



Financial Statements

United Way of Thunder Bay

December 31, 2021

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes In Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 21
Schedule 1 - Expenses	22

Independent Auditor's Report

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To the Directors of
United Way of Thunder Bay

Qualified opinion

We have audited the financial statements of United Way of Thunder Bay ("the Organization"), which comprise the statement of financial position as at December 31, 2021, and the statements of changes in net assets, operations 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 United Way of Thunder Bay as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenues from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cashflows from operations for the years ended December 31, 2021 and December 31, 2020, current assets as at December 31, 2021 and December 31, 2020, and net assets as at January 1 and December 31, for both 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Thunder Bay, Canada
June 21, 2022

Chartered Professional Accountants
Licensed Public Accountants

United Way of Thunder Bay

Statement of Financial Position

As at December 31	2021	2020
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	946,522	882,105
Accounts receivable	-	15,868
Harmonized Sales Tax receivable	13,968	12,396
Investments [note 2]	543,268	388,550
Prepaid expenses	15,211	39,502
Total current assets	1,518,969	1,338,421
Capital assets, net [note 3]	26,281	8,072
	1,545,250	1,346,493
LIABILITIES AND NET ASSETS		
Current		
Allocations payable	36,998	17,421
Designations received, undistributed [note 4]	234,521	123,146
Accounts payable and accrued liabilities	5,398	4,614
Deferred grant and other revenue [note 5]	110,916	137,395
Obligation under capital lease due within one year [note 7]	1,192	1,136
Total current liabilities	389,025	283,712
Deferred capital contributions [note 6]	20,775	-
Obligation under capital lease [note 7]	2,721	3,811
Long term debt	40,000	40,000
Net assets		
Invested in capital assets [note 9[a]]	26,281	8,072
Restricted [note 10]		
Community Fund	215,774	211,455
Operational Reserve	443,804	443,804
The Tomorrow Fund	276,785	261,839
Unrestricted	130,085	93,800
Total net assets	1,092,729	1,018,970
	1,545,250	1,346,493

See accompanying notes to the financial statements.

On behalf of the Board:

Ann Paterson

Jeannine Verdenik

United Way of Thunder Bay

Statement of Changes in Net Assets

Year ended December 31

	Restricted					2021	2020
	Invested in capital assets \$ [note 9]	Community Fund \$ [note 10]	Operational Reserve \$ [note 10]	The Tomorrow Fund \$ [note 10]	Unrestricted \$	Total \$	Total \$
Balance, beginning of year	8,072	211,455	443,804	261,839	93,800	1,018,970	718,423
Excess (deficiency) of revenue over expenses for year	(5,638)	4,319	-	-	64,598	63,279	280,847
Change in investment in capital assets	23,617	-	-	-	(23,617)	-	-
Contributions	-	-	-	10,250	-	10,250	19,700
Allocations							
Interest	-	-	-	466	(466)	-	-
Interfund transfers	-	-	-	4,230	(4,230)	-	-
Balance, end of year	26,051	215,774	443,804	276,785	130,085	1,092,499	1,018,970

See accompanying notes to the financial statements.

United Way of Thunder Bay

Statement of Operations

Year ended December 31	2021	2020
	\$	\$
REVENUE		
Donations and fundraising [note 16]	1,842,376	1,901,229
	1,842,376	1,901,229
Community Program Grants		
Emergency community support funding and other COVID-19 assistance	102,584	964,005
NOHFC	-	21,158
INSPIRIT Foundation	-	39,000
	102,584	1,024,163
Other		
Amortization of deferred capital contributions	2,842	6,636
Investment income	74,976	62,795
Northern Ontario Heritage Fund Corporation - Employment Grant	28,986	-
Other	28,959	20,000
Other government assistance	29,920	33,981
	165,683	123,412
Total revenue	2,110,643	3,048,804
EXPENSES		
Fundraising expenses [schedule 1]	535,354	469,375
Net revenue available for programs	1,575,289	2,579,429
Program expenses		
Community Fund allocations	895,961	843,468
Donor Designations	134,885	206,894
United Way community impact activities [schedule 1]	395,044	353,940
COVID-19 seniors response allocations	-	112,011
Emergency community support allocations	86,120	782,269
Total program expenses	1,512,010	2,298,582
Excess of revenue over expenses for year	63,279	280,847

See accompanying notes to the financial statements.

United Way of Thunder Bay Statement of Cash Flows

Year ended December 31	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenses for year	63,279	280,847
Add charges (deduct credits) to earnings not involving a current payment (receipt) of cash		
Amortization	5,408	12,593
Amortization of deferred capital contributions	(2,842)	(6,636)
Change in unrealized gain on investments	(54,034)	(28,280)
	11,811	258,524
Net change in non-cash working capital balances related to operations <i>[note 12]</i>	143,844	96,512
Cash provided by operating activities	155,655	355,036
INVESTMENT ACTIVITIES		
Purchase of capital assets <i>[note 3[b]]</i>	(23,617)	-
Decrease (increase) in investments <i>[note 2]</i>	(100,454)	(45,058)
Cash used in investment activities	(124,071)	(45,058)
FINANCING ACTIVITIES		
Capital contributions received <i>[note 9[b]]</i>	23,617	-
Endowment contributions received <i>[note 10]</i>	10,250	19,700
Repayments of obligation under capital lease	(1,034)	(1,033)
Proceeds from long-term debt	-	40,000
Cash provided by financing activities	32,833	58,667
Increase (decrease) in cash position during year	64,417	368,645
Cash position, beginning of year	882,105	513,460
Cash and cash equivalents, end of year	946,522	882,105

See accompanying notes to the financial statements.

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

GENERAL

United Way of Thunder Bay is a community impact organization that invests its resources in short and long-term solutions that address poverty, help children to be all that they can be, and support a healthy community. By funding community programs and services, and by actively participating in community collaborations, community facilitation and project management, United Way of Thunder Bay is able to leverage the opportunities and assets necessary to create lasting social change.

The United Way of Thunder Bay is incorporated under the laws of Ontario, is a local not-for-profit organization and is a public foundation under the Income Tax Act (Canada).

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and are within the framework of the significant accounting policies summarized below.

Revenue recognition

The Organization follows the deferral method of accounting for contributions, which includes campaign revenue. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Campaign and donation revenue is recognized in the period received. Donor designations are recognized as revenue in the period the designated agency is funded.

Revenue from fundraising activities is recognized as revenue when the event has taken place, amounts can be estimated and collectability is reasonably assured.

Grant revenues are recognized as revenue when the related program expense is incurred.

Government assistance is recognized as revenue in the statement of operations.

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"). These funds are reported separately in revenue when received or receivable.

Endowment contributions are recognized as increases in net assