the financial statements

Year ended March 31, 2019

8. Allocations Payable

United Way provides funding to member agencies for programs that meet the criteria of one of three priority areas: education, income, and wellness. Funding is for a three-year term, dependent on adherence to grant agreement obligations and outcomes of future fundraising campaigns. This year the Education priority area was opened to new funding applications.

Based on the annual review process, the following allocations will be made in the coming year:

	2019	2018
Education - Year 1		
Bashaw & District Support Services Association	\$ 12,350	\$ 12,350
Big Brothers & Sisters - Lacombe & District	22,000	25,900
Big Brothers & Sisters - Ponoka & District	25,000	30,400
Big Brothers & Sisters - Red Deer	58,000	64,645
Boys & Girls Club of Red Deer	39,261	45,600
Butt Ugly Anti-Tobacco Program Society	-	3,350
Family Services of Central Alberta	22,650	-
Heartland Youth Centre	15,250	17,100
KCS Association for Early Learning Special Needs & Family	25,000	31,350
Ponoka Youth Centre	30,000	36,100
Rocky Youth Development Society	40,000	48,500
Sundre & District Nutrition for Learning Society	22,250	28,500
	<u>\$ 311,761</u>	<u>\$ 343,795</u>
Income - Year 3		
Canadian Mental Health Association	\$ 58,859	\$ 59,620
Central Alberta Refugee Effort	55,749	57,760
Central Alberta Women's Outreach Society	58,739	59,489
Cosmos Community Support Services	57,760	57,760
Family Services of Central Alberta	22,000	23,000
John Howard Society of Red Deer	59,620	59,620
Junior Achievement of Southern Alberta	4,000	4,000
Red Deer Native Friendship Society	-	28,023
	<u>\$ 316,727</u>	<u>\$ 349,272</u>
Wellness - Year 2		
Association of Communities Against Abuse	\$ 15,500	\$ 27,500
Bashaw & District Support Services Association	7,725	7,725
Canadian Mental Health Association	28,000	28,000
Catholic Social Services	58,000	58,000

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the financial statements

Year ended March 31, 2019

8. Allocations Payable (continued)

Central Alberta Pregnancy Care Centre Society	26,000	26,000
Central Alberta Safe Harbour Society	73,616	75,000
CNIB	-	5,000
Domestic Relationship Violence Initiative Committee	28,000	28,000
Epilepsy Association of Calgary	-	25,000
Family Services of Central Alberta	29,522	29,522
Golden Circle Senior Resource Centre	31,510	31,510
Red Deer Meals on Wheels	20,000	20,000
Schizophrenia Society of Alberta	35,835	40,900
Shalom Counselling	25,000	25,000
Spinal Cord Injury Association	31,804	31,804
Turning Point Society of Central Alberta	61,000	61,000
	<u>\$ 471,512</u>	<u>\$ 519,961</u>
	<u>\$ 1,100,000</u>	<u>\$ 1,213,028</u>

9. Net Assets Restricted for Endowment Purposes

The general endowment, which is included in investments, arose as a result of a gift received in 1975. The terms of the gift prevents its use for operations, except upon liquidation of the Society. Income earned by the gift is not externally restricted; however, Board policy is to allocate the income back to the endowment fund.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the financial statements

Year ended March 31, 2019

10. Net Assets Internally Restricted

	2019					2018
	Delta Rempel Capital Reserve	Community Reserve	Technology Reserve	Community Impact Legacy Reserve	Total	Total
Balance, beginning of year	\$ 182,724	\$ 424,298	\$ 38,020	\$ 465,776	\$ 1,110,818	\$ 1,237,906
Board transfers						
Investment income	7,924	18,400	1,649	20,198	48,171	55,928
Reallocation of funds	-	(111,376)	(7,763)	(10,000)	(129,139)	(183,016)
	7,924	(92,976)	(6,114)	10,198	(80,968)	(127,088)
Balance, end of year	\$ 190,648	\$ 331,322	\$ 31,906	\$ 475,974	\$ 1,029,850	\$ 1,110,818

The Delta Rempel Capital Reserve will accumulate all capital donor gifts and any investment income accruing to the reserve. These funds will be used to support the development of the Society's owned premises including a community hub resource facility.

