

United Way of Central Alberta Society
Financial Statements
March 31, 2025

To the Board of Directors 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, 2025, and the statements of operations, changes in net assets 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 possible effects of the matter described in the Basis of 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, 2025, 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, 2025, and current assets and net assets as at March 31, 2025.

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 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 19, 2025

MNP LLP
Chartered Professional Accountants

MNP

United Way of Central Alberta Society
Statement of Financial Position

As at March 31, 2025

	2025	2024
Assets		
Current		
Cash (Note 3)	338,627	495,527
Accounts receivable	6,853	6,150
Pledges receivable (net of allowance) (Note 4)	299,545	268,901
Prepaid expenses	54,191	54,339
	699,216	824,917
Investments (Note 5)	1,223,771	1,045,081
Capital assets (Note 6)	7,122	10,377
	1,930,109	1,880,375
Liabilities		
Current		
Accounts payable and accruals	44,074	52,550
Deferred designation revenue (Note 7)	159,347	150,582
Deferred contributions (Note 8)	3,692	16,167
Allocations payable	130,776	129,375
	337,889	348,674
Commitments (Note 11)		
Fund Balances		
Internally restricted (Note 9)	1,465,670	1,448,529
Invested in capital assets	7,122	10,377
Restricted for endowment purposes (Note 10)	18,187	17,573
Unrestricted	101,241	55,222
	1,592,220	1,531,701
	1,930,109	1,880,375

Approved by the board

Darren Lamothe

President

Brett Speight

Treasurer

United Way of Central Alberta Society

Statement of Operations

For the year ended March 31, 2025

	2025	2024
Revenue		
Gross general campaign revenue	1,608,911	1,548,665
Less: uncollectible pledges	(19,986)	(27,306)
Net campaign revenue	1,588,925	1,521,359
Grant income <i>(Note 12)</i>	126,358	1,106,206
Interest income	47,489	39,661
Miscellaneous income	400	364
	1,763,172	2,667,590
Direct expenses		
Fundraising <i>(Schedule 2)</i>	473,899	408,411
Net revenue available for distributions, programs and services	1,289,273	2,259,179
Distributions, programs and services		
Allocations and grants <i>(Note 13)</i>	679,214	1,714,988
Program expenses <i>(Schedule 3)</i>	421,557	332,814
Designations	172,874	197,468
	1,273,645	2,245,270
Excess of revenue over expenses before the following:	15,628	13,909
Other items		
Realized gain on sale of investments	2,143	27,431
Unrealized gain on investments	42,748	26,373
Excess of revenue over expenses	60,519	67,713

The accompanying notes are an integral part of these financial statements

United Way of Central Alberta Society Statement of Changes in Net Assets

For the year ended March 31, 2025

	<i>Internally restricted (note 9)</i>	<i>Invested in capital assets</i>	<i>Restricted for endowment purposes (note 10)</i>	<i>Unrestricted</i>	2025	2024
Balance, beginning of year	1,448,529	10,377	17,573	55,222	1,531,701	1,463,988
Excess of revenue over expenses	-	-	-	60,519	60,519	67,713
	1,448,529	10,377	17,573	115,741	1,592,220	1,531,701
Capital additions/disposals	-	3,641	-	(3,641)	-	-
Amortization expense	-	(6,896)	-	6,896	-	-
Board approved transfers	17,141	-	614	(17,755)	-	-
Balance, end of year	1,465,670	7,122	18,187	101,241	1,592,220	1,531,701

The accompanying notes are an integral part of these financial statements

United Way of Central Alberta Society

Statement of Cash Flows

For the year ended March 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Cash received from contributions and other sources	1,680,626	2,538,740
Cash paid for allocations, grants and designations	(850,687)	(2,015,582)
Cash paid to suppliers and employees	(896,888)	(738,517)
Interest received	47,489	39,660
	(19,460)	(175,699)
Investing		
Purchase of capital assets	(3,841)	(3,795)
Proceeds on disposal of capital assets	200	200
Purchase of investments	(662,334)	(773,866)
Proceeds on redemption of investments	528,535	946,803
	(137,440)	169,342
Decrease in cash resources	(156,900)	(6,357)
Cash resources, beginning of year	495,527	501,884
Cash resources, end of year	338,627	495,527

