

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Financial Statements

March 31, 2024

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Contents

March 31, 2024

Financial Statements	Page
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	14

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Statement of Financial Position

As at March 31, 2024

	2024	2023
ASSETS		
Current assets		
Cash (note 3)	\$ 495,526	\$ 501,884
Accounts receivable	6,150	5,226
Grant receivable	-	996,956
Pledges receivable (net of allowance) (note 4)	268,900	312,193
Prepaid expenses	54,341	44,773
	<u>\$ 824,917</u>	<u>\$ 1,861,032</u>
Investments (note 5)	1,045,081	1,164,214
Capital assets (note 6)	10,377	13,749
	<u><u>\$ 1,880,375</u></u>	<u><u>\$ 3,038,995</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accruals	\$ 52,550	\$ 47,241
Deferred designation revenue (note 7)	150,582	161,294
Deferred contributions (note 8)	16,167	1,133,968
Allocations payable	129,375	232,503
	<u>\$ 348,674</u>	<u>\$ 1,575,006</u>
FUND BALANCES		
Internally restricted (note 9)	1,448,529	1,422,736
Invested in capital assets	10,377	13,749
Restricted for endowment purposes (note 10)	\$ 17,573	\$ 16,621
Unrestricted	55,222	10,883
	<u>\$ 1,531,701</u>	<u>\$ 1,463,989</u>
	<u><u>\$ 1,880,375</u></u>	<u><u>\$ 3,038,995</u></u>
Commitments (note 11)		

Approved by the board:

President

Treasurer

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Statement of Changes in Net Assets

For the Year Ended March 31, 2024

	Internally Restricted (note 9)	Invested in Capital Assets	Restricted for Endowment Purposes (note 10)	Unrestricted	Total 2024	Total 2023
Balance, beginning of year	\$ 1,422,736	\$ 13,749	\$ 16,621	\$ 10,883	\$ 1,463,989	\$ 1,115,731
Excess (deficiency) of revenues over expenses	-	-	-	67,712	67,712	348,258
Capital additions/disposals	-	3,595	-	(3,595)	-	-
Amortization expense	-	(6,967)	-	6,967	-	-
Board approved transfers	25,793	-	952	(26,745)	-	-
Balance, end of year	\$ 1,448,529	\$ 10,377	\$ 17,573	\$ 55,222	\$ 1,531,701	\$ 1,463,989

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Statement of Operations

For the Year Ended March 31, 2024

	2024	2023
Revenues		
Gross general campaign revenue	\$ 1,548,665	\$ 1,585,919
Less: uncollectible pledges	<u>(27,306)</u>	<u>(15,327)</u>
Net campaign revenue	\$ 1,521,359	\$ 1,570,592
Grant income (note 12)	1,106,206	81,906
Interest income	39,660	28,551
Miscellaneous Income	<u>364</u>	<u>852</u>
	\$ 2,667,589	\$ 1,681,901
Direct expenses		
Fundraising (schedule 2)	<u>408,411</u>	<u>413,666</u>
Net revenue available for distributions, programs and services	<u>\$ 2,259,178</u>	<u>\$ 1,268,235</u>
Distributions, programs and services		
Allocations and grants (note 13)	1,714,988	283,278
Program expenses (schedule 3)	332,814	425,472
Designations	<u>197,468</u>	<u>174,610</u>
	\$ 2,245,270	\$ 883,360
Excess (deficiency) of revenues over expenses before the following:	\$ 13,908	\$ 384,875
Realized gain/(loss) on sale of investments	27,431	(23,169)
Unrealized gain/(loss) on investments	<u>26,373</u>	<u>(13,448)</u>
Excess (deficiency) of revenues over expenses	<u>\$ 67,712</u>	<u>\$ 348,258</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Statement of Cash Flows

For the Year Ended March 31, 2024

	2024	2023
CASH PROVIDED BY (USED FOR)		
Operating activities		
Cash received from contributions and other sources	\$ 2,538,741	\$ 1,815,282
Cash paid to suppliers and employees	(738,517)	(824,659)
Interest received	39,660	28,551
Cash paid for allocations, grants and designations	(2,015,584)	(1,155,386)
	<u>\$ (175,700)</u>	<u>\$ (136,212)</u>
Investing activities		
Purchase of capital assets	\$ (3,795)	\$ (1,605)
Proceeds on sale of capital assets	200	-
Purchase of investments	(773,866)	(775,317)
Proceeds on redemption of investments	946,803	792,690
	<u>\$ 169,342</u>	<u>\$ 15,768</u>
Increase (decrease) in cash	\$ (6,358)	\$ (120,444)
Cash, beginning of year	501,884	622,328
Cash, end of year	<u>\$ 495,526</u>	<u>\$ 501,884</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2024

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:

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.

Capital assets

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

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.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2024

2. Significant Accounting Policies, continued

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 recognizes its financial instruments when the Society becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any financial instrument at fair value. The Society has made such an election during the year. The Society subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. Fair value is determined by market quotations stated on investment statements received from the investment institutions the Society holds investments at.

