
Financial statements of
United Way Halton & Hamilton

March 31, 2023

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To the Members of United Way Halton & Hamilton:

Qualified Opinion

We have audited the financial statements of United Way Halton & Hamilton (the "United Way"), which comprise the balance sheet as at March 31, 2023, and the statements of financial activities and 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 United Way as at March 31, 2023, and its financial performance 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, United Way derives revenue in the form of support from the general public and estate legacies, 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 United Way and we were not able to determine whether any adjustments might be necessary to support revenue from the general public and estate legacies, excess (deficiency) of funds available for distribution over expenses, and cash flows from operations for the year ended March 31, 2023 and March 31, 2022, current assets as at March 31, 2023 and March 31, 2022, and net assets as 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 scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 United Way 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 United Way'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 United Way or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the United Way'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 United Way'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 United Way'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 United Way 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.

Burlington, Ontario

May 31, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

United Way Halton & Hamilton
Statement of financial activities and changes in net assets
Year ended March 31, 2023

| | Notes | Operating fund | Reserve fund | Endowment Fund | Capital asset fund | 2023 Total | 2022 Total |
|---|----------|-------------------|--------------------|------------------|--------------------|-------------------|-------------------|
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue | | | | | | | |
| Community Donations | 12 | | | | | | |
| Unrestricted campaign | | 9,622,671 | — | — | — | 9,622,671 | 10,458,758 |
| Donor designations to other charities | | 1,286,546 | — | — | — | 1,286,546 | 1,453,698 |
| Legacy giving | | 369,301 | — | — | — | 369,301 | 1,000 |
| Gifts-in-kind | | 697,695 | — | — | — | 697,695 | 249,434 |
| Provision for pledge loss | | (508,877) | — | — | — | (508,877) | (398,129) |
| | | 11,467,336 | — | — | — | 11,467,336 | 11,764,761 |
| Grants & Other Revenue | | | | | | | |
| Community partnership and government grants | | 310,548 | — | — | — | 310,548 | 300,838 |
| Community services recovery fund | | 91,290 | — | — | — | 91,290 | — |
| Sponsorships and subsidies | 16 | 16,335 | — | — | — | 16,335 | 413,648 |
| Investments | | 88,992 | 220,927 | 41,954 | — | 351,873 | 333,538 |
| Gain on sale of capital assets | 4 | — | — | — | 2,104,008 | 2,104,008 | — |
| Other | | — | — | 175,000 | — | 175,000 | — |
| Total Revenue | | 11,974,501 | 220,927 | 216,954 | 2,104,008 | 14,516,390 | 12,812,785 |
| Expenses | | | | | | | |
| Fundraising (Schedule 4) | | 2,631,669 | — | — | — | 2,631,669 | 2,378,569 |
| Available for community investment and programs | | 9,342,832 | 220,927 | 216,954 | 2,104,008 | 11,884,721 | 10,434,216 |
| Community investment and programs | | | | | | | |
| Agency funding (Schedule 1) | | 4,942,178 | — | — | — | 4,942,178 | 5,182,179 |
| Donor directed to other charities (Schedule 2) | | 1,286,546 | — | — | — | 1,286,546 | 1,453,698 |
| United Way community services and programs (Schedule 3) | | 1,804,848 | 50,890 | 12,280 | 21,005 | 1,889,022 | 1,813,727 |
| Gifts-in-kind distributions | | 697,695 | — | — | — | 697,695 | 251,248 |
| Community partnership and government grants | | 312,845 | — | — | — | 312,845 | 296,500 |
| Community services recovery fund | | 91,290 | — | — | — | 91,290 | — |
| Emergency community investments (Schedule 6) | | — | — | — | — | — | 500,000 |
| Total community investment and programs | | 9,135,402 | 50,890 | 12,280 | 21,005 | 9,219,577 | 9,497,352 |
| Excess of revenues over expenses and distributions | | 207,430 | 170,037 | 204,674 | 2,083,003 | 2,665,144 | 936,864 |
| Transfers between funds - Unrestricted | 5 and 13 | (207,430) | 402,527 | (30,549) | (164,548) | — | — |
| Transfers between funds - Internally restricted | 7 and 13 | 3,104,008 | (1,000,000) | — | (2,104,008) | — | — |
| Unrestricted net assets - beginning of year | | — | 4,533,406 | 881,808 | 266,170 | 5,681,384 | 4,744,520 |
| Unrestricted net assets - end of year | | — | 4,105,970 | 1,055,933 | 80,617 | 5,242,520 | 5,681,384 |
| Internally restricted net assets - beginning of year | | — | — | — | — | — | — |
| Internally restricted net assets - end of year | | 3,104,008 | — | — | — | 3,104,008 | — |

