

**UNITED WAY OF CENTRAL ALBERTA SOCIETY**

**Financial Statements**

**March 31, 2021**

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, 2021, and the statements of operations, changes in net assets, cash flows and the related schedules 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 accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021, 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 campaign and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2021, and current assets and net assets as at March 31, 2021.

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.

## 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.
- 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.

Red Deer, Alberta

June 17, 2021

*MNP LLP*

Chartered Professional Accountants

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Contents

March 31, 2021

---

<b>Financial Statements</b>	<b>Page</b>
Statement of Financial Position	1
Statement of Changes in Net Assets	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Schedules to the Financial Statements	17

# UNITED WAY OF CENTRAL ALBERTA SOCIETY


## Statement of Financial Position


As at March 31, 2021

	2021	2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash (note 3)	\$ 632,519	\$ 498,817
Accounts receivable (note 4)	38,455	2,986
Pledges receivable (net of allowance) (note 5)	344,684	456,619
Prepaid expenses	90,897	54,612
	<u>\$ 1,106,555</u>	<u>\$ 1,013,034</u>
<b>Investments (note 6)</b>	<b>1,189,001</b>	<b>1,074,621</b>
<b>Capital assets (note 7)</b>	<b>24,697</b>	<b>10,545</b>
	<u><u>\$ 2,320,253</u></u>	<u><u>\$ 2,098,200</u></u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accruals	\$ 37,333	\$ 51,579
Deferred designation revenue	113,908	141,244
Deferred contributions (note 8)	84,096	58,307
Allocations payable (note 9)	1,025,005	1,077,350
	<u>\$ 1,260,342</u>	<u>\$ 1,328,480</u>
<b>FUND BALANCES</b>		
<b>Restricted for endowment purposes (note 10)</b>	<b>\$ 15,582</b>	<b>\$ 14,980</b>
<b>Invested in capital assets</b>	<b>24,697</b>	<b>10,545</b>
<b>Internally restricted (note 11)</b>	<b>948,762</b>	<b>744,195</b>
<b>Unrestricted</b>	<b>70,870</b>	<b>-</b>
	<u>\$ 1,059,911</u>	<u>\$ 769,720</u>
	<u><u>\$ 2,320,253</u></u>	<u><u>\$ 2,098,200</u></u>

Commitments (note 12)

Approved by the board:

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Treasurer

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Statement of Changes in Net Assets

For the Year Ended March 31, 2021

	Restricted for Endowment Purposes (note 10)	Invested in Capital Assets	Internally Restricted (note 11)	Unrestricted	Total 2021	Total 2020
<b>Balance, beginning of year</b>	\$ 14,980	\$ 10,545	\$ 744,195	\$ -	\$ 769,720	\$ 1,051,025
Excess (deficiency) of revenues over expenses	-	-	-	290,191	<b>290,191</b>	(281,305)
Capital additions	-	22,015	-	(22,015)	-	-
Amortization expense	-	(7,863)	-	7,863	-	-
Board approved transfers	602	-	204,567	(205,169)	-	-
<b>Balance, end of year</b>	<b>\$ 15,582</b>	<b>\$ 24,697</b>	<b>\$ 948,762</b>	<b>\$ 70,870</b>	<b>\$ 1,059,911</b>	<b>\$ 769,720</b>

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Statement of Operations

For the Year Ended March 31, 2021

	2021	2020
<b>Revenues</b>		
Gross general campaign revenue	\$ 1,832,884	\$ 1,818,112
COVID-19 fundraising campaign revenue	190,781	-
Less: uncollectible pledges	<u>(19,845)</u>	<u>(33,182)</u>
Net campaign revenue	\$ 2,003,820	\$ 1,784,930
COVID-19 grant income (note 13)	1,357,558	-
Government assistance (note 14)	237,525	1,880
Grant income (note 15)	124,161	165,297
Other income (note 16)	<u>43,556</u>	<u>40,842</u>
	<b>\$ 3,766,620</b>	<b>\$ 1,992,949</b>
<b>Direct expenses</b>		
Fundraising (schedule 2)	<u>409,882</u>	<u>431,791</u>
<b>Net revenue available for distributions, programs and services</b>	<b>\$ 3,356,738</b>	<b>\$ 1,561,158</b>
<b>Distributions, programs and services</b>		
COVID-19 grant disbursements (note 13)	1,477,492	-
Allocations and grants (note 17)	1,051,730	1,118,693
Program expenses (schedule 3)	409,657	430,738
Designations	<u>219,461</u>	<u>245,672</u>
	<b>\$ 3,158,340</b>	<b>\$ 1,795,103</b>
<b>Excess (deficiency) of revenues over expenses before the following:</b>	<b>\$ 198,398</b>	<b>\$ (233,945)</b>
Unrealized gain/(loss) on investments	88,742	(49,109)
Realized gain on sale of investments	<u>3,051</u>	<u>1,749</u>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 290,191</b>	<b>\$ (281,305)</b>

