

UNITED WAY OF OXFORD

**FINANCIAL STATEMENTS
(Audited)**

YEAR ENDED MARCH 31, 2023

**UNITED WAY OF OXFORD
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YEAR ENDED MARCH 31, 2023**

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INDEPENDENT AUDITORS' REPORT

To the Directors,
United Way of Oxford

Qualified Opinion

We have audited the financial statements of United Way of Oxford ("the Organization"), which comprise the statement of financial position as at March 31, 2023, 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 for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and the results of its operations and its cash flows for the period then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

Basis for Qualified Opinion

In common with many non-profit organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and as such we were not able to determine whether any adjustments might be necessary to donations and special events revenue, excess (deficiency) of revenues over expenditures, and fund balances for the years ended March 31, 2023 and March 31, 2022. Our audit opinion on the financial statements for the year ended March 31, 2022 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 Organization 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 ASNPO, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

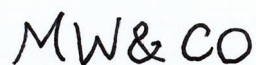
Auditor's Responsibilities for the Audit of the Financial Statements

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 auditors' 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 Organization'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 Organization'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 Organization 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.



MW&CO Professional Corporation

Chartered Professional Accountants

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

Woodstock, Ontario

June 23, 2023

UNITED WAY OF OXFORD
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023
(Audited)

| | ASSETS | |
|--|---------------------|---------------------|
| | <u>2023</u> | <u>2022</u> |
| Current | | |
| Cash and bank (note 4) | \$ 428,540 | \$ 225,526 |
| Investments (note 5) | 2,232,540 | 2,451,070 |
| Pledges receivable (note 6) | 335,896 | 327,086 |
| Accounts receivable | 2,059 | 196,781 |
| Prepaid expenses | 21,873 | 10,817 |
| HST recoverable | <u>8,364</u> | <u>3,713</u> |
| | 3,029,272 | 3,214,993 |
| Capital assets (note 3) | <u>630,637</u> | <u>5,095</u> |
| | <u>\$ 3,659,909</u> | <u>\$ 3,220,088</u> |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 30,963 | \$ 84,173 |
| Allocation payable to agencies | 516,600 | 412,000 |
| Allocation payable to non-agencies | 34,073 | 36,740 |
| Deferred revenue (note 7) | <u>644,027</u> | <u>690,867</u> |
| | 1,225,663 | 1,223,780 |
| Long term-debt (note 8) | <u>400,000</u> | <u>-</u> |
| Total liabilities | <u>1,625,663</u> | <u>1,223,780</u> |
| NET ASSETS | | |
| Internally restricted (page 6) | 870,069 | 859,702 |
| Endowment (page 6) | 32,400 | 32,400 |
| Unrestricted (page 6) | <u>1,131,777</u> | <u>1,104,206</u> |
| Total net assets | <u>2,034,246</u> | <u>1,996,308</u> |
| | <u>\$ 3,659,909</u> | <u>\$ 3,220,088</u> |

Approved by the board:

Director: _____

Director: _____

UNITED WAY OF OXFORD
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2023
(Audited)

| | <u>2023</u> | <u>2022</u> |
|---|------------------|-------------------|
| Revenues | | |
| Donations | \$ 1,135,422 | \$ 1,178,125 |
| Funds transferred from other United Way organizations | <u>12,844</u> | <u>39,072</u> |
| Gross campaign revenue | 1,148,266 | 1,217,197 |
| Uncollected pledges | <u>(27,687)</u> | <u>(48,203)</u> |
| Net campaign revenue | 1,120,579 | 1,168,994 |
| Interest | 54,388 | 19,303 |
| Other | 88,085 | 43,748 |
| Funding for third party programs | 444,307 | 88,233 |
| Summer jobs grant | 3,630 | - |
| Government emergency payroll subsidies | - | 66,433 |
| Government emergency rent subsidies | - | 3,167 |
| Unrealized gain (loss) on investments | <u>(22,919)</u> | <u>30,734</u> |
| | <u>1,688,070</u> | <u>1,420,612</u> |
| Fundraising Costs (page 5) | <u>212,054</u> | <u>170,015</u> |
| Management and Administrative Costs | | |
| Allocated to fundraising costs (note 2) | (27,849) | (38,442) |
| Allocated to distributions and community programs and services costs (note 2) | (41,773) | (57,662) |
| Computers and equipment | 1,524 | 2,474 |
| Occupancy costs | 3,186 | 4,152 |
| Office administration | 3,312 | 2,193 |
| Salaries and benefits | 61,313 | 87,262 |
| Travel and training | <u>287</u> | <u>23</u> |
| | <u>-</u> | <u>-</u> |
| Funds Available for Distribution | 1,476,016 | 1,250,597 |
| Distributions and Community Programs and Services Expenses (page 5) | <u>1,438,078</u> | <u>954,342</u> |
| Excess of Revenues Over Expenses | <u>\$ 37,938</u> | <u>\$ 296,255</u> |