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

United Way Halton & Hamilton

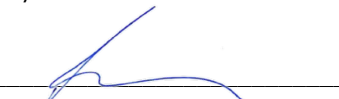

Balance sheet

As at March 31, 2023

| | Notes | Operating fund \$ | Reserve fund \$ | Endowment Fund \$ | Capital asset fund \$ | 2023 Total \$ | 2022 Total \$ |
|---|----------|----------------------|--------------------|----------------------|--------------------------|-------------------|-------------------|
| Assets | | | | | | | |
| Current assets | | | | | | | |
| Cash and cash equivalents | 5 and 14 | 7,199,392 | 3,684,540 | 1,055,933 | — | 11,939,865 | 8,303,997 |
| Campaign pledges receivable | 3 | 2,916,076 | — | — | — | 2,916,076 | 3,274,796 |
| Accounts receivable | | 3,258,454 | — | — | — | 3,258,454 | 83,096 |
| Prepaid expenses | | 109,082 | — | — | — | 109,082 | 92,898 |
| Contributed materials | | 244,602 | — | — | — | 244,602 | 138,116 |
| Due (to) from other funds | | (421,430) | 421,430 | — | — | — | — |
| Capital assets | 4 | — | — | — | 80,617 | 80,617 | 226,170 |
| | | 13,306,176 | 4,105,970 | 1,055,933 | 80,617 | 18,548,696 | 12,119,073 |
| Liabilities | | | | | | | |
| Current liabilities | | | | | | | |
| Accounts payable and accrued liabilities | | 336,162 | — | — | — | 336,162 | 304,444 |
| Flowthrough donations payable | | 327,108 | — | — | — | 327,108 | 168,411 |
| Community investments | | 4,942,178 | — | — | — | 4,942,178 | 5,137,179 |
| Deferred revenues | 15 | 4,596,720 | — | — | — | 4,596,720 | 827,655 |
| | | 10,202,168 | — | — | — | 10,202,168 | 6,437,689 |
| Commitments | 9 | — | — | — | — | — | — |
| Net assets - Internally restricted | 7 | 3,104,008 | — | — | — | 3,104,008 | — |
| Net assets - Unrestricted | | — | 4,105,970 | 1,055,933 | 80,617 | 5,242,520 | 5,681,384 |
| | | 13,306,176 | 4,105,970 | 1,055,933 | 80,617 | 18,548,696 | 12,119,073 |

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

Approved by the Board


 _____, Director

 _____, Director

United Way Halton & Hamilton**Statement of cash flows**

Year ended March 31, 2023

| | 2023 | 2022 |
|---|-------------------|------------------|
| | \$ | \$ |
| Operating activities | | |
| Excess of revenues over expenses and distributions | 2,665,144 | 936,864 |
| Gain on sale of capital assets | (2,104,008) | — |
| Amortization of capital assets | 21,005 | 30,674 |
| Changes in non-cash working capital | | |
| Campaign pledges receivable | 358,720 | 61,435 |
| Accounts receivable | 698 | 4,171 |
| Prepaid expenses | (16,184) | (17,307) |
| Contributed materials | (106,486) | 10,925 |
| Accounts payable and accrued liabilities | 31,718 | 114,760 |
| Flowthrough donations payable | 158,697 | (22,942) |
| Community investments | (195,001) | (144,835) |
| Deferred revenues | 593,009 | (40,054) |
| | 1,407,312 | 933,691 |
| Investing activities | | |
| Net proceeds on disposal of capital assets | 2,284,398 | — |
| Additions to capital assets | (55,842) | (17,454) |
| | 2,228,556 | (17,454) |
| Net change in cash and cash equivalents | 3,635,868 | 916,237 |
| Cash and cash equivalents, beginning of year | 8,303,997 | 7,387,760 |
| Cash and cash equivalents, end of year | 11,939,865 | 8,303,997 |
| For the purposes of this statement cash and cash equivalents comprises | | |
| Cash - operating fund | 5,608,837 | 2,293,947 |
| Short-term investments - operating fund | 1,590,555 | 1,880,980 |
| Short-term investments - reserve fund | 3,684,540 | 3,247,262 |
| Short-term investment - endowment fund | 1,055,933 | 881,808 |
| | 11,939,865 | 8,303,997 |

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

1. Description of the business

United Way Halton & Hamilton (the "Organization" or "United Way") exists in order to improve lives and build community by engaging individuals and mobilizing collective action.

The Organization is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered charity under the Federal Income Tax Act, Registration Number 0033555-03 (Business Number 10746-2988-RR0001). In order to maintain its status as a registered charity, United Way must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and reflect the following significant accounting policies:

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 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. Key components of the financial statements requiring management to make estimates include the allowance for uncollectible pledges and the useful lives of capital assets. Actual results could differ from these estimates.

Fund accounting

The Organization follows the restricted fund method of accounting for contributions.

Operating fund

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

Reserve fund

The Organization has established a Reserve fund to ensure the long-term financial stability of the Organization and position it to respond to varying economic conditions, changes affecting the Organization's financial position and the ability of the Organization to carry out its mission.