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Statement of Cash Flows

For the Year Ended March 31, 2021

	2021	2020
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>Operating activities</b>		
Cash received from contributions and other sources	\$ 3,811,028	\$ 2,052,410
Cash paid to suppliers and employees	(861,707)	(859,941)
Interest received	30,511	25,771
Cash paid for allocations, grants and designations	(2,801,528)	(1,385,515)
	<u>\$ 178,304</u>	<u>\$ (167,275)</u>
<b>Investing activities</b>		
Purchase of capital assets	\$ (22,015)	\$ (7,924)
Purchase of investments	(732,099)	(655,144)
Proceeds on redemption of investments	709,512	643,471
	<u>\$ (44,602)</u>	<u>\$ (19,597)</u>
<b>Increase (decrease) in cash</b>	<b>\$ 133,702</b>	<b>\$ (186,872)</b>
<b>Cash, beginning of year</b>	<b>498,817</b>	<b>685,689</b>
<b>Cash, end of year</b>	<b><u>\$ 632,519</u></b>	<b><u>\$ 498,817</u></b>



# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

---

### 1. Nature of Operations

---

United Way of Central Alberta Society ("the 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 Society is incorporated under the Societies Act of Alberta and is a registered charity under the Income Tax Act. Therefore, the Society 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, the useful life of capital assets, 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.

#### Cash and cash equivalents

Cash and cash equivalents include cash and high interest investment savings accounts.

#### Pledges receivable

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

#### 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.

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

---

### 2. Significant Accounting Policies, continued

---

#### Capital assets

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

Furniture and equipment	20% Declining balance
Server equipment	30% Declining balance
Computer equipment	45% Declining balance
Computer software	5 years Straight-line

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

#### Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Society writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Society's ability to provide goods and services. The assets are also written down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Society determines that a long-lived asset is impaired, its carrying value is written down to the asset's fair value.

#### Financial instruments

The Society measures its investments at fair value.

The Society measures all other financial instruments at fair value initially, and subsequently measures them at amortized cost.

Financial assets measured at cost or amortized cost are tested for impairment at year-end, and the amount of the write-down, if applicable, is recognized in net income. Any previously recognized impairment loss may be reversed to the extent of the improvement. The amount of the reversal is recognized in net income, provided it is no greater than the amount that had been previously reported as a reduction and does not exceed original cost.

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

---

### 2. Significant Accounting Policies, continued

---

#### **Fund balances**

Net assets invested in capital assets is comprised of the amount of capital assets acquired with unrestricted funds. The Society has chosen to show this amount as a separate component of net assets.

Unrestricted net assets represents the Society's net assets that may be used by the Society for any purpose it deems necessary.

The endowment fund is explained in note 10 and the internally restricted net assets is explained in note 11.

#### **Revenue recognition**

The Society follows the deferral method of accounting for contributions. Contributions from the annual fundraising campaign 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. Externally restricted endowment contributions 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.

Government assistance is recognized when there is reasonable assurance that the Society will comply with the conditions required to qualify for the assistance, and that the assistance will be received.

#### **Allocations and designations**

Donations designated to agencies are recorded using the dollars on top method. Under this method, designated amounts to agencies do not reduce the amount to be allocated by the Community Impact Committee.

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

---

### 2. Significant Accounting Policies, continued

---

#### 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.

In-kind gifts that are capital in nature are only recorded when they are for the use of the Society's operations. Operating in-kind gifts are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Society's operations and would otherwise have been purchased.

---

### 3. Cash

---

	<u>2021</u>	<u>2020</u>
Operating bank	\$ 126,210	\$ 195,876
Investment cash	19,957	17,272
High interest investment accounts	<u>486,352</u>	<u>285,669</u>
	<u>\$ 632,519</u>	<u>\$ 498,817</u>

Included in cash is \$84,096 (2020 - \$57,307) of funds that are restricted by funders to be used for specific purposes as disclosed in note 8, and \$25,576 (2020 - \$34,325) of designated funds that are restricted by donors for specific agencies.