UNITED WAY OF OXFORD
STATEMENT OF OPERATIONS - SCHEDULES
YEAR ENDED MARCH 31, 2023
(Audited)

Schedule of Fundraising Costs

| | | |
|--|-------------------|-------------------|
| Allocation of management & administrative costs (note 2) | \$ 27,849 | \$ 38,442 |
| Campaign costs | 27,789 | 8,402 |
| Computers and equipment | 12,187 | 11,662 |
| Occupancy costs | 17,632 | 14,088 |
| Office administration | 14,881 | 8,892 |
| Salaries and benefits | 110,763 | 86,976 |
| Travel and training | 953 | 1,553 |
| | <u>\$ 212,054</u> | <u>\$ 170,015</u> |

Schedule of Distributions and Community Programs and Services Expenses

| | | |
|--|---------------------|-------------------|
| Allocation of management & administrative costs (note 2) | \$ 41,773 | \$ 57,662 |
| Allocation to agencies | 516,600 | 412,000 |
| Recovery of prior year allocations | - | (23,222) |
| Allocation to community initiative programming | 10,181 | 18,000 |
| Allocation to United Way of Canada (note 2) | 11,071 | 10,566 |
| Community services | 72,525 | 52,175 |
| 211/Information Oxford | - | 676 |
| Third party program costs | 451,411 | 85,535 |
| Direct program management and administration costs | 302,123 | 302,265 |
| Designated pledges | 32,394 | 38,685 |
| | <u>\$ 1,438,078</u> | <u>\$ 954,342</u> |

UNITED WAY OF OXFORD
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2023
(Audited)

| | <u>2022</u> | <u>Excess of revenues over expenses</u> | <u>Transfer to/(from)</u> | <u>2023</u> |
|--------------------------------------|---------------------|---|-------------------------------|---------------------|
| Operating fund | \$ 1,104,206 | \$ 27,571 | \$ - | \$ 1,131,777 |
| Endowment fund | 32,400 | - | - | 32,400 |
| Internally restricted | | | | |
| Reserve | 388,114 | 10,181 | - | 398,295 |
| Marilyn Mann Youth in Crisis fund | 13,100 | 186 | - | 13,286 |
| Community initiative fund | 94,357 | - | - | 94,357 |
| Community partnership fund | 100,000 | - | (100,000) | - |
| Community stabilization fund | 264,131 | - | (264,131) | - |
| Transition house operating fund | - | - | 75,000 | 75,000 |
| Transition house reserve fund | - | - | 289,131 | 289,131 |
| | <u>859,702</u> | <u>10,367</u> | <u>-</u> | <u>870,069</u> |
| | <u>\$ 1,996,308</u> | <u>\$ 37,938</u> | <u>\$ -</u> | <u>\$ 2,034,246</u> |

UNITED WAY OF OXFORD
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2023
(Audited)