Capital asset fund

The Organization has established a Capital asset fund for the purposes of recording the grants received and funds allocated for the premises and equipment used in its operations. The balance in this fund represents the net investment in capital assets.

Endowment fund

The Organization has established the Tomorrow fund to benefit future generations living in the Halton & Hamilton communities.

2. Significant accounting policies (continued)

Revenue recognition

Contributions

Restricted contributions related to general operations are deferred and recognized as revenues of the Operating fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenues of the appropriate restricted fund as received. Unrestricted contributions are recognized as revenues in the Operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Centrally coordinated campaigns

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. These campaigns are known as Centrally coordinated campaigns ("CCC").

a) Funds received from other United Ways:

These funds from other United Ways under the CCC arrangement are reported when received.

b) Funds received for other United Ways:

Funds received by United Way under the CCC and CCC type arrangements are included in the campaign revenue amount when distributed – these distributed funds are recorded as a reduction to campaign revenue.

Grant revenue and other income

Grant revenue and other income represents funds received from foundations and governments. These revenues are recognized when the related program expenses and grants have been disbursed.

Investment income

Investment income includes dividends, interest, income distributions from pooled funds, realized gain/losses and the net change in unrealized gain/losses for the year and are recognized on an accrual basis.

Contributed materials

Donated goods are recorded at their fair market value at the time of donation.

Contributed services

Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Fundraising and other expenses

Fundraising and other expenses are recorded as expenses when incurred.

2. Significant accounting policies (continued)

Agency funding

Community investments are endorsed by the Board of Directors. A liability and expense are recorded for these allocations to agencies in the period that the allocations are approved and announced.

Financial instruments

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recognized 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. Interest earned on short-term investments and guaranteed investment certificates are included in investment income in the statement of financial activities and changes in net assets.

Related party financial instruments

All related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

Financial asset impairment

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in excess (deficiency) of funds available for distribution over expenses an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to excess (deficiency) of funds available for distribution over expenses in the period the reversal occurs.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, in banks and short-term investments with a term to maturity of three months or less at the date of acquisition.

Capital assets

Capital assets are recorded at cost and are capitalized in the Capital asset fund and amortized on a straight-line basis using an estimated useful life as follows:

| | |
|-----------------------------------|---------------|
| Building and building improvement | 5% per annum |
| Computer equipment | 20% per annum |

Amortization is not charged to operations but is recorded annually as a reduction of the fund balance in the Capital asset fund.

3. Campaign pledges receivable

| | 2023 | 2022 |
|-------------------------------------|--------------------|-------------|
| | \$ | \$ |
| Campaign pledges receivable | 3,998,160 | 4,276,923 |
| Allowance for uncollectable pledges | (1,082,084) | (1,002,127) |
| | 2,916,076 | 3,274,796 |

4. Capital assets

| | 2023 | 2022 | | |
|------------------------------------|----------------|--------------------------|----------------|----------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| | \$ | \$ | \$ | \$ |
| Land and land improvement | — | — | — | 123,781 |
| Building and building improvement | — | — | — | 56,609 |
| Furniture, equipment and computers | 133,296 | (52,679) | 80,617 | 45,780 |
| | 133,296 | (52,679) | 80,617 | 226,170 |

On April 21, 2022, a property held by the Organization was sold for net proceeds of \$2,284,398. The sale resulted in a gain on sale of \$2,104,008.

5. Endowment fund investments

| | 2023 | 2022 |
|---|------------------|---------|
| | \$ | \$ |
| Tomorrow Fund | 146,256 | 147,825 |
| Wayne and Isabel Fox Family Tomorrow Fund | 773,124 | 606,122 |
| Legacy Managed Fund | 136,553 | 127,862 |
| | 1,055,933 | 881,809 |

The Organization transferred \$30,549 (\$29,804 in 2022) from the Endowment Fund to the Annual Campaign.

6. Tomorrow & Forever Endowment Funds, Oakville Community Foundation Endowed Fund and Mario Belvedere Fund

The following funds have not been included in the accounts of the Organization:

Tomorrow & Forever Endowment Fund – Hamilton Community Foundation

- Donor Advised
- Campaign Fund
- Unrestricted

United Way Halton & Hamilton
Notes to the financial statements
 March 31, 2023

6. Tomorrow & Forever Endowment Funds, Oakville Community Foundation Endowed Fund and Mario Belvedere Fund (continued)

Tomorrow & Forever Endowment Fund – Burlington Community Foundation

- Campaign Fund
- Unrestricted

Endowed Fund – Oakville Community Foundation

Mario Belvedere Fund – Community Foundation of Halton North

Schedule of fund balances for the year ended March 31, 2023:

| | Donor advised | Campaign Burlington | Unrestricted Burlington | Campaign Hamilton | Unrestricted Hamilton | Campaign Halton North | Unrestricted Oakville | Total |
|-----------------------------|---------------|---------------------|-------------------------|-------------------|-----------------------|-----------------------|-----------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening fund balance | 1,411,101 | 83,435 | 38,059 | 436,826 | 71,471 | 329,779 | 509,601 | 2,880,272 |
| Investment income | 62,304 | 1,554 | 705 | 21,638 | 3,539 | 2,862 | 18,930 | 111,532 |
| Capital additions | - | 171 | - | - | - | - | - | 171 |
| Less | | | | | | | | |
| Distribution or grants paid | (48,935) | (5,725) | (2,608) | (18,111) | (2,963) | (11,116) | (17,659) | (107,117) |
| Administration expenses | (13,629) | (1,211) | (551) | (4,176) | (683) | (13,182) | (6,680) | (40,112) |
| Closing fund balance | 1,410,841 | 78,224 | 35,605 | 436,177 | 71,364 | 308,343 | 504,192 | 2,844,746 |

Schedule of fund balances for the year ended March 31, 2022:

| | Donor advised | Campaign Burlington | Unrestricted Burlington | Campaign Hamilton | Unrestricted Hamilton | Campaign Halton North | Unrestricted Oakville | Total |
|-----------------------------|---------------|---------------------|-------------------------|-------------------|-----------------------|-----------------------|-----------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening fund balance | 1,405,166 | 88,256 | 40,203 | 517,311 | 84,627 | 343,711 | 492,487 | 2,971,761 |
| Investment income | 48,935 | 7,101 | 3,235 | 18,110 | 2,964 | 7,781 | 41,855 | 129,981 |
| Less | | | | | | | | |
| Distribution or grants paid | (43,000) | (10,546) | (4,752) | (98,595) | (16,120) | (12,289) | (17,772) | (203,074) |
| Administration expenses | - | (1,376) | (627) | - | - | (9,424) | (6,969) | (18,396) |
| Closing fund balance | 1,411,101 | 83,435 | 38,059 | 436,826 | 71,471 | 329,779 | 509,601 | 2,880,272 |

During the year, the Organization transferred \$5,725 (\$10,546 for 2021) from Burlington's, \$11,116 (\$12,289 for 2021) from Halton North's and \$18,111 (\$98,595 for 2021) from Hamilton's community foundations campaign funds to the United Way Annual Campaign 2022. The Organization also transferred \$17,659 (\$17,772 for 2021) from Oakville's Endowed Fund, and \$2,608 (\$4,752 for 2021) from Burlington's and \$2,963 (\$16,120 for 2021) from Hamilton's community foundations unrestricted funds to the United Way Annual Campaign 2022.

7. Internally restricted funds

During the year, the Board of Directors approved the establishment of an internally restricted fund of \$3,104,008 to provide support for the Seed community investment stream within the Operating fund. Income earned from the funds will be distributed to community agencies during Seed investment cycles on an ongoing basis.

8. Pension plans

The employees of the Organization participate in a defined contribution plan that covers all eligible employees. Employees become eligible after 12 months of service with the Organization. Employer contributions are based on a percentage of each employee's gross pay, at 4.25%. Total expense for the Organization's defined contribution plan for the current year is \$96,936 (\$93,391 in 2022), which is included in salaries and benefits.

9. Commitments

The Organization is committed under terms of operating leases for office equipment and office leases for the following minimum lease payments:

| | |
|------------------|----------------|
| | \$ |
| 2024 | 206,735 |
| 2025 | 195,458 |
| 2026 | 28,764 |
| Total obligation | 430,957 |

10. Allocation of expenses

The Organization allocates costs to campaign and community services in accordance with the United Way of Canada - Centraide Canada's Transparency, Accountability, and Financial Reporting Policies for United Ways formally adopted by the movement in May 2005. General management and administration expenses (Schedule 5) which do not pertain specifically to campaign and community services are allocated based on management's estimates of time as indicated below:

| | | |
|------------------------------------|-------------|------|
| | 2023 | 2022 |
| | % | % |
| Allocation to fundraising expenses | 54 | 54 |
| Allocation to program expenses | 46 | 46 |

11. Financial instruments

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Organization collects pledges from donors in the normal course of its operations and maintains provisions for pledge losses. Due to the nature of pledges, the Organization is exposed to credit risk.

11. Financial instruments (continued)

Interest rate risk

The Organization is exposed to interest rate risk on its fixed interest rate risk financial instruments, which subject the Organization to a fair value risk. Investments held in the reserve fund and the operating fund include investments in fixed rate guaranteed investment certificates which are cashable upon demand.

Liquidity risk

The Organization's objective is to have sufficient liquidity to meet its liabilities when due. The Organization monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2023, the most significant financial liabilities are: accounts payable and accrued liabilities and the community investments.

