

**BRANT UNITED WAY**

**FINANCIAL STATEMENTS**

**For the year ended March 31, 2023**

# **BRANT UNITED WAY**

**For the year ended March 31, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Directors of  
Brant United Way

### Qualified Opinion

We have audited the financial statements of Brant United Way (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* section of our report, 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 year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. 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 *Auditors' Responsibilities for the Audit of 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 qualified audit opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

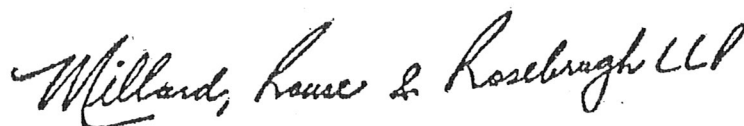
Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### **Auditors' 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 auditors' 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 auditors' 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.



September 25, 2023  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants



# BRANT UNITED WAY

## STATEMENT OF FINANCIAL POSITION

As at March 31	2023	2022
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and bank	603,947	601,927
GIC investment (Note 3)	374,953	368,059
Marketable securities	41,068	41,086
Other receivables (Note 7)	-	3,383
Prepaid expenses	5,750	6,884
Recoverable HST	3,976	5,047
	1,029,694	1,026,386
<b>Internally Restricted Reserve Investments (Note 6)</b>		
Cash and bank	59,583	57,363
GIC investment (Note 3)	136,433	135,423
Marketable securities	25,216	16,694
Due from unrestricted fund	91,144	91,144
	312,376	300,624
<b>Restricted Reserve Investments (Note 6)</b>		
Due from unrestricted fund	15,846	15,816
	1,357,916	1,342,826
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	26,800	29,557
Payroll taxes payable	221	162
Due to internally restricted reserve	91,144	91,144
Due to externally restricted reserve	15,846	15,816
	134,011	136,679
<b>Net Assets</b>		
Net assets - internally restricted reserve (Note 6)	312,376	300,624
Net assets - externally restricted	15,846	15,816
Net assets - unrestricted	895,683	889,707
	1,223,905	1,206,147
	1,357,916	1,342,826

See accompanying notes

# BRANT UNITED WAY

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31	Internally Restricted Reserve	Externally Restricted	Unrestricted	Total 2023	Total 2022
Balance - Beginning of Year	300,624	15,816	889,707	1,206,147	1,090,852
Excess of revenue over expense	-	-	17,758	17,758	115,295
Investment income	3,230	-	(3,230)	-	-
Unrealized loss on investments	8,522	-	(8,522)	-	-
Donations - restricted	-	30	(30)	-	-
Balance - End of Year	312,376	15,846	895,683	1,223,905	1,206,147

See accompanying notes

# BRANT UNITED WAY

## STATEMENT OF OPERATIONS

For the year ended March 31	2023	2022
<b>Revenue</b>		
Donations - unrestricted (Note 2(b))	793,939	1,010,155
Funds transferred from other United Ways	170,763	117,887
Gross campaign revenue	964,702	1,128,042
Investment income	8,560	16,909
Investment income - internally restricted reserve	3,230	3,287
Unrealized gain/(loss) on investments - internally restricted reserve	8,522	(10,377)
	985,014	1,137,861
<b>Expenses</b>		
Fundraising expenses (Page 7)	239,270	275,184
<b>Funds Available for Distribution</b>	745,744	862,677
<b>Distributions and Community Programs and Services Expenses</b>		
Community program expenses (Page 7)	149,307	163,710
Allocations to Agencies/Programs (Note 2(c)) (Page 8)	568,801	607,210
United Way Canada affiliation fees	10,419	15,708
Wage subsidies and grant income (Note 7)	(541)	(39,246)
	727,986	747,382
<b>Excess of Revenue over Expenses</b>	17,758	115,295

## BRANT UNITED WAY

### SCHEDULE OF MANAGEMENT AND ADMINISTRATION EXPENSES

For the year ended March 31	2023	2022
Salaries	28,310	32,274
CPP, EI, WSIB	2,233	2,419
Group insurance and pension	2,806	4,996
Memberships	327	522
Professional fees	8,835	12,359
Insurance	5,476	4,633
Office equipment lease and service	4,872	6,383
Bookkeeping	16,533	19,971
Office expense	36,613	7,210
Postage	2,289	2,369
Bank charges	5,821	7,104
Occupancy costs	39,155	38,576
Telephone	5,069	5,229
Travel allowance and conferences	615	20
	158,954	144,065
Allocation to fundraising expenses (Note 2(d))	(109,694)	(99,419)
Allocation to community program expenses (Note 2(d))	(49,260)	(44,646)
	-	-



