

United Way Estevan
Financial Statements
December 31, 2022

Management's Responsibility

To the Board of Directors of United Way Estevan:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Charity. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

MNP LLP is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and may meet periodically and separately with, both the Board and management to discuss their audit findings.

March 29, 2023



To the To the Board of United Way Estevan:

Qualified Opinion

We have audited the financial statements of United Way Estevan (the "Charity"), which comprise the statement of financial position as at December 31, 2022, 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 Charity as at December 31, 2022, 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 Charity derives revenues from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Charity and we were unable to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses and fund balances.

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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity'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 Charity'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 Charity'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 Charity 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.

Estevan, Saskatchewan

March 29, 2023

MNP LLP

Chartered Professional Accountants

United Way Estevan
Statement of Financial Position
As at December 31, 2022

	Operating Fund	Projects Fund	Community Impact Fund	Capital Assets Fund	2022	2021
Assets						
Current						
Cash	23,908	-	135	-	24,043	97,771
Marketable securities (Note 3)	450,000	-	-	-	450,000	393,338
Accounts receivable (Note 4)	73,122	-	-	-	73,122	72,728
Goods and Service Tax receivable	171	-	-	-	171	466
	547,201	-	135	-	547,336	564,303
Capital assets (Note 5)	-	-	-	3,350	3,350	4,187
	547,201	-	135	3,350	550,686	568,490
Liabilities						
Current						
Accounts payable	-	-	-	-	-	13
Member allocation payable	237,500	-	21,000	-	258,500	281,500
	237,500	-	21,000	-	258,500	281,513
Fund Balances						
Operating	309,701	-	-	-	309,701	293,655
Community impact	-	-	(20,865)	-	(20,865)	(10,865)
Capital assets	-	-	-	3,350	3,350	4,187
	309,701	-	(20,865)	3,350	292,186	286,977
	547,201	-	135	3,350	550,686	568,490

Approved on behalf of the Board


 Director


 Director

The accompanying notes are an integral part of these financial statements

United Way Estevan
Statement of Revenue and Expenses
For the year ended December 31, 2022

	<i>Operating Fund</i>	<i>Projects Fund</i>	<i>Community Impact Fund</i>	<i>Capital Assets Fund</i>	2022	2021
Revenue						
Donations <i>(Note 7)</i>	386,658	-	-	-	386,658	442,950
Uncollectible pledges	(100)	-	-	-	(100)	(309)
Interest income	1,340	-	1,340	-	2,680	4,752
Total revenue	387,898	-	1,340	-	389,238	447,393
Campaign expenses <i>(Note 8)</i>	49,532	-	-	-	49,532	53,527
Net revenue available for programs	338,366	-	1,340	-	339,706	393,866
Program expenses - general <i>(Note 9)</i>	24,232	-	-	-	24,232	25,140
Program expenses - member allocations <i>(Note 10)</i>	237,500	-	-	-	237,500	270,500
Designated donations expense	5,344	-	-	-	5,344	27,000
Special projects fund <i>(Note 11)</i>	-	2,179	-	-	2,179	203
Community impact fund <i>(Note 12)</i>	-	-	64,405	-	64,405	73,519
Unspent/repaid allocation	-	-	-	-	-	(3,461)
Amortization	-	-	-	837	837	928
	267,076	2,179	64,405	837	334,497	393,829
Excess (deficiency) of revenue over expenses	71,290	(2,179)	(63,065)	(837)	5,209	37

The accompanying notes are an integral part of these financial statements

United Way Estevan
Statement of Changes in Fund Balances
For the year ended December 31, 2022

	<i>Operating Fund</i>	<i>Projects Fund</i>	<i>Community Impact Fund</i>	<i>Capital Assets Fund</i>	2022	<i>2021</i>
Fund balances, beginning of year	293,655	-	(10,865)	4,187	286,977	286,940
Excess (deficiency) of revenue over expenses	71,290	(2,179)	(63,065)	(837)	5,209	37
Interfund transfer (Note 6)	(55,244)	2,179	53,065	-	-	-
Fund balances, end of year	309,701	-	(20,865)	3,350	292,186	286,977