12. Community donations

Community donations relates to donations mainly received from donors in the Halton and Hamilton area and excludes gifts-in-kind and provision for pledge loss. 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.

| | 2023 | 2022 |
|---------------------------------------|-------------------|------------|
| | \$ | \$ |
| Community campaign revenue | 10,958,112 | 11,158,311 |
| Funds received from other United Ways | 915,034 | 1,231,222 |
| Funds received for other United Ways | (594,628) | (476,077) |
| Community campaign revenue | 11,278,518 | 11,913,456 |

13. Reserve fund

The Reserve fund represents internally restricted amounts designated by the Board of Directors. The Reserve fund was established to ensure the long-term financial stability of the Organization and position it to respond to varying economic conditions, changes affecting the Organization's financial position and the ability of the Organization to carry out its mission. The Reserve Fund investments are held at the Oakville Community Foundation. The following breaks down the income, expenses and inter-fund transfers of the reserve fund:

| | 2023 | 2022 |
|---------------------------------|------------------|-----------|
| | \$ | \$ |
| Net assets, beginning of year | 4,533,406 | 3,653,903 |
| Income | 220,927 | 248,439 |
| Transfers (to) from other funds | (597,473) | 701,144 |
| Expenses | (50,890) | (70,080) |
| Net assets, end of year | 4,105,970 | 4,533,406 |

14. Reserve fund investments

| | 2023 | 2022 |
|---|------------------|-----------|
| | \$ | \$ |
| Oakville Community Foundation managed funds | 3,684,540 | 3,247,262 |
| Cash, pending inter-fund transfer | 421,430 | 1,286,144 |
| Net assets, end of year | 4,105,970 | 4,533,406 |

15. Deferred revenues

Deferred revenues represent unspent resources restricted for projects and charities (donor choice) that will be expended in a future period. Changes in the deferred revenue balance are as follows:

| | 2023 | 2022 |
|---|--------------------|-------------|
| | \$ | \$ |
| Balance, beginning of year | 827,655 | 867,709 |
| Designated donations and grants received/receivable | 6,155,144 | 1,963,916 |
| Designated donations and grants recognized as revenue | (2,386,079) | (2,003,970) |
| Balance, end of year | 4,596,720 | 827,655 |

The balance of the deferred revenues is comprised of:

| | 2023 | 2022 |
|----------------------------------|------------------|---------|
| | \$ | \$ |
| Current campaign | 367,700 | 296,784 |
| Prior campaigns | 365,293 | 299,287 |
| Donated goods | 244,602 | 138,116 |
| Community services recovery fund | 3,435,773 | — |
| Grants and other | 183,352 | 93,468 |
| | 4,596,720 | 827,655 |

Community Services Recovery Fund is funded by the Government of Canada. The project's objective is to support community service organizations facing long-term impacts of the pandemic by providing funding to help modernize their operations. The Organization will be distributing these funds to the community in the 2023-24 fiscal year.

16. Government subsidies

During the year, the Organization recorded \$nil (\$413,648 for 2022) of government funding received under the federal Canada Emergency Wage Subsidy ("CEWS"). The Organization recorded \$16,335 (\$nil for 2022) of funding relating to EDSC Canada Summer Jobs Sponsorship. All subsidy amounts received have been recorded as revenue on the statement of financial activities and changes in net assets. As at March 31, 2023, all amounts were received.

17. Comparative figures

Certain figures for 2022 have been reclassified to conform to the presentation adopted in 2023.

United Way Halton & Hamilton
Operating fund
Schedule 1 – Schedule of community investment funds
Year ended March 31, 2023

| | 2023 | 2022 |
|---|----------------|----------|
| | \$ | \$ |
| Community investment funds | | |
| <i>Burlington Community</i> | | |
| Acclaim Health and Community Care Services | 92,657 | 92,657 |
| ArtHouse for Children and Youth | 6,418 | 6,418 |
| Big Brothers Big Sisters of Halton and Hamilton | 28,500 | 34,000 |
| Canadian Mental Health Association, Halton Region Branch | 19,935 | 19,935 |
| Catholic Youth Organization | 5,000 | 5,000 |
| Community Development Halton | 31,260 | 31,260 |
| Community Living Burlington | 72,000 | 72,000 |
| Community Living Hamilton | 520 | 520 |
| Distress Centre Halton | 28,821 | 28,821 |
| Dundas Community Services | 175 | 175 |
| Elizabeth Fry Society of Greater Toronto | 14,543 | 14,543 |
| Food For Life Canada | 25,179 | 25,179 |
| Halton Alcohol and Drug Assessment Prevention and Treatment | 15,995 | 15995.00 |
| Halton Food For Thought | 20,628 | 20,628 |
| Halton Multicultural Council Inc. | 19,155 | 19,155 |
| HIPPY Halton | 5,238 | 5,238 |
| Hope Place Centres | 34,836 | 34,836 |
| John Howard Society of Hamilton, Burlington & Area | 573 | 573 |
| John Howard Society of Peel, Halton, and Dufferin | 1,628 | 1,628 |
| Milton Community Resource Centre | 1,866 | 1,866 |
| Nelson Youth Centres | — | — |
| Ontario 211 | 9,342 | 9,342 |
| Radius Child and Youth Services | 55,725 | 55,725 |
| Reach Out Centre for Kids | 155,700 | 155,604 |
| Sexual Assault & Violence Intervention Services of Halton | 19,015 | 19,015 |
| Support House | 45,736 | 45,736 |
| Supported Training and Rehabilitation in Diverse Environments | 9,040 | 9,040 |
| The Lighthouse Program for Grieving Children | 9,397 | 9,397 |
| The Women's Centre | 1,290 | 1,290 |
| Thrive Counselling Services Halton Inc. | 17,800 | 25,000 |
| YMCA of Hamilton/Burlington/Brantford | 53,500 | 53,500 |
| Balance forward | 801,472 | 814,076 |