## BRANT UNITED WAY

### SCHEDULE OF FUNDRAISING EXPENSES

For the year ended March 31	2023	2022
Printing, stationery and office supplies	19,861	20,296
Salaries	75,492	86,063
CPP, EI, WSIB	5,955	6,450
Group insurance and pension	7,483	13,321
Warehouse sale	20,785	49,635
	129,576	175,765
Allocation from management and administration expenses (Page 6)	109,694	99,419
	239,270	275,184

### SCHEDULE OF COMMUNITY PROGRAM EXPENSES

For the year ended March 31	2023	2022
Salaries	84,929	96,821
CPP, EI, WSIB	6,699	7,256
Group insurance and pension	8,419	14,987
	100,047	119,064
Allocation from management and administration expenses (Page 6)	49,260	44,646
	149,307	163,710

## BRANT UNITED WAY

### SCHEDULE OF ALLOCATIONS TO AGENCIES/PROGRAMS

For the year ended March 31	2023	2022
<b>Member Agencies:</b>		
Adult Recreation Therapy Centre	55,000	51,000
Autism Ontario	8,000	-
Big Brothers Big Sisters Grand Erie	20,000	20,000
Boys & Girls Club of Brantford	40,000	40,000
Brant Food for Thought	25,000	25,000
Brant Skills Centre	19,000	19,000
Canadian Hearing Society	5,000	-
Canadian Red Cross Society	51,000	40,000
Community Resource Service	42,499	42,506
Crossing all Bridges Learning Centre Inc.	-	30,000
Dalhousie Place	28,800	43,000
Helping Ourselves through Peer Support & Employment	10,000	-
Kids Can Fly	27,200	28,000
Lansdowne Children's Centre Foundation	-	7,853
Nova Vita Domestic Violence Prevention Services	75,000	75,000
RPlaces Transition Centre	10,000	-
Saint Vincent de Paul	9,302	11,000
Sensity Deafblind and Sensory Support Network of Canada	-	7,200
Sexual Assault Centre of Brant	40,000	40,000
Strong Start	20,000	-
St. Andrews United Church	20,000	-
The Raw Carrot	5,000	-
Willowbridge Community Services	-	60,000
Victim Services of Brant	58,000	63,506
	568,801	603,065
Donations designated to other Agencies	-	4,145
	568,801	607,210

# BRANT UNITED WAY

## STATEMENT OF CASH FLOWS

For the year ended March 31	2023	2022
<b>Cash Flows From Operating Activities</b>		
Excess (Deficiency) of Revenue over Expenses	17,758	115,295
Unrealized (gain) loss on investments	(8,522)	10,377
	9,236	125,672
Other receivables	3,383	12,626
Prepaid expenses	1,134	542
Recoverable HST	1,071	4,309
Accounts payable and accrued liabilities	(2,757)	9,551
Payroll taxes payable	59	(182)
	12,126	152,518
<b>Cash Flows From Investing Activities</b>		
Cash - internally restricted reserve	(2,220)	(2,059)
GIC investment - internally restricted reserve	(1,010)	90
Marketable securities	18	(17,259)
	(3,212)	(19,228)
<b>Net Increase in Cash and Cash Equivalents</b>	8,914	133,290
<b>Opening Cash and Cash Equivalents</b>	969,986	836,696
<b>Closing Cash and Cash Equivalents</b>	978,900	969,986
<b>Cash and Cash Equivalents Composed of:</b>		
Cash on hand - unrestricted	603,947	601,927
GIC investments - unrestricted	374,953	368,059
	978,900	969,986

# BRANT UNITED WAY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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### 1. PURPOSE

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The Brant United Way is a registered charity under the Income Tax Act and was incorporated by Letters Patent on May 25, 1946. The Brant United Way exists to connect community resources with community needs for the purpose of enhancing community life and to build a stronger, healthier community. Brant United Way improves people's lives by mobilizing the caring power of the community.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

**(a) 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 financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

**(b) Revenue Recognition**

The Brant United Way follows the deferral method of accounting for contributions.

Unrestricted pledge revenue is recognized when it is received regardless of when it was pledged or is intended to be used.