All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

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.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2024

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 internally restricted net assets is explained in note 9 and the endowment fund is explained in note 10.

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.

Interest income is recognized on a time proportion basis.

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.

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.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2024

3. Cash

	<u>2024</u>	<u>2023</u>
Bank account(s)	\$ 127,445	\$ 178,446
Investment cash	5,523	17,453
High interest investment accounts	<u>362,558</u>	<u>305,985</u>
	<u>\$ 495,526</u>	<u>\$ 501,884</u>

Included in cash is \$421,021 (2023 - \$275,143) of internally restricted amounts as disclosed in note 9, and \$69,361 (2023 - \$80,676) of designated funds that are restricted by donors for specific agencies.

The Society has available a credit card with a maximum limit of \$7,500 (2023 - \$7,500), and an outstanding balance of \$2,490 (2023 - \$2,701) at year end.

4. Pledges Receivable

Included in pledges receivable is an allowance for uncollectible pledges of \$79,216 (2023 - \$72,313).

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

5. Investments

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

Included in investments are internally restricted amounts of \$1,027,508 (2023 - \$1,147,593), which are restricted for the purposes disclosed in note 9.

Included in investments is an externally restricted amount of \$17,573 (2023 - \$16,621), which is restricted for the purpose disclosed in note 10.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2024

6. Capital Assets

	Cost	Accumulated Amortization	2024 Net	2023 Net
Computer equipment	17,262	11,830	5,432	4,915
Computer software	53,033	48,088	4,945	8,834
	<u>\$ 70,295</u>	<u>\$ 59,918</u>	<u>\$ 10,377</u>	<u>\$ 13,749</u>

7. Deferred Designation Revenue

Deferred designation revenue consists of pledges made during the year that have a donor choice designation attached. These are paid out after receipt of funds associated with the original pledge.

	2024	2023
Opening balance	\$ 161,294	\$ 157,853
Designation pledges recorded	188,401	185,733
Designations paid out	(195,923)	(174,611)
Fees and write-offs	(3,190)	(7,681)
	<u>\$ 150,582</u>	<u>\$ 161,294</u>

8. Deferred Contributions

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

	Opening balance	Contributions received/receivable	Contributions recognized	Ending Balance
Enmax Lights On Fund	\$ -	\$ 60,000	\$ (60,000)	\$ -
AltaGas Cause Partnership	23,562	-	(23,562)	-
Government of Alberta Period Promise Grant	229	-	(229)	-
Sponsorships & Ticket Sales	-	10,174	-	10,174
Government of Canada Community Services Recovery Fund	1,110,177	-	(1,104,184)	5,993
	<u>\$ 1,133,968</u>	<u>\$ 70,174</u>	<u>\$ (1,187,975)</u>	<u>\$ 16,167</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2024

9. Net Assets Internally Restricted

	Balance, Beginning of Year	Board transfers: Investment Income	Reallocation of Funds	Balance, End of Year
2024				
Delta Rempel Community				
Impact Reserve	\$ 212,000	\$ 12,147	\$ (12,147)	\$ 212,000
Allocations Reserve	696,000	39,880	(39,880)	696,000
Operating Reserve	445,176	25,508	-	470,684
Technology Reserve	19,560	1,121	(836)	19,845
Training & Development Reserve	50,000	2,865	(2,865)	50,000
	<u>\$ 1,422,736</u>	<u>\$ 81,521</u>	<u>\$ (55,728)</u>	<u>\$ 1,448,529</u>
2023				
Delta Rempel Community				
Impact Reserve	\$ 212,000	\$ 5,522	\$ (5,522)	\$ 212,000
Allocations Reserve	372,334	9,698	313,968	696,000
Operating Reserve	415,605	10,826	18,745	445,176
Technology Reserve	12,931	337	6,292	19,560
Training & Development Reserve	50,000	1,302	(1,302)	50,000
	<u>\$ 1,062,870</u>	<u>\$ 27,685</u>	<u>\$ 332,181</u>	<u>\$ 1,422,736</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 to hold funds 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.

The Training & Development Reserve is used to ensure adequate resources to support staff and volunteer development, to the benefit of the organization and community.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2024

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.

11. Commitments

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

2025	\$	26,349
2026	\$	26,349

12. Grant Income

	2024	2023
Government of Canada Community Services Recovery Fund Grant	\$ 1,104,184	\$ 24,814
Canada-Alberta Jobs Training grants	1,793	4,183
Government of Alberta Period Promise Grant	229	17,971
Anonymous grant	-	31,006
Canada Summer Jobs grant	-	3,932
	<u>\$ 1,106,206</u>	<u>\$ 81,906</u>

13. Allocations and Grants

	2024	2023
Community Services Recovery Fund - qualified donees	\$ 865,180	\$ -
Community Services Recovery Fund - non-qualified donees	232,820	-
Allocations to Member Agencies (note 14)	517,500	223,747
Enmax Lights On Fund	60,000	50,000
Project Grants to qualified donees	31,988	9,531
Project Grants to non-qualified donees	7,500	-
	<u>\$ 1,714,988</u>	<u>\$ 283,278</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2024