United Way Halton & Hamilton**Operating fund****Schedule 1 – Schedule of community investment funds (continued)**

Year ended March 31, 2023

| | 2023 | 2022 |
|---|----------------|-----------|
| | \$ | \$ |
| Community investments (balance brought forward) | 801,472 | 814,076 |
| <i>Halton Hills Community</i> | | |
| Acclaim Health and Community Care Services | 6,214 | 6,214 |
| ArtHouse for Children and Youth | 298 | 298 |
| Big Brothers Big Sisters Of Halton and Hamilton | 4,300 | 5,000 |
| Canadian Mental Health Association, Halton Region Branch | 5,759 | 5,759 |
| Community Living North Halton | 18,306 | 18,306 |
| Distress Centre Halton | 32,352 | 32,352 |
| Food For Life Canada | 9,891 | 9,891 |
| Halton Alcohol and Drug Assessment Prevention and Treatment | 8,000 | 8,000 |
| Halton Food for Thought | 800 | 800 |
| Halton Multicultural Council Inc. | 1,596 | 1,596 |
| Links2Care | 12,000 | 12,000 |
| Literacy North Halton | 9,670 | 9,670 |
| Milton Community Resource Centre | 9,262 | 9,262 |
| Nelson Youth Centres | — | — |
| Ontario 211 | 8,615 | 8,615 |
| Reach Out Centre for Kids | 29,250 | 29,258 |
| Sexual Assault & Violence Intervention Services of Halton | 9,678 | 9,678 |
| Support House | 5,247 | 5,247 |
| | 171,238 | 171,946 |
| Balance forward | 972,710 | 986,022 |

United Way Halton & Hamilton

Operating fund

Schedule 1 – Schedule of community investment funds (continued)

Year ended March 31, 2023

| | 2023 | 2022 |
|---|------------------|-----------|
| | \$ | \$ |
| Community investments (balance brought forward) | 972,710 | 986,022 |
| <i>Hamilton Community</i> | | |
| Ancaster Information Centre and Community Services Inc. | 35,000 | 35,000 |
| AY Alternatives for Youth Hamilton | 70,936 | 70,936 |
| Big Brothers Big Sisters of Halton and Hamilton | 45,040 | 54,040 |
| Boys & Girls Club | 130,000 | 130,000 |
| Canadian Mental Health Association, Hamilton Branch | 44,612 | 44,612 |
| Catholic Family Services of Hamilton - Wentworth | 122,518 | 162,518 |
| Catholic Youth Organization | 55,000 | 55,000 |
| Community Living Hamilton | 44,480 | 44,480 |
| Dundas Community Services | 9,825 | 9,825 |
| Elizabeth Fry Society Southern Ontario Region | — | 19,527 |
| Eva Rothwell Centre | 91,700 | 91,700 |
| Food for Life | 8,093 | 8,093 |
| Global Citizens Care for Underprivileged and Refugee Empowerment Inc. | 100,000 | 100,000 |
| Hamilton Centre for Newcomer Health | — | 20,000 |
| Hamilton Community Benefits Network | — | 25,000 |
| Hamilton Council on Aging | 20,000 | 20,000 |
| Ontario 211 | 47,000 | 47,000 |
| Sexual Assault Centre Hamilton & Area (SACHA) | 58,000 | 58,000 |
| Social Planning and Research Council of Hamilton | 230,000 | 230,000 |
| St. John Council for Ontario | 15,000 | 15,000 |
| St. Joseph's Villa Dundas | 20,000 | 20,000 |
| St. Matthew's House | 75,000 | 75,000 |
| The Hamilton and District Literacy Council | 10,000 | 10,000 |
| The Hamilton Young Women's Christian Association | 170,000 | 150,000 |
| The John Howard Society of Hamilton, Burlington & Area | 24,427 | 24,427 |
| The Living Rock Ministries | 35,000 | 35,000 |
| Threshold School of Building | 50,000 | 50,000 |
| Welcome Inn Community Centre of Hamilton | 25,000 | 25,000 |
| Wesley Urban Ministries Inc. | 138,975 | 138,975 |
| Wever Community Hub | 32,000 | 32,000 |
| YMCA of Hamilton/Burlington/Brantford | 75,000 | 75,000 |
| | 1,782,606 | 1,876,133 |
| Balance forward | 2,755,316 | 2,862,155 |