The Community Reserve includes unallocated contributions and donations as well as returned allocations for member agencies. The fund also includes grants that are internally restricted to be used for the community and a rainy day reserve to cover not less than one month and no more than three months of operations and allocations.

The Technology Reserve is to be used for replacing and upgrading technology. There is a projected 10 year technology plan of how this fund is to be used in the future.

The Community Impact Legacy Reserve is comprised of amounts transferred by the Board of Directors and donor legacy and memorial gifts. The Board may allocate up to 5% of the reserve balance, in the subsequent fiscal year, to the Community Impact Council to support community initiatives in programs and services which enhance the quality of life for individuals and communities.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2019

11. Campaign Revenue Reconciliation

	<u>2019</u>	<u>2018</u>
Announced campaign results	\$ 2,000,000	\$ 2,040,126
Net change in deferred designation revenue	16,716	(7,703)
Future campaign revenue received in the current year	2,100	11,241
Post campaign announcement adjustment	(9,901)	5,569
Current campaign revenue received in the prior year	(11,241)	(4,244)
Funds transferred from other United Ways	<u>(260,337)</u>	<u>(335,073)</u>
	<u>\$ 1,737,337</u>	<u>\$ 1,709,916</u>

12. Other Income

	<u>2019</u>	<u>2018</u>
211 Community Phone Support	\$ 91,252	\$ 83,271
Interest	48,793	58,474
Rental	15,276	15,276
MEGlobal loaned representative sponsorship	7,163	11,068
Other	746	1,858
Canada Summer Jobs grant	-	3,294
Memorial contributions	-	3,150
Leadership Event sponsorship	-	2,500
	<u>\$ 163,230</u>	<u>\$ 178,891</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2019

13. Allocations and Grants

	<u>2019</u>	<u>2018</u>
Allocations	\$ 1,090,659	\$ 1,213,028
Small grants	13,873	10,422
Legacy grants	10,000	10,000
Regional Campaign grants	-	2,500
	<u>\$ 1,114,532</u>	<u>\$ 1,235,950</u>

Small grants relate to professional development and capital and equipment grants that agencies apply for annually for specific costs.

Legacy grants relate to collective action initiative grants that agencies apply for annually to address complex community issues.

14. Designations

Of the total designations, 72% (2018 - 64%) was designated to be paid out in Central Alberta.

	<u>2019</u>	<u>2018</u>
Net designated receipts - funded agencies	\$ 5,780	\$ 11,462
Net designated receipts - non-funded agencies	<u>233,610</u>	<u>261,083</u>
	<u>\$ 239,390</u>	<u>\$ 272,545</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the financial statements

Year ended March 31, 2019

15. Cost Ratios

In its public communication, the Society provides stakeholders with information related to certain cost ratios. The calculation of these ratios is as follows:

	<u>2019</u>	<u>2018</u>
Fundraising Expenditures		
Direct costs	12.03%	13.08%
Associated general management and administration costs	5.78%	4.53%
	<u>17.81%</u>	<u>17.61%</u>
Program, Designation, and Allocations and Grants Expenditures		
Direct costs	78.30%	84.29%
Associated general management and administration costs	7.23%	5.50%
	<u>85.53%</u>	<u>89.79%</u>

These ratios were calculated on the total revenue (including unrealized and realized gains and losses), before deducting the pledge loss.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2019

16. Commitments

The Society has a premises lease which will expire March 31, 2021. The lease requires the following payments:

2020	\$	39,375
2021		<u>41,125</u>
	\$	<u>80,500</u>

United Way has entered into an agreement for IT Managed Services at a cost of \$1,685 per month for 36 months ending June 2020.