The accompanying notes are an integral part of these financial statements

United Way of Central Alberta Society

Notes to the Financial Statements

For the year ended March 31, 2025

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 balances with banks, 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

Purchased capital assets are recorded at cost.

Amortization is provided using the following methods at rates intended to amortize the cost of assets over their estimated useful lives.

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

	Method	Rate
Computer equipment	declining balance	45 %
Computer software	straight-line	5 years

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 asset 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 amount is written down to the asset's fair value.

Financial instruments

The Society recognizes financial instruments when the Society becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Society has made such an election during the year.

United Way of Central Alberta Society

Notes to the Financial Statements

For the year ended March 31, 2025

2. Significant accounting policies (Continued from previous page)

Financial instruments (Continued from previous page)

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 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 conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting 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.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

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 proportioned basis.

Allocation 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

For the year ended March 31, 2025

3. Cash

	2025	2024
Bank account(s)	65,530	127,445
Investment cash	10,347	5,524
High interest investment accounts	262,750	362,558
	338,627	495,527

Included in cash is \$242,150, (2024 - \$421,021) of internally restricted amounts as disclosed in Note 9, and \$73,996 (2024 - \$69,361) 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 (2024 - \$7,500) bearing interest at 19.99% (2024 - 19.99%), and an outstanding balance of \$1,198 (2024 - \$2,490) at year end.

4. Pledges receivable

Included in pledges receivable is an allowance for uncollectible pledges of \$61,824 (2024 - \$79,216).

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 Financial Policy.

Included in investments are internally restricted amounts of \$1,206,379 (2024 - \$1,027,508), which are restricted for the purposes disclosed in Note 9.

Included in investments is an externally restricted amount of \$17,573 (2024 - \$17,573), which is restricted for the purpose disclosed in Note 10.

6. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	16,162	10,574	5,588	5,432
Computer software	53,033	51,499	1,534	4,945
	69,195	62,073	7,122	10,377

United Way of Central Alberta Society Notes to the Financial Statements

For the year ended March 31, 2025

7. Deferred designation revenue

Deferred designated 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.

	2025	2024
Balance, beginning of year	150,582	161,294
Designation pledges recorded	182,835	188,401
Designations paid out	(170,804)	(195,923)
Fees and write-offs	(3,266)	(3,190)
Balance, end of year	159,347	150,582

8. Deferred contributions

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

	<i>Opening balance</i>	<i>Contributions received/ receivable</i>	<i>Contributions recognized</i>	<i>Ending balance</i>
Sponsorships and ticket sales	10,174	3,692	(10,174)	3,692
Recovery fund	5,993	-	(5,993)	-
	16,167	3,692	(16,167)	3,692

United Way of Central Alberta Society

Notes to the Financial Statements

For the year ended March 31, 2025

9. Net assets internally restricted

	<i>Balance, beginning of year</i>	<i>Board transfers: Investment income</i>	<i>Reallocation of Funds</i>	<i>Balance, end of year</i>
2025				
Delta Rempel Community Impact reserve	212,000	7,408	(7,408)	212,000
Allocations reserve	696,000	24,320	(24,320)	696,000
Operating reserve	470,684	16,447	-	487,131
Technology reserve	19,845	694	-	20,539
Training and development reserve	50,000	1,747	(1,747)	50,000
	1,448,529	50,616	(33,475)	1,465,670
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 and development reserve	50,000	2,865	(2,865)	50,000
	1,422,736	81,521	(55,728)	1,448,529

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 expenditure, 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 and Development reserve is used to ensure adequate resources to support staff and volunteer development, to the benefit of the organization and community.