United Way Halton & Hamilton**Operating fund****Schedule 1 – Schedule of community investment funds (continued)**

Year ended March 31, 2023

| | 2023 | 2022 |
|--|------------------|-----------|
| | \$ | \$ |
| Community investments (balance brought forward) | 2,755,316 | 2,862,155 |
| <i>Milton Community</i> | | |
| Acclaim Health and Community Care Services | 20,847 | 20,847 |
| ArtHouse for Children and Youth | 2,686 | 2,686 |
| Bereaved Families of Ontario - Halton/Peel | — | — |
| Big Brothers Big Sisters Of Halton and Hamilton | 14,200 | 17,000 |
| Canadian Mental Health Association, Halton Region Branch | 13,450 | 13,450 |
| Community Development Halton | 31,260 | 31,260 |
| Community Living North Halton | 24,890 | 24,890 |
| Distress Centre Halton | 4,238 | 4,238 |
| Elizabeth Fry Society of Greater Toronto | 24,310 | 24,310 |
| Elizabeth Fry Society of Southern Ontario Region | — | 473 |
| Food For Life Canada | 15,287 | 15,287 |
| Halton Alcohol and Drug Assessment Prevention and Treatment | 19,990 | 19,990 |
| Halton Food For Thought | 18,879 | 18,879 |
| Halton Multicultural Council Inc. | 4,788 | 4,788 |
| HIPPY Halton | 16,065 | 16,065 |
| Hope Place Centres | 13,934 | 13,934 |
| John Howard Society of Peel-Halton-Dufferin | 20,440 | 20,440 |
| Literacy North Halton | 12,221 | 12,221 |
| Milton Community Resource Centre | 61,906 | 61,906 |
| Nelson Youth Centres | — | — |
| Ontario 211 | 4,785 | 4,785 |
| Radius Child and Youth Services | 28,647 | 28,647 |
| Reach Out Centre for Kids | 117,500 | 117,650 |
| Sexual Assault & Violence Intervention Services of Halton | 19,907 | 19,908 |
| St. John Council for Ontario | 7,710 | 7,710 |
| Support House | 20,508 | 20,508 |
| Supported Training and Rehabilitation in Diverse Communities | 10,330 | 10,330 |
| The Lighthouse Program for Grieving Children | 5,613 | 5,613 |
| The Women's Centre | 1,930 | 1,930 |
| Thrive Counselling Services Halton Inc. | 7,200 | 10,000 |
| | 543,521 | 549,745 |
| Balance forward | 3,298,837 | 3,411,900 |

United Way Halton & Hamilton**Operating fund****Schedule 1 – Schedule of community investment funds (continued)**

Year ended March 31, 2023

| | 2023 | 2022 |
|---|------------------|-----------|
| | \$ | \$ |
| Community investments (balance brought forward) | 3,298,837 | 3,411,900 |
| <i>Oakville Community</i> | | |
| Acclaim Health and Community Care Services | 111,999 | 111,999 |
| Art House for Children and Youth | 5,598 | 5,598 |
| Big Brothers Big Sisters Of Halton and Hamilton | 158,000 | 190,000 |
| Canadian Mental Health Association, Halton Region Branch | 37,560 | 37,560 |
| Community Development Halton | 62,480 | 62,480 |
| Community Living Oakville | 100,000 | 100,000 |
| Distress Centre Halton | 79,870 | 79,870 |
| Elizabeth Fry Society of Greater Toronto | 58,177 | 58,177 |
| Food For Life Canada | 31,550 | 31,550 |
| Halton Alcohol and Drug Assessment Prevention and Treatment | 36,015 | 36,015 |
| Halton Food For Thought | 29,693 | 29,693 |
| Halton Multicultural Council Inc. | 6,461 | 6,461 |
| Hippy Oakville Home-Based Program Inc. | 13,697 | 13,697 |
| Hope Place Centres | 90,651 | 90,651 |
| John Howard Society Peel Halton Dufferin | 50,200 | 50,200 |
| Milton Community Resource Centre | 1,866 | 1,866 |
| Oakville Kiwanis Meals on Wheels | 23,000 | 23,000 |
| Oakville Parent-Child Centre | 50,000 | 50,000 |
| Ontario 211 | 15,163 | 15,163 |
| Ontario Living Wage Network | — | 5,000 |
| Radius Child and Youth Services | 73,439 | 73,439 |
| Reach Out Centre for Kids | 118,850 | 118,788 |
| Sexual Assault & Violence Intervention Services of Halton | 19,015 | 19,015 |
| St. John Council for Ontario | 14,290 | 14,290 |
| Support House | 153,509 | 153,509 |
| Supported Training and Rehabilitation in Diverse Communities | 23,630 | 23,630 |
| The Lighthouse Program for Grieving Children | 24,990 | 24,990 |
| The Women's Centre of Halton | 28,638 | 28,638 |
| Thrive Counselling Services Halton Inc. | 225,000 | 315,000 |
| | 1,643,341 | 1,770,279 |
| Community investments including transfers from community investments reserve fund and accruals | 4,942,178 | 5,182,179 |