Certain United Ways are requested to act on behalf of employers and employee groups as the coordinator of their national campaigns and to receive and disburse funds on behalf of other United Ways within local communities. The Brant United Way accounts for these funds as follows:

i) Funds received from other United Ways:

Funds from other United Ways are reported separately in revenue when received.

ii) Funds received for other United Ways:

Funds received for other United Ways are included in the campaign amount when received and reported as a reduction of total campaign revenue.

Grants and sponsorships are recorded in the year in which they are received. Grants received or relating to property, plant and equipment acquisitions are applied to the cost of the asset and amortized.

Refunds from member agencies and interest income are recognized as revenue as they are received.

Donated goods, materials and services, if significant, are recorded in the accounts when a fair value can reasonably be estimated.

Restricted donations are recognized as revenue in the period in which they are received.

Investment income includes dividends and interest, and is recognized as earned.

# BRANT UNITED WAY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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(c) **Member Agency Allocations**

Allocations to agencies/programs reflected in the statement of operations are recognized during the period in which they are paid to fund community organizations. The allocation year is from April 1 to March 31.

(d) **Allocation of Costs**

The organization provides administrative support to campaign fundraising and community program services. Administration costs are allocated to these programs based on the service volume of each program.

(e) **Financial Instruments**

Brant United Way measures its financial assets and financial liabilities at fair value. It 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 the statement of operations.

The financial assets subsequently measured at amortized cost include cash and term deposits. The financial liabilities measured at amortized cost include the trade accounts payable, allocations payable and accrued liabilities. Marketable securities are measured at market value which approximates fair value. (2023 cost - \$41,111, 2022 cost was \$41,111). The annual change in fair value is reported in the statement of operations.

(f) **Cash and Cash Equivalents**

Cash and cash equivalents are composed of cash on hand, bank balances and GIC investments with a maturity period of six months or less from the date of acquisition.

### 3. GUARANTEED INVESTMENT CERTIFICATE INVESTMENTS

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The guaranteed investment certificates earn interest at rate of 0.65% to 4.60% (2022 - 0.65% to 3.42%).

### 4. FINANCIAL INSTRUMENTS

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The significant risks to which the organization is exposed are market risk and liquidity risk.

**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. The Organization's investment in publicly traded securities exposes the organization to market risk as this investment is subject to price changes in the open market. The organization does not use derivative financial instruments to alter the effects of this risk. As a result of the organization's investment policies, the risk of significant market losses is considered remote.

**Liquidity Risk**

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The Organization is exposed to liquidity risk with respect to the financial liabilities recognized in the statement of financial position.

# BRANT UNITED WAY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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### 5. COMMITMENTS

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The Brant United Way is committed to the lease of its business premises and office equipment, expiring August 1, 2026.

Future minimum lease payments are as follows:

2024 - 29,010	2025 - 29,010	2026 - 12,087
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The organization has also committed to the payment of allocations to member agencies and programs. These commitments are subject to the revenue and cash flow of the Organization throughout the year.

### 6. RESTRICTED FUNDS

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#### Internally Restricted Fund

The board of directors of Brant United Way has implemented a policy to establish a restricted reserve fund to maintain operational and financial stability. The restricted reserve fund is available to cover an unexpected significant financial event, including but not limited to, the potential dissolution of Brant United Way, a major shortfall in an annual campaign or unexpected necessary expenditures, all of which would affect the ability of Brant United Way to financially support its member agencies. It is also available to cover the Community Impact Grants if the organization determines that there is a need that cannot be funded from current operations.

The use of this internally restricted fund is at the discretion of the board of directors.

#### Restricted Fund

The W. Ross McDonald Angel Fund is an externally restricted fund that was set up to assist community volunteers in their efforts to aid current and former students of the W. Ross McDonald School.

### 7. COVID-19

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During the year end, the outbreak of a novel strain of coronavirus has resulted in the global declaration of a pandemic. Measures in place to combat the health threat of the virus have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the outbreak is unknown at this time, as are the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of the measures nor their impact on the future financial results and condition of the organization. No external fundraising events were held, however this did not prevent the Organization's ability to fundraise.

During the year the organization received \$541 (2022 - \$38,729) in government assistance in the form of the the Canada Emergency Wage Subsidy (CEWS). In order to receive the CEWS, the company had to meet certain terms and conditions and in particular had to have experienced an eligible reduction in revenue.