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|-------------------|
| Cash flows from operating activities | | |
| Excess of revenues over expenses | \$ 37,938 | \$ 296,255 |
| Non-cash items: | | |
| Amortization | 3,926 | 11,176 |
| Unrealized (gain) loss on investments | 22,919 | (30,734) |
| Amortization of deferred contributions | <u>-</u> | <u>(768)</u> |
| | 64,783 | 275,929 |
| Changes in non-cash working capital | | |
| Pledges receivable | (8,810) | 15,204 |
| Accounts receivable | 194,722 | (195,109) |
| HST recoverable | (4,651) | (1,383) |
| Prepaid expenses | (11,056) | 4,469 |
| Accounts payable and accrued liabilities | (53,210) | 60,492 |
| Allocation payable to agencies | 104,600 | (45,617) |
| Allocation payable to non-agencies | (2,667) | (27,451) |
| Deferred revenue | <u>(46,840)</u> | <u>367,485</u> |
| | <u>236,871</u> | <u>454,019</u> |
| Cash flows from financing activities | | |
| Proceeds from long-term debt | <u>400,000</u> | <u>-</u> |
| Cash flows from investing activities | | |
| Purchase of capital assets | (629,468) | - |
| Net decrease(increase) in investments | <u>1,052,053</u> | <u>(580,301)</u> |
| | <u>422,585</u> | <u>(580,301)</u> |
| Net increase (decrease) in cash and bank | 1,059,456 | (126,282) |
| Cash and bank at beginning of year | <u>839,404</u> | <u>965,686</u> |
| Cash and bank at end of year | <u>\$ 1,898,860</u> | <u>\$ 839,404</u> |
| Cash and bank consists of: | | |
| Cash and bank | \$ 428,540 | \$ 225,526 |
| Investment cash (note 5) | <u>1,470,320</u> | <u>613,878</u> |
| | <u>\$ 1,898,860</u> | <u>\$ 839,404</u> |

UNITED WAY OF OXFORD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
(Audited)

1. Purpose of organization

United Way of Oxford was incorporated on March 19, 1964 as a corporation without share capital. The mission of the organization is to build a stronger community and continue to improve the quality of life for everyone in Oxford County.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Capital assets

Capital assets are stated at cost. Amortization is recorded on the straight-line basis over the following number of years.

| | |
|--------------------|----------|
| Building | 40 years |
| Computer equipment | 4 years |

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates include the recognition and valuation of pledges receivable, capital assets and accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

Net assets

The operating fund net assets represents donations and expenditures related to program delivery and administrative operations of the organization.

The endowment fund net assets represents contributions subject to externally imposed stipulations specifying that the resources contributed must be held in perpetuity. Interest earned on investments is recognized in the operating fund.

The reserve fund net assets represents internally restricted funds set aside for up to six months of operating costs of the agency, to be drawn upon to fund cash shortages in the operating fund as required.

The community initiative fund net assets represents internally restricted funds available for distribution to support funding applications received throughout the year from non-member agencies.

The community partnership fund net assets represents internally restricted funds received from a major donor, which will be used for impact investments as determined by the board.

The community stabilization fund net assets represents board approved funds that have been internally restricted, which are available for distribution to support the community through the COVID-19 pandemic.

The transition house operating fund represents board approved funds which have been internally restricted, which are available for use to support the operations of the transitional housing project.

The transition house reserve fund represents board approved funds which have been internally restricted, which are available for use for major repair projects in relation to the transitional housing project.

UNITED WAY OF OXFORD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
(Audited)

2. Significant accounting policies (continued)

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year.

Contributed services

Throughout the year many hours are contributed from community members to assist United Way of Oxford in carrying out the organization's activities. Due to the difficulty of determining fair value, contributed services are not recognized in the financial statements.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, other balances with banks, brokerage cash and high interest savings investment accounts.

Income taxes

No provision is made for income taxes as the organization qualifies as a non-profit organization which is exempt from income tax under the *Income Tax Act*.

Allocation of general management and administration

General management and administration expenses are incurred to support functional areas and are allocated to fundraising and distributions and community programs and services expenses based on the time spent method. Following this method, general management and administrative expenses are allocated as follows:

| | | |
|--|-------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| To fundraising costs | 40% | 40% |
| To distributions and community programs and services costs | 60% | 60% |

Allocation to United Way

Fees paid to United Way of Canada are based on 0.78% of total revenues. There is also a supplementary fee paid to United Way Worldwide based on 0.062% of total revenues. Total revenues are based on the previous year's audited financial statements.

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

The equity instruments measured at fair value include mutual funds, common shares, and foreign securities.

Financial assets measured at amortized cost include cash, GIC's, pledges receivable and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and allocations payable to agencies and non-agencies.