The Society has available a credit card with a maximum limit of \$5,000, and an outstanding balance of \$944 (2020 - \$495) at year end.

---

### 4. Accounts Receivable

---

Included in accounts receivable is \$25,408 (2020 - \$0) relating to the government assistance programs disclosed in note 14.

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

---

### 5. Pledges Receivable

---

Included in pledges receivable is an allowance for uncollectible pledges of \$93,190 (2020 - \$104,647).

The allowance is based on management's best estimate of the expected pledge losses based on historical losses and future expectations.

---

### 6. Investments

---

Investments consist of stocks, mutual funds, and bonds that are invested in accordance with the Society's Finance Policy.

Included in investments are an externally restricted amount of \$15,582 (2020 - \$14,980), which is restricted for the purpose disclosed in note 10.

Included in investments are internally restricted amounts of \$948,762 (2020 - \$744,195), which are restricted for the purposes disclosed in note 11.

---

### 7. Capital Assets

---

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2021 Net</u>	<u>2020 Net</u>
Furniture and equipment	\$ -	\$ -	\$ -	\$ 1,391
Server equipment	3,486	3,226	260	394
Computer equipment	12,210	4,991	7,219	3,714
Computer software	53,033	35,815	17,218	5,046
	<u>\$ 68,729</u>	<u>\$ 44,032</u>	<u>\$ 24,697</u>	<u>\$ 10,545</u>

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

### 8. Deferred Contributions

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

	Opening balance	Contributions received	Contributions recognized	Ending Balance
Enmax Lights On Fund	\$ 30,000	\$ 30,000	\$ (30,000)	\$ 30,000
2021 Scotch Classic				
Sponsorships & Tickets	-	29,952	-	29,952
Lawyers Vs. Talent Fund	-	21,105	(1,105)	20,000
Federal Emergency				
Community Support Fund (ECSF)	-	1,251,692	(1,247,548)	4,144
COVID-19 Community				
Response Fund	26,450	-	(26,450)	-
Unearned rent	1,000	-	(1,000)	-
MEGlobal loaned				
representative				
sponsorship	857	-	(857)	-
	<u>\$ 58,307</u>	<u>\$ 1,332,749</u>	<u>\$ (1,306,960)</u>	<u>\$ 84,096</u>

### 9. Allocations Payable

The Society 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, dependant on adherence to grant agreement obligations and outcomes of future fundraising campaigns. This year the Society decided not to open the Wellness priority area to new funding applications, instead choosing to review the current agencies and continue funding based on the above-mentioned dependencies.

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

	<u>2021</u>	<u>2020</u>
<b>Education - Year 3</b>		
Bashaw & District Support Services Association	\$ 12,350	\$ 12,350
Big Brothers & Sisters - Lacombe & District	21,135	22,000
Big Brothers & Sisters - Ponoka & District	23,850	25,000
Big Brothers & Sisters - Red Deer	53,715	58,000
Boys & Girls Club of Red Deer	37,980	39,261
Heartland Youth Centre	15,026	15,250
kcs Association for Early Learning Special Needs & Family	23,850	25,000
Ponoka Youth Centre	28,375	30,000

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

### 9. Allocations Payable, continued

Rocky Youth Development Society	37,425	40,000
Sundre & District Nutrition for Learning Society	21,361	22,250
	<u>\$ 275,067</u>	<u>\$ 289,111</u>
<b>Income - Year 2</b>		
Canadian Mental Health Association	\$ 56,282	\$ 58,859
Central Alberta Refugee Effort	53,977	55,749
Central Alberta Women's Outreach Society	55,592	58,739
Cosmos Community Support Services	53,977	57,760
Family Services of Central Alberta	21,794	22,000
John Howard Society of Red Deer	55,715	59,620
Junior Achievement of Southern Alberta	4,000	4,000
	<u>\$ 301,337</u>	<u>\$ 316,727</u>
<b>Wellness - Year 1</b>		
Association of Communities Against Abuse	\$ 15,500	\$ 15,500
Bashaw & District Support Services Association	7,725	7,725
Canadian Mental Health Association	27,110	28,000
Catholic Social Services	54,831	58,000
Central Alberta Pregnancy Care Centre Society	25,263	26,000
Central Alberta Safe Harbour Society	73,616	73,616
Domestic Relationship Violence Initiative Committee	27,110	28,000
Family Services of Central Alberta	28,540	29,522
Golden Circle Senior Resource Centre	31,510	31,510
Red Deer Meals on Wheels	19,724	20,000
Schizophrenia Society of Alberta	25,111	35,835
Shalom Counselling	24,365	25,000
Spinal Cord Injury Association	30,621	31,804
Turning Point Society of Central Alberta	57,575	61,000
	<u>\$ 448,601</u>	<u>\$ 471,512</u>
	<u>\$ 1,025,005</u>	<u>\$ 1,077,350</u>

### 10. 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. The Society's policy is to allocate the income back to the endowment fund, at the discretion of the Board.