10. Net assets restricted for the endowment fund

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 the endowment fund, at the discretion of the Board.

11. Commitments

The Society has the following premises and equipment lease commitments:

2026	29,889
2027	3,540
2028	3,540
2029	3,540
	40,509

United Way of Central Alberta Society

Notes to the Financial Statements

For the year ended March 31, 2025

12. Grant income

	2025	2024
Prosperity Project FCSS Grant	100,000	-
Red Deer Homeless Foundation Project Grant	12,000	-
John Howard Society Prosperity Project Grant	5,000	-
Government of Canada Community Services Recovery Fund Grant	5,993	1,104,184
Canada-Alberta Jobs Training Grants	3,365	1,793
Government of Alberta Period Promise Grant	-	229
	126,358	1,106,206

13. Allocations and grants

	2025	2024
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	517,500
Enmax Lights on Fund	60,000	60,000
Project grants to qualified donees	48,714	31,988
Project grants to non-qualified donees	53,000	7,500
	679,214	1,714,988

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 allocation decisions:

	2025	2024
Big Brothers & Sisters - Lacombe & District	21,643	20,000
Big Brother & Sisters - Red Deer	41,643	40,000
Boys & Girls Club of Olds and Area	23,643	22,000
Boys & Girls Club of Red Deer	41,643	40,000
Catholic Social Services	29,643	28,000
Central Alberta Safe Harbour Society	71,643	70,000
Family Services of Central Alberta	29,643	28,000
Greenwood Neighbourhood Place and Society	31,643	30,000
Ponoka Youth Centre	51,643	50,000
Red Deer Meals on Wheels	26,643	25,000
Shalom Counselling	21,643	20,000
Shining Mountain Community Living Services	51,643	50,000
Town of Drumheller	19,642	41,000
Turning Point Society of Alberta	55,142	53,500
	517,500	517,500

United Way of Central Alberta Society

Notes to the Financial Statements

For the year ended March 31, 2025

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:

	2025	2024
Fundraising expenses (schedule 2)	202,593	173,908
Program expenses (schedule 3)	198,045	152,496
	400,638	326,404

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:

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

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 comparative figures have been reclassified to conform with current year presentation.

United Way of Central Alberta Society
Schedule 1 - Schedule of General Management and Administration Expenses

For the year ended March 31, 2025

	2025	2024
Salaries and wages	192,312	202,831
Professional fees	116,399	19,508
Rent and utilities	24,180	24,802
Information technology	18,392	42,536
Office administration	15,327	13,437
Professional development	11,431	4,129
Amortization	6,895	6,967
Insurance	6,768	4,443
Memberships	6,703	5,279
Staff and volunteer support	1,184	993
Meetings and conventions	677	740
Office equipment	370	117
Repairs and maintenance	-	622
	400,638	326,404
Allocation of fundraising expenses	(202,593)	(173,908)
Allocation of program expenses	(198,045)	(152,496)
	-	-

United Way of Central Alberta Society
Schedule 2 - Schedule of Fundraising Expenses

For the year ended March 31, 2025

	2025	2024
Salaries and benefits	173,571	169,392
Annual special events	49,857	43,967
Donation processing fees	18,628	13,884
Information technology	16,599	643
Marketing	12,526	4,878
Donor relationship management	125	1,739
	271,306	234,503
General management and administrative expenses	202,593	173,908
	473,899	408,411

United Way of Central Alberta Society
Schedule 3 - Schedule of Program Expenses

For the year ended March 31, 2025

	2025	2024
Salaries and wages	169,675	148,551
Community initiatives	17,738	12,965
United Way Centraide Canada	16,994	15,473
Information technology	16,227	1,964
Community investment process	2,879	1,365
	223,513	180,318
General management and administration expenses	198,045	152,496
	421,558	332,814