UNITED WAY OF OXFORD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
(Audited)

3. Capital assets

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net 2023</u> | <u>Net 2022</u> |
|--------------------|-------------------|-------------------------------------|---------------------|---------------------|
| Land | \$ 188,329 | \$ - | \$ 188,329 | \$ - |
| Building | 439,435 | - | 439,435 | - |
| Computer equipment | <u>26,462</u> | <u>23,589</u> | <u>2,873</u> | <u>5,095</u> |
| | <u>\$ 654,226</u> | <u>\$ 23,589</u> | <u>\$ 630,637</u> | <u>\$ 5,095</u> |

The capital assets balance include a building with a carrying value of \$439,435 which is not being amortized as the property was being renovated and not available for use at March 31, 2023.

4. Cash

Cash consists of an operating account held at the Royal Bank of Canada that yields no interest and an operating account at Libro Credit Union that yields no interest.

5. Investments

| | <u>2023</u> | | <u>2022</u> | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>Cost</u> | <u>Market Value</u> | <u>Cost</u> | <u>Market Value</u> |
| Brokerage cash | \$ 176,947 | \$ 176,947 | \$ 5,865 | \$ 5,865 |
| High Interest Savings Accounts | <u>1,293,373</u> | <u>1,293,373</u> | <u>608,013</u> | <u>608,013</u> |
| | <u>1,470,320</u> | <u>1,470,320</u> | <u>613,878</u> | <u>613,878</u> |
| Guaranteed Investment Certificates | 75,000 | 76,998 | 1,305,400 | 1,310,485 |
| Mutual funds (CDN equities) | 541,718 | 585,639 | 363,482 | 410,853 |
| Common shares (CDN bank shares) | 47,234 | 79,645 | 47,234 | 95,515 |
| Foreign securities | <u>13,163</u> | <u>19,938</u> | <u>13,163</u> | <u>20,339</u> |
| | <u>677,115</u> | <u>762,220</u> | <u>1,729,279</u> | <u>1,837,192</u> |
| | <u>\$ 2,147,435</u> | <u>\$ 2,232,540</u> | <u>\$ 2,343,157</u> | <u>\$ 2,451,070</u> |

The guaranteed investment certificates (GICs) consist of GICs yielding interest at 2.92% and maturing within one year.

6. Pledges receivable

The pledges receivable balance includes an allowance for uncollected pledges of \$68,789 (2022 - \$57,316). The organization determines the allowance for pledge loss based on three main factors: the history of pledge loss, the current state of the economy and the anticipated campaign goal.

UNITED WAY OF OXFORD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
(Audited)

7. Deferred revenue

Deferred revenue represents unspent funding and donations that have been received by the organization and the use has been restricted to the specified program. The contributions reserved for these programs are maintained in the cash and investments balances. These contributions are recognized into revenue proportionate to the expense that is incurred for these programs.

| | <u>2023</u> | <u>2022</u> |
|--------------------------------|-------------------|-------------------|
| General sponsorship | \$ - | \$ 2,000 |
| Udodge Sponsorship | 3,910 | - |
| Supplies 4 students | 23,834 | 43,409 |
| Transition House | 125,000 | - |
| CBYF Youth Initiative | 14,887 | - |
| UWCC Funding | <u>29,306</u> | <u>-</u> |
| | <u>196,937</u> | <u>45,409</u> |
| Third Party | | |
| Getting Ahead program funding | 174,640 | 179,640 |
| Oxford Circles program funding | 264,566 | 299,084 |
| Tamarack grant - CBYF | <u>7,884</u> | <u>166,734</u> |
| | <u>447,090</u> | <u>645,458</u> |
| | <u>\$ 644,027</u> | <u>\$ 690,867</u> |

8. Long-term debt

4.50% loan, London Community Foundation, payable monthly interest only, due March 2033, secured by a first priority mortgage and assignment of rents to be registered against property in Tillsonburg, Ontario (carrying value - \$627,764), and a general security agreement.

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------|
| | <u>\$ 400,000</u> | <u>\$ -</u> |

UNITED WAY OF OXFORD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
(Audited)

9. Financial instruments

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the organization's risk exposure.

i) Credit risk exposure

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge the obligation. The organization's main credit risks relate to its pledges receivable and accounts receivable. The United Way of Oxford maintains an allowance for potential pledge losses, and any losses to date have been within management's expectations.

ii) Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect to its accounts payable and accrued liabilities, and allocations payable to agencies and non-agencies.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk and other price risk.

iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the company to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating rate instruments subject the company to related cash flow risk.

There have been no significant changes in these risks from the prior period.