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

### 11. Net Assets Internally Restricted

	Balance, Beginning of Year	Board transfers: Investment Income	Reallocation of Funds	Balance, End of Year
<b>2021</b>				
Delta Rempel Community				
Impact Reserve	\$ 197,273	\$ 7,928	\$ 6,799	\$ 212,000
Allocations Reserve	243,750	9,796	95,000	348,546
Operating Reserve	270,856	10,886	94,000	375,742
Technology Reserve	32,316	1,299	(21,141)	12,474
	<u>\$ 744,195</u>	<u>\$ 29,909</u>	<u>\$ 174,658</u>	<u>\$ 948,762</u>
<b>2020</b>				
Delta Rempel Community				
Impact Reserve	\$ -	\$ -	\$ 197,273	\$ 197,273
Allocations Reserve	-	-	243,750	243,750
Operating Reserve	-	-	270,856	270,856
Technology Reserve	31,906	-	410	32,316
Community Reserve	331,322	-	(331,322)	-
Community Impact Legacy Reserve	475,974	-	(475,974)	-
Delta Rempel Capital Reserve	190,648	-	(190,648)	-
	<u>\$ 1,029,850</u>	<u>\$ -</u>	<u>\$ (285,655)</u>	<u>\$ 744,195</u>

The Delta Rempel Community Impact Reserve is used to fund additional community impact ventures to grow the Society's reach to all edges of the Central Alberta community it serves, as well as to be used as a rainy day fund for external agencies when the loss of programs would result in poor outcomes for the community.

The Allocations Reserve is used as a rainy day fund specifically relating to member allocations expenditures.

The Operating Reserve is used as a rainy day fund specifically relating to our operating expenditures, not including member allocations expenditures.

The Technology Reserve is used to ensure the Society has the technology to operate effectively on an ongoing basis.



# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

---

### 12. Commitments

---

The Society has a premises lease which will expire March 31, 2026. The lease requires the following payments:

2022	\$	24,841
2023	\$	24,841
2024	\$	25,596
2025	\$	26,349
2026	\$	26,349

The Society has entered into an agreement for IT Managed Services that expires February 28, 2024. The agreement requires the following payments:

2022	\$	19,422
2023	\$	19,422
2024	\$	17,772

---

### 13. COVID-19 Grant Income and Disbursements

---

Over the course of the year, the Society was chosen to administer COVID-19 agency relief funds from the Government of Alberta and the federal government. The Society also created an additional fund for the same purpose.

The COVID-19 grants recognized were as follows:

	<u>2021</u>	<u>2020</u>
Federal Emergency Community Support Fund	\$ 1,247,548	\$ -
Federal New Horizons Fund for Seniors	80,142	-
Government of Alberta (GoA) Matching Donation Program	29,868	-
	<u>\$ 1,357,558</u>	<u>\$ -</u>

The COVID-19 grants disbursed were as follows:

	<u>2021</u>	<u>2020</u>
Federal Emergency Community Support Fund	\$ 1,230,692	\$ -
Federal New Horizons Fund for Seniors	75,789	-
Community Response Fund (including the GoA match)	171,011	-
	<u>\$ 1,477,492</u>	<u>\$ -</u>

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

---

### 14. Government Assistance

---

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy (CEWS) program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including the demonstration of revenue declines as a result of COVID-19. This subsidy is retroactive to March 15, 2020. The qualification and application of the CEWS is assessed over multiple four-week application periods.

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Rent Subsidy (CERS) program in October 2020. CERS provides a rent subsidy on eligible rental expenses to eligible tenants based on certain criteria, including the demonstration of revenue declines as a result of COVID-19. This subsidy is retroactive to September 27, 2020. The qualification and application of the CERS is assessed over multiple four-week application periods.

The Society has applied for the following amounts:

	<u>2021</u>	<u>2020</u>
CEWS	\$ 227,651	\$ 1,880
CERS	<u>9,874</u>	<u>-</u>
	<u>\$ 237,525</u>	<u>\$ 1,880</u>

The Society expects to continue to receive the CEWS and the CERS for future periods.