United Way Halton & Hamilton
Operating fund
Schedule 2 – Schedule of donor choice funds
Year ended March 31, 2023

| | 2023 | 2022 |
|---------------------------|------------------|-----------|
| | \$ | \$ |
| Donor choice funds | | |
| Funded agencies | 516,407 | 574,306 |
| Other charities | 644,116 | 759,221 |
| Other United Ways | 126,023 | 120,171 |
| | 1,286,546 | 1,453,698 |

United Way Halton & Hamilton

Operating fund

Schedule 3 – Schedule of United Way community services

Year ended March 31, 2023

| | 2023 | 2022 |
|---|------------------|-----------|
| | \$ | \$ |
| Community investment and agency relations | 1,072,993 | 1,020,006 |
| Labour community services | 97,928 | 85,752 |
| United Way of Canada dues | 109,401 | 103,632 |
| United Way community services | 1,280,322 | 1,209,390 |
| Allocation of general management and administrative expenses (Schedule 5) | 524,526 | 491,617 |
| | 1,804,848 | 1,701,007 |

United Way Halton & Hamilton
Operating fund
Schedule 4 – Schedule of fundraising expenses
Year ended March 31, 2023

| | 2023 | 2022 |
|---|------------------|-----------|
| | \$ | \$ |
| Salaries and benefits | 1,578,046 | 1,507,907 |
| Special event costs | 221,569 | 160,925 |
| Marketing and communications | 216,306 | 132,621 |
| Total direct fundraising expenses | 2,015,922 | 1,801,453 |
| Allocation of general management and administrative expenses (Schedule 5) | 615,747 | 577,116 |
| | 2,631,669 | 2,378,569 |

United Way Halton & Hamilton**Operating fund****Schedule 5 – Schedule of general management and administrative expenses**

Year ended March 31, 2023

| | 2023 | 2022 |
|--|------------------|-----------|
| | \$ | \$ |
| Salaries and benefits | 417,718 | 394,676 |
| Occupancy costs | 174,998 | 218,186 |
| Professional services | 160,569 | 109,079 |
| Computer costs | 156,123 | 119,020 |
| Local transportation and meetings | 32,194 | 24,570 |
| Bank and service charges | 116,038 | 113,033 |
| Office and supplies | 79,289 | 89,169 |
| CEO Discretionary Fund | 3,343 | 1,000 |
| | 1,140,273 | 1,068,733 |
| Allocation of general management and administrative expenses | | |
| Allocation to fundraising expenses (Schedule 4) | 615,747 | 577,116 |
| Allocation to United Way community services (Schedule 3) | 524,526 | 491,617 |
| Total allocation of general management and administrative expenses | 1,140,273 | 1,068,733 |

United Way Halton & Hamilton**Operating fund****Schedule 6 – Schedule of emergency community investments**

Year ended March 31, 2023

| | 2023 | 2022 |
|---|-------------|----------------|
| | \$ | \$ |
| Emergency community investment funding from reserves | | |
| Canadian Mental Health Association, Hamilton Branch | — | 24,000 |
| Community Development Halton | — | 10,000 |
| Community Living Burlington | — | 24,000 |
| Community Living Oakville | — | 24,000 |
| Dundas Community Services | — | 19,000 |
| Elizabeth Fry Society of Greater Toronto | — | 24,000 |
| Elizabeth Fry Society Southern Ontario Region | — | 24,000 |
| Eva Rothwell Centre | — | 14,000 |
| Food for Life Canada | — | 23,000 |
| Global Citizens Care for Underprivileged and Refugee Empowerment Inc. | — | 24,000 |
| Halton Food for Thought | — | 20,000 |
| Hope Place Centres | — | 24,000 |
| John Howard Society of Hamilton, Burlington & Area | — | 10,000 |
| Literacy North Halton | — | 5,000 |
| Milton Community Resource Centre | — | 23,000 |
| Oakville Kiwanis Meals on Wheels | — | 14,000 |
| Oakville Parent-Child Centre | — | 10,000 |
| Sexual Assault & Violence Intervention Services of Halton (SAVIS) | — | 10,000 |
| St. Matthew's House | — | 24,000 |
| The Living Rock Ministries | — | 20,000 |
| The Social Planning & Research Council of Hamilton | — | 24,000 |
| The Women's Centre of Halton | — | 24,000 |
| Thrive Counselling Services Halton Inc. | — | 15,000 |
| Welcome Inn Community Centre of Hamilton | — | 19,000 |
| Wesley Urban Ministries Inc. | — | 24,000 |
| YMCA of Hamilton/Burlington/Brantford | — | 24,000 |
| Total Emergency community investments funding from reserves | — | 500,000 |