The accompanying notes are an integral part of these financial statements

United Way Estevan
Statement of Cash Flows
For the year ended December 31, 2022

	<i>Operating Fund</i>	<i>Projects Fund</i>	<i>Community Impact Fund</i>	<i>Capital Assets Fund</i>	2022	2021
Cash provided by (used for) the following activities						
Operating						
Excess (deficiency) of revenue over expenses	71,290	(2,179)	(63,065)	(837)	5,209	37
Amortization	-	-	-	837	837	928
	71,290	(2,179)	(63,065)	-	6,046	965
Changes in working capital accounts						
Accounts receivable	(394)	-	-	-	(394)	15,947
Goods and Service Tax receivable	295	-	-	-	295	1,078
Accounts payable	(13)	-	-	-	(13)	(3,693)
Membership allocation payable	(33,000)	-	10,000	-	(23,000)	(23,000)
	38,178	(2,179)	(53,065)	-	(17,066)	(8,703)
Investing						
Purchase of marketable securities	(56,662)	-	-	-	(56,662)	-
Proceeds on disposal of marketable securities	-	-	-	-	-	26,662
Purchase of capital assets	-	-	-	-	-	(950)
Decrease in cash resources	(18,484)	(2,179)	(53,065)	-	(73,728)	17,009
Cash resources, beginning of year	97,636	-	135	-	97,771	80,762
Interfund adjustments	(55,244)	2,179	53,065	-	-	-
Cash resources, end of year	23,908	-	135	-	24,043	97,771

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

United Way Estevan (the "Charity") is incorporated under the Non-Profit Corporation Act of Saskatchewan. The Charity is registered as a not-for-profit organization under the Income Tax Act (the "Act") and as such is exempt from income taxes. In order to maintain its status as a registered not-for-profit organization under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The Charity's purpose is to provide local member agencies with funding.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The Charity follows the restricted fund method of accounting for contributions, and maintains four funds: Operating Fund, Capital Assets Fund, Projects Fund and Community Impact Fund.

The Operating Fund reports the Charity's fundraising and administrative activities.

The Capital Assets Fund reports the Charity's capital assets and related expenses.

The Projects Fund reports the Charity's assets, liabilities, revenues and expenses of any special projects.

The Community Impact Fund reports the Charity's assets, liabilities, revenue and expenses related to the involvement in community projects as directed by its Board of Directors.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with original maturities of three months or less.

Marketable securities

Marketable securities are measured at amortized cost, less impairment (if any).

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Automotive	20 %
Equipment	20 %
Office equipment	20 %
Furniture and fixtures	20 %

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.

When the Charity determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

The Charity follows the restricted fund method of accounting for contributions whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Restricted revenue for which no corresponding restricted fund is presented is recognized in the Operating Fund in accordance with the deferral method.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Pledges are recognized as revenue when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Investment income is recorded when it is earned, per Board approval this is recorded in the Operating and Community Impact funds.

Contributed services

Contributions of services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services are used in the normal course of the Charity's operations and would otherwise have been purchased. Services provided include volunteer hours which the fair value is not reasonably determined therefore has not been recorded.

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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the periods in which they become known.

Allocation of expenses

The Charity engages in fundraising programs. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The Charity also incurs a number of general support expenses that are common to the administration of the Charity and each of its programs.

The Charity allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. The ratios used to allocate general management and administration expenses are 67% to campaign expenses and 33% to program expenses.

Financial instruments

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

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 (deficiency) excess of revenue 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 amortized cost or cost.

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment

For financial assets measured at cost or amortized cost, the Charity determines whether there are indications of possible impairment. When there is an indication of impairment, and the Charity determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenses in the period the reversal occurs.

3. Marketable securities

At December 31, 2022 the Charity hold various flexible term deposits earning interest ranging between 1.35% - 4.30% (2021 - 0.35% - 0.80%), maturing February 2023 and October 2023 (2021 - February 2022 and October 2022).

4. Accounts receivable

At December 31, 2022, accounts receivable includes outstanding pledges and bequests of \$73,122 (2021 – \$72,728), all of which is reported as current revenue. The balance in accounts receivable represents pledges that have not yet been received, but the Charity believes the amount to be received is reasonably estimated and that ultimate collection is reasonably assured.

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2022 Net book value</i>	<i>2021 Net book value</i>
Automotive	12,051	11,191	860	1,075
Equipment	5,666	5,191	475	593
Office equipment	18,395	16,407	1,988	2,485
Furniture and fixtures	2,229	2,202	27	34
	38,341	34,991	3,350	4,187

6. Interfund transfers

Interfund transfers have been approved by the Board of Directors. Transfers are based upon standing board orders whereby 50% of the investment income and board allocation are transferred to the Community Impact Fund. This has resulted in the allocation to the Community Impact Fund totaling \$1,340 (2021 - \$2,376). During the year a total of \$53,065 (2021 - \$61,143) was transferred to the Community Impact Fund, \$2,179 (2021 - \$203) to the Projects Fund, and \$nil (2021 - \$950) to the Capital Asset Fund.

United Way Estevan
Notes to the Financial Statements
For the year ended December 31, 2022

7. Revenue

Revenue is comprised of the following balances:

	2022	2021
Donations		
Corporate	201,002	162,318
Employee	67,713	109,968
Small business	24,976	32,575
Educational	5,060	5,957
Non-profit	8,463	4,829
Individuals	58,735	82,707
Transfers - other United Way Campaigns	8,461	4,192
Other campaign revenue	7,591	13,404
Designated donations	4,657	27,000
	386,658	442,950

8. Campaign expenses

Campaign expenses consist of the following balances:

	2022	2021
Administrative services	26,258	31,627
Advertising - newspaper	1,887	1,780
Advertising - radio	2,790	2,400
Bank charges	589	640
Insurance and licenses	1,261	1,225
Memberships, dues and fees	2,709	2,487
Office supplies	1,690	871
Supplies	134	195
Printing	-	62
Professional services	9,519	9,519
Rent	2,010	2,010
Telephone	685	671
	49,532	53,487

United Way Estevan
Notes to the Financial Statements
For the year ended December 31, 2022

9. Program expenses - general

General program expenses consist of the following balances:

	2022	2021
Administrative services	12,933	15,577
Goods and Services Tax	832	429
Insurance and licenses	621	603
Memberships, dues and fees	1,334	1,225
Bank charges	290	315
Rent	990	990
Office supplies	971	103
Professional services	4,689	4,689
Website	732	384
Postage	503	494
Telephone	337	331
	24,232	25,140

10. Program expenses - member allocations

Member allocations expenses consist of the following balances:

	2022	2021
Canadian National Institute for the Blind	10,000	10,000
Canadian Red Cross Society	20,000	20,000
Creighton Lodge	30,000	30,000
Envision Counselling and Support Centre Inc.	35,000	35,000
Estevan Diversified Services Inc.	35,000	20,000
Estevan Family Resource Centre	25,000	50,000
Estevan Regional Nursing Home Auxiliary	25,000	25,000
Estevan Area Literacy Group	25,000	35,000
Saskatchewan Abilities Council	7,500	10,500
Spinal Cord Injury Saskatchewan Inc.	5,000	5,000
St. Joseph's Adult Day Program	-	10,000
St. Joseph's Health Care Auxiliary	20,000	20,000
	237,500	270,500

11. Special project fund expenses

Special project expenses consist of the following balances:

	2022	2021
Other Special Fund Expenses		
Conference and meetings	2,179	203
	2,179	203

12. Community impact fund

The Community impact fund expenses consists of the following balances:

	2022	2021
ECS Student in Need Food Program	-	4,000
Hillcrest Breakfast	30,000	30,000
Estevan Public Youth Centre Inc.	32,000	30,000
Day of Caring	1,405	654
Scholarship	1,000	500
Limitless Disability Advocacy Services Inc.	-	8,365
	64,405	73,519

13. Financial instruments

The Charity, as part of its operations, carries a number of financial instruments. It is management's opinion that the Charity is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Charity will encounter difficulty in meeting obligations associated with financial liabilities. The Charity's exposure to liquidity risk is dependent on the collection of accounts, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

Credit concentration

As at December 31, 2022, two donors (2021 - two) accounted for 90% (2021 - 87%) of the accounts receivable. The Charity believes that there is no unusual exposure associated with the collection of these receivables. The Charity performs regular credit assessments of its donors and provides allowances for potentially uncollectible accounts receivable.

14. Commitments

The Organization has entered into a rental agreement for office space with monthly payments of \$250, ending October 2023.