---

### 15. Grant Income

---

	<u>2021</u>	<u>2020</u>
Operating grants	\$ 100,000	\$ 115,000
Red Deer & District Community Foundation Gender Equality grant	20,250	4,400
Canada Summer Jobs grant	3,911	3,984
211 Community Phone Support	-	24,902
MEGlobal loaned representative sponsorship	-	17,011
	<u>\$ 124,161</u>	<u>\$ 165,297</u>

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

---

### 16. Other Income

---

	<u>2021</u>	<u>2020</u>
Interest	\$ 30,511	\$ 25,771
Rental	11,980	15,071
Other	1,065	-
	<u>\$ 43,556</u>	<u>\$ 40,842</u>

---

### 17. Allocations and Grants

---

	<u>2021</u>	<u>2020</u>
Allocations	\$ 1,015,932	\$ 1,077,350
Enmax Lights On Fund	30,000	30,000
Small grants	5,798	11,343
	<u>\$ 1,051,730</u>	<u>\$ 1,118,693</u>

---

### 18. 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 time spent in each functional area using the proportionate share of personnel expenses in each functional area.

Administrative costs are summarized on schedule 1, and have been allocated as follows:

	<u>2021</u>	<u>2020</u>
Fundraising expenses (schedule 2)	\$ 144,395	\$ 152,869
Program expenses (schedule 3)	146,205	161,901
	<u>\$ 290,600</u>	<u>\$ 314,770</u>

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Notes to the Financial Statements

March 31, 2021

---

### 19. Financial Instruments

---

The Society's financial instruments consist of cash, 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:

#### a) Emerging risk

The COVID-19 pandemic is causing significant financial market and social dislocation. The situation is dynamic, with various cities and countries around the world responding in different ways to address the outbreak. The Society continues to monitor and assess the impact COVID-19 will have on its activities. The extent of the effect of the COVID-19 pandemic on the Society is uncertain.

#### b) 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. Refer to note 19 a) describing the impact of the coronavirus on the Society.

#### c) 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. Refer to note 19 a) describing the impact of the coronavirus on the Society.

#### d) 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.

---

### 20. Comparative Amounts

---

The presentation of certain accounts in the previous year has been changed to conform to the presentation adopted in the current year.

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Schedule 1: General Management and Administration Expenses

For the Year Ended March 31, 2021

	2021	2020
Salaries and benefits	\$ 124,898	\$ 172,905
Rent and utilities	64,297	62,726
Information technology	29,060	23,726
Professional fees	20,240	18,958
Office administration	13,791	12,047
Repairs and maintenance	9,588	8,421
Office equipment	8,690	-
Amortization	7,863	3,574
Insurance	3,914	3,212
Bank fees	2,661	865
Staff and volunteer support	2,458	2,579
Memberships	2,342	517
Meetings and conventions	798	5,240
	<u>\$ 290,600</u>	<u>\$ 314,770</u>
Allocation to fundraising expenses (schedule 2)	(144,395)	(152,869)
Allocation to program expenses (schedule 3)	(146,205)	(161,901)
	<u>\$ -</u>	<u>\$ -</u>

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Schedule 2: Fundraising Expenses

For the Year Ended March 31, 2021

	2021	2020
Salaries and benefits	\$ 219,237	\$ 200,963
Donation processing fees	16,068	12,000
Annual special events	14,363	41,286
Information technology	8,581	8,074
Marketing	6,667	15,149
Donor relationship management	307	819
Affinity groups	264	631
	<u>\$ 265,487</u>	<u>\$ 278,922</u>
Allocation of general management and administration expenses (schedule 1)	<u>144,395</u>	<u>152,869</u>
	<u><u>\$ 409,882</u></u>	<u><u>\$ 431,791</u></u>

# UNITED WAY OF CENTRAL ALBERTA SOCIETY

## Schedule 3: Program Expenses

For the Year Ended March 31, 2021

	2021	2020
Salaries and benefits	\$ 222,002	\$ 213,955
Community initiatives	21,245	-
United Way Centraide Canada	17,778	18,511
Information technology	1,293	1,241
Community investment process	1,134	10,126
211 Community Phone Support	-	25,004
	<u>\$ 263,452</u>	<u>\$ 268,837</u>
Allocation of general management and administration expenses (schedule 1)	<u>146,205</u>	<u>161,901</u>
	<u><u>\$ 409,657</u></u>	<u><u>\$ 430,738</u></u>