17. Cost Allocation

The Society allocates its general management and administration expenses to fundraising and programs. General costs which do not pertain specifically to either function are considered administrative and are allocated to these functional areas. These allocations have been established based on management's estimates of the actual expenses incurred in each area using a proportionate percentage of the total functional expenses.

Administrative costs are summarized on the schedule of general management and administration expenses and have been allocated as follows:

	<u>2019</u>	<u>2018</u>
Fundraising expenses (page 19)	\$ 124,366	\$ 99,268
Program expenses (page 20)	<u>155,611</u>	<u>120,282</u>
	<u>\$ 279,977</u>	<u>\$ 219,550</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2019

18. Financial Risk Management

The Society's financial instruments consist of cash, short-term investments, accounts receivable, pledges receivable, investments, accounts payable and accruals, and allocations payable. It is management's opinion that the Society is not exposed to significant interest, currency, market, liquidity or credit risk arising from these financial instruments except as follows:

Credit risk

The Society is exposed to credit risk as it has received pledges for contributions. To mitigate this risk, the Society has recorded an allowance for uncollectible pledges based on historical losses and future expectations.

Market risk

The Society is exposed to market price risk as certain investments include funds that are traded in the market. This risk is mitigated through an investment policy that sets a minimum percentage to be held in short-term investments and bonds and maximum percentages to be held in one specific corporate issue and in non-Canadian equities.

Interest rate risk

The Society is exposed to interest rate price risk as certain cash and investments bear interest at fixed interest rates.

The Society is exposed to interest rate cash flow risk as certain investments bear interest at floating interest rates.

UNITED WAY OF CENTRAL ALBERTA SOCIETY
Schedule of General Management and Administration Expenses
Year ended March 31, 2019

	2019	2018
Salaries and benefits	\$ 144,924	\$ 113,107
Rent and utilities	65,737	59,378
ITS and network	23,940	8,822
Professional fees	18,668	18,740
Photocopier	5,524	1,828
Office supplies and telephone	5,313	4,212
Repairs and maintenance	3,730	3,733
Meetings and conventions	3,510	1,185
Insurance	3,334	3,559
Amortization	2,325	2,337
Campaign	1,504	1,749
Bank and credit card charges	1,410	867
Affiliation membership	57	33
	<u>279,977</u>	<u>219,550</u>
Allocation to fundraising expenses (page 19)	(124,366)	(99,268)
Allocation to program expense (page 20)	<u>(155,611)</u>	<u>(120,282)</u>
	<u>\$ -</u>	<u>\$ -</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Schedule of Fundraising Expenses

Year ended March 31, 2019

	2019	2018
Salaries and benefits	\$ 192,702	\$ 205,946
Special events	35,762	40,175
Campaign marketing and supplies	15,329	19,381
Bank and credit card charges	7,427	6,404
ITS and network	6,384	1,654
Meetings and conventions	640	1,281
Affiliation membership	540	50
Office supplies and telephone	-	4,802
Contract work	-	3,977
Photocopier	-	2,653
Total direct fundraising expenses	258,785	286,323
Allocation of general management and administration expenses (page 18)	124,366	99,268
Total fundraising expenses	\$ 383,151	\$ 385,591

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Schedule of Program Expenses

Year ended March 31, 2019

	2019	2018
Salaries and benefits	\$ 195,389	\$ 212,011
211 Community Phone Support	102,881	100,150
United Way Centraide Canada	19,415	20,083
Meetings and conventions	3,245	2,245
ITS and network	1,596	551
Community engagement plan	735	581
Affiliation membership	540	1,580
Campaign marketing and supplies	-	5,413
Contract work	-	1,537
Photocopier	-	1,415
Office supplies and telephone	-	1,108
Other community initiatives	-	263
Total direct program expenses	323,801	346,937
Allocation of general management and administration expenses (page 18)	155,611	120,282
Total program expenses	\$ 479,412	\$ 467,219