14. Allocations To Member Agencies

The Society provides funding to member agencies for programs in our priority areas: basic needs, mental health, and brighter futures. The Community Impact Council made the following allocations decisions:

	<u>2024</u>	<u>2023</u>
Big Brothers & Sisters - Lacombe & District	\$ 20,000	\$ 4,707
Big Brothers & Sisters - Red Deer	40,000	12,143
Boys & Girls Club of Olds and Area	22,000	-
Boys & Girls Club of Red Deer	40,000	9,209
Catholic Social Services	28,000	12,990
Central Alberta Safe Harbour Society	70,000	17,440
Family Services of Central Alberta	28,000	12,213
Greenwood Neighbourhood Place Society	30,000	-
Ponoka Youth Centre	50,000	7,094
Red Deer Meals on Wheels	25,000	4,673
Shalom Counselling	20,000	5,773
Shining Mountain Community Living Services	50,000	-
Town of Drumheller	41,000	-
Turning Point Society of Central Alberta	53,500	4,884
Association of Communities Against Abuse	-	3,672
Bashaw & District Support Services Association	-	5,019
Big Brothers & Sisters - Ponoka	-	5,312
Canadian Mental Health Association	-	20,493
Central Alberta Pregnancy Care Centre Society	-	5,985
Clearwater Boys & Girls Club	-	8,523
Cosmos Community Support Services	-	13,494
Domestic Relationship Violence Initiative Committee	-	6,164
Golden Circle Senior Resource Centre	-	7,465
Heartland Youth Centre	-	3,757
John Howard Society of Red Deer	-	13,929
Junior Achievement of Southern Alberta	-	1,000
kcs Association for Early Learning Special Needs & Family	-	5,366
Schizophrenia Society of Alberta	-	5,949
Spinal Cord Injury Association	-	7,255
Sundre & District Nutrition for Learning Society	-	5,340
The Outreach Centre	-	13,898
	<u>\$ 517,500</u>	<u>\$ 223,747</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Notes to the Financial Statements

March 31, 2024

15. Cost Allocation

The Society allocates its general management and administration expenses to fundraising and programs. 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 time spent in each functional area using the proportionate share of personnel expenses.

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

	<u>2024</u>	<u>2023</u>
Fundraising expenses (schedule 2)	\$ 173,908	\$ 143,517
Program expenses (schedule 3)	<u>152,496</u>	<u>143,574</u>
	<u>\$ 326,404</u>	<u>\$ 287,091</u>

16. 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) 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.

b) 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 policies that set a minimum percentage to be held in fixed income investments, and maximum percentage to be held in equity investments.

c) 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.

17. Comparative Figures

Certain prior year accounts have been changed to conform to current year presentation.

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Schedule 1: General Management and Administration Expenses

For the Year Ended March 31, 2024

	2024	2023
Salaries and benefits	\$ 202,831	\$ 158,714
Information technology	42,536	47,983
Rent and utilities	24,802	20,802
Professional fees	19,508	19,210
Office administration	13,437	12,990
Amortization	6,967	7,461
Memberships	5,279	1,663
Insurance	4,443	6,334
Professional development	4,129	7,520
Staff and volunteer support	993	2,460
Meetings and conventions	740	561
Repairs and maintenance	622	709
Office equipment	117	684
	<u>\$ 326,404</u>	<u>\$ 287,091</u>
Allocation to fundraising expenses (schedule 2)	(173,908)	(143,517)
Allocation to program expenses (schedule 3)	(152,496)	(143,574)
	<u>\$ -</u>	<u>\$ -</u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Schedule 2: Fundraising Expenses

For the Year Ended March 31, 2024

	2024	2023
Salaries and benefits	\$ 169,392	\$ 199,082
Annual special events	43,967	51,183
Donation processing fees	13,884	14,314
Marketing	4,878	5,208
Donor relationship management	1,739	362
Information technology	643	-
	<u>\$ 234,503</u>	<u>\$ 270,149</u>
Allocation of general management and administration expenses (schedule 1)	<u>173,908</u>	<u>143,517</u>
	<u><u>\$ 408,411</u></u>	<u><u>\$ 413,666</u></u>

UNITED WAY OF CENTRAL ALBERTA SOCIETY

Schedule 3: Program Expenses

For the Year Ended March 31, 2024

	2024	2023
Salaries and benefits	\$ 148,551	\$ 199,134
United Way Centraide Canada	15,473	18,030
Community initiatives	12,965	53,337
Information technology	1,964	10,649
Community investment process	1,365	748
	<u>\$ 180,318</u>	<u>\$ 281,898</u>
Allocation of general management and administration expenses (schedule 1)	<u>152,496</u>	<u>143,574</u>
	<u><u>\$ 332,814</u></u>	<u><u>\$ 425,472</u></u>