

**THE UNITED WAY OF HALDIMAND AND NORFOLK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

**THE UNITED WAY OF HALDIMAND AND NORFOLK
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FOR THE YEAR ENDED MARCH 31, 2021**

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Independent Auditor's Report

To the Directors of The United Way of Haldimand and Norfolk

Qualified Opinion

I have audited the accompanying financial statements of The United Way of Haldimand and Norfolk, which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of The United Way of Haldimand and Norfolk (the Organization) as at March 31, 2021, and the results of its operations and its cash flow 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 United Way of Haldimand and Norfolk derives revenue from 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 United Way of Haldimand and Norfolk. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2021 and year ended March 31 2020, current assets and net assets as at March 31, 2021 and March 31, 2020, and net assets as at April 1, 2020 and April 1, 2019. My audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of The United Way of Haldimand and Norfolk in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

(continues)

- 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



Simcoe, Ontario
July 19, 2021

BRYSON CHARTERED ACCOUNTANT
PROFESSIONAL CORPORATION
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

THE UNITED WAY OF HALDIMAND AND NORFOLK
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	2021	(Note 6) (Restated) 2020
ASSETS		
Current assets		
Cash	\$ 228,384	\$ 142,043
Guaranteed investment certificates (Note 2)	108,387	213,892
Harmonized sales tax recoverable	16,303	9,651
Prepaid expenses	3,579	3,390
	356,653	368,976
Guaranteed investment certificates - long-term (Note 2)	108,675	-
Capital assets (Note 3)	2,262	3,070
	\$ 467,590	\$ 372,046
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,459	\$ 22,682
Long-term debt (Note 4)	60,000	-
	70,459	22,682
Net assets		
Operating fund	387,630	335,108
Reserve fund	9,501	9,501
Harold J. Schneider Community Service fund	-	4,755
	397,131	349,364
	\$ 467,590	\$ 372,046

Lease commitments (Note 5)

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements.

**THE UNITED WAY OF HALDIMAND AND NORFOLK
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2021**

	2021	(Note 6) (Restated) 2020
Revenue		
Contributions	\$ 295,788	\$ 355,627
Funds transferred from other United Ways	8,548	15,865
Gross campaign revenue	304,336	371,492
COVID-19 Emergency support - Government contributions	604,472	-
COVID-19 Emergency support - Community contributions	57,263	-
Interest income	3,169	4,329
Other revenue	-	5,727
Total revenue	969,240	381,548
Fundraising expenses (Schedule 2)	82,314	93,715
Net revenue available for programs	886,926	287,833
Program expenses		
UWHN program expenses (Schedule 3)	700,765	80,578
Allocations to member agencies (Schedule 4)	138,394	186,000
Total program expenses	839,159	266,578
Excess of revenue over expenses	\$ 47,767	\$ 21,255

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021**

	<u>Internally restricted funds</u>			2021	(Note 6) (Restated) 2020
	Operating Fund	Reserve Fund	Harold J. Schneider Community Service Fund		
Net assets - beginning of year	\$ 335,108	\$ 9,501	\$ 4,755	\$ 349,364	\$ 328,109
Excess of revenue over expenses	52,522	-	(4,755)	47,767	21,255
Net assets - end of year	\$ 387,630	\$ 9,501	\$ -	\$ 397,131	\$ 349,364

The accompanying notes are an integral part of these financial statements.

**THE UNITED WAY OF HALDIMAND AND NORFOLK
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2021**

	2021	(Note 6) (Restated) 2020
Operating activities		
Excess of revenue over expenses	\$ 47,767	\$ 21,255
Item not affecting cash:		
Amortization of capital assets	809	1,096
	48,576	22,351
Changes in non-cash working capital:		
Harmonized sales tax	(6,652)	(5,633)
Prepaid expenses	(189)	2,847
Accounts payable and accrued liabilities	(12,224)	1,396
Deferred campaign revenue	-	(17,539)
Designations payable	-	(3,700)
	(19,065)	(22,629)
Cash flow from (used by) operating activities	29,511	(278)
Investing activities		
Purchase of capital assets	-	(156)
Guaranteed investment certificates - current	105,505	(4,369)
Guaranteed investment certificates - long-term	(108,675)	-
Cash flow used by investing activities	(3,170)	(4,525)
Financing activity		
Proceeds from long-term debt	60,000	-
Increase (decrease) in cash	86,341	(4,803)
Cash - beginning of year	142,043	146,846
Cash - end of year	\$ 228,384	\$ 142,043

The accompanying notes are an integral part of these financial statements.

THE UNITED WAY OF HALDIMAND AND NORFOLK
SCHEDULE OF GENERAL AND ADMINISTRATION EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021

(Schedule 1)

	2021	(Note 6) (Restated) 2020
Salaries, benefits and personnel contracts	\$ 119,004	\$ 118,751
Office and general	9,114	7,085
Office rent	7,635	9,978
Professional fees	7,328	5,873
Insurance	1,599	1,469
Telephone and internet	966	1,260
Amortization of capital assets	809	1,096
Professional development and training	-	3,022
Travel and meetings	-	6,245
General and administration expenses before allocation (Note 9)	146,455	154,779
Allocation to fundraising expenses (Schedule 2)	(73,227)	(77,389)
Allocation to program expenses (Schedule 3)	(73,228)	(77,390)
General and administration expenses after allocation	\$ -	\$ -

SCHEDULE OF FUNDRAISING EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021

(Schedule 2)

	2021	(Note 6) (Restated) 2020
Direct mail expenses	\$ 4,677	\$ 7,232
Promotion and publicity	3,970	7,193
Printing material	440	1,901
Total direct fundraising expenses	9,087	16,326
Allocation of general and administration expenses (Schedule 1)	73,227	77,389
Total fundraising expenses	\$ 82,314	\$ 93,715

SCHEDULE OF PROGRAM EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021

(Schedule 3)

	2021	(Note 6) (Restated) 2020
COVID-19 distributions - Government contributions	\$ 563,395	\$ -
COVID-19 distributions - Community contributions	55,434	-
Designations	5,708	-
United Way of Canada dues	3,000	3,188
Total direct program expenses	627,537	3,188
Allocation of general and administration expenses (Schedule 1)	73,228	77,390
UWHN program expenses	700,765	80,578
Allocations to member agencies (Schedule 4)	138,394	186,000
Total program expenses	\$ 839,159	\$ 266,578

The accompanying notes are an integral part of these financial statements.

**THE UNITED WAY OF HALDIMAND AND NORFOLK
SCHEDULE OF ALLOCATIONS TO MEMBER AGENCIES
FOR THE YEAR ENDED MARCH 31, 2021**

(Schedule 4)

	2021	(Note 6) (Restated) 2020
Bereaved Families of Ontario	\$ 2,500	\$ -
Big Brothers and Big Sisters Association Haldimand-Norfolk	33,500	26,000
Canadian National Institute for the Blind	-	12,000
Community Addiction and Mental Health Services of Haldimand and Norfolk	8,625	10,000
Community Support Centre Haldimand-Norfolk	19,000	13,000
Dalhousie Place	14,000	14,000
Haldimand-Norfolk Literacy Council	-	23,500
Haldimand-Norfolk REACH	26,500	23,652
Norfolk Association for Community Living	1,519	20,589
Norfolk Community Help Centre	5,000	11,000
Sexual Assault Centre of Brant	-	8,000
Strong Start	8,750	5,000
True Experience Supportive Housing	19,000	19,259
Total allocations to funded agencies	\$ 138,394	\$ 186,000

The accompanying notes are an integral part of these financial statements.

**THE UNITED WAY OF HALDIMAND AND NORFOLK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

PURPOSE OF THE ORGANIZATION

The United Way of Haldimand and Norfolk (the "Organization" or "UWHN") is a not-for-profit organization incorporated federally without share capital under the Canada Not-for-profit Corporations Act. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act (Canada). The purpose of the Organization is to unite donors, volunteers, human service providers and their clients to improve the quality of life in the communities of Haldimand and Norfolk counties.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

UWHN utilizes the Transparency, Accountability and Financial Reporting ("TAFR") policies developed by United Way of Canada - Centraide Canada ("UWC-CC") to enhance the transparency, simplicity and consistency of its financial reporting. These policies are in accordance with Canadian generally accepted accounting principles.

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the *CPA Canada Handbook*.

(b) Revenue recognition

UWHN follows the deferral method of accounting for contributions which include campaign revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

UWHN acts as the coordinator or host of national campaigns within Haldimand and Norfolk counties, to receive and disburse funds on behalf of other United Way organizations within their local communities. These campaigns are called Centrally Coordinated Campaigns ("CCC"). Funds from other United Ways under the CCC arrangement are reported separately in revenue when pledged or received in these financial statements. Funds distributed by UWHN under the CCC arrangement are recorded as a reduction to revenue.

Interest income is recognized on a time proportion basis.

Other revenue is recognized when earned

(c) Allocations to member agencies

Allocations to member agencies are endorsed by the board of directors, based on the United Way's Citizen's Review Process. UWHN recognizes the allocation to member agencies expense in the period in which the allocations are paid.

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**THE UNITED WAY OF HALDIMAND AND NORFOLK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Net assets

Operating fund - Unrestricted

The Organization has established an Operating fund for the purposes of recording the excess of revenue over expenditures related to ongoing programs and activities. All allocations to member agencies and United Way community services and operations are financed from this fund.

Reserve fund - Internally restricted

The Organization has established a Reserve fund which may be used for extraordinary and non-recurring operating costs and capital costs incurred by the Organization. This fund will be maintained or used at the discretion of the board of directors.

Harold J. Schneider Community Service fund - Internally restricted

The Organization has established the Harold J. Schneider Community Service fund which may be used for non-recurring grants for community programs or services or for extraordinary and non-recurring allocations to member agencies. This fund will be maintained or used at the discretion of the board of directors. The remaining net assets of this fund were allocated during the year-ended March 31, 2021. The board of directors retired this fund effective March 31, 2021.

(e) Contributed services and materials

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services and materials are not recognized in the financial statements

(f) Financial instruments

Financial assets and financial liabilities are initially recorded at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

(g) Capital assets

Purchased capital assets are recorded at cost. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates: Computer equipment - 30% per annum; Office furniture and fixtures - 20% per annum.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

(i) Use of estimates

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 amount of assets and liabilities, 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 items subject to such estimates include the allowance for pledge loss and the useful lives of capital assets. Actual results could differ from these estimates.

**THE UNITED WAY OF HALDIMAND AND NORFOLK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

2. GUARANTEED INVESTMENT CERTIFICATES

At March 31, 2021, the Organization held guaranteed investment certificates that mature on May 19, 2021 and April 27, 2022 with average annual effective interest rates of 0.30% and 1.00% respectively. Subsequent to the year-end, the guaranteed investment certificate that matured on May 19, 2021 was renewed.

3. CAPITAL ASSETS

		Accumulated			
	Cost	Amortization	2021	2020	
Computer equipment	\$ 4,043	\$ 2,679	\$ 1,364	\$ 1,948	
Office furniture and fixtures	8,170	7,272	898	1,122	
	\$ 12,213	\$ 9,951	\$ 2,262	\$ 3,070	

4. LONG-TERM DEBT

	2021	2020
The Organization applied for financing through the Government of Canada's Canada Emergency Business Account ("CEBA") loan program. The Organization received CEBA financing of \$40,000 in July 2020, and \$20,000 in February 2021. The CEBA loan bears 0% per annum interest until December 31, 2022, and bears 5% per annum interest starting on January 1, 2023. No principal repayment is required before December 31, 2022. If the CEBA loan remains outstanding after December 31, 2022, only interest payments are required until full principal is due on December 31, 2025. If the outstanding principal, other than the amount of potential debt forgiveness, is repaid by December 31, 2022, the remaining principal amount will be forgiven, provided that no default under the CEBA loan has occurred.	\$ 60,000	\$ -

5. LEASE COMMITMENTS

The Organization has a lease with respect to its office located in Simcoe, Ontario which expires October 1, 2022. Future minimum lease payments as at March 31, 2021, are as follows:

2022	\$ 5,424
2023	2,712
	<u>\$ 8,136</u>

**THE UNITED WAY OF HALDIMAND AND NORFOLK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

6. CHANGE IN ACCOUNTING POLICIES

Effective April 1, 2020, the Organization changed its accounting policy for revenue recognition. Previously, the Organization followed the deferral method of accounting for contributions recognizing pledges received or receivable as revenue at the time the pledge is made. Now, the Organization still follows the deferral method of accounting for contributions, but now recognizes revenue from pledges at the time the pledge is received. Management believes that this change in accounting policy provides relevant and more reliable information to users of its financial statements, especially given the increased uncertainty surrounding collectibility of pledges given the current economic conditions, along with other factors that are outside the Organization's control.

In addition, effective April 1, 2020, the Organization changed its accounting policy for expense recognition for allocations to its member agencies. Previously, a liability and expense were recorded for these allocations in the year in which the related campaign revenue was recognized. Now, the Organization recognizes the allocation to member agencies expense in the period in which the allocations are paid. Management believes that this change in accounting policy provides relevant and more reliable information to users of its financial statements.

The change in accounting policies have been accounted for retrospectively and the comparative information for the prior year have been restated. The change in accounting policies had the following effect on the financial statements for the year-ended March 31, 2020:

	2020 As previously stated	Effect of change in accounting policies	2020 As restated
Campaign pledges receivable	\$ 52,692	\$ (52,692)	\$ -
Allocations payable to member agencies	162,857	(162,857)	-
Net assets - beginning of year - Operating fund	235,041	78,812	313,853
Contributions	305,295	50,332	355,627
Pledge loss	(4,164)	4,164	-
Allocations to member agencies expense	162,857	23,143	186,000
Excess (deficiency) of revenue over expenses	(10,098)	31,353	21,255

7. SUBSEQUENT EVENTS

COVID-19 Pandemic

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic. Subsequent to the year-end, the pandemic has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Organization in future periods.

Data Sharing Agreement

Subsequent to the year-end, The United Way of Haldimand and Norfolk entered into a Data Sharing Agreement with Brant United Way to provide for the exchange of confidential information between the parties. The objective of the Data Sharing Agreement is to investigate a potential integration of each their respective administrative and governance functions.

**THE UNITED WAY OF HALDIMAND AND NORFOLK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

8. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis describes the Organization's risk exposure as at March 31, 2021.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its long-term debt and accounts payable.

9. ALLOCATION OF GENERAL AND ADMINISTRATION EXPENSES

The Organization allocates its costs to two functional areas: fundraising and programs. General and administration expenses (Schedule 1) which do not pertain specifically to fundraising or programs are allocated based on management's estimates of time as follows:

	2021	2020
Allocation to fundraising expenses	50%	50%
Allocation to program expenses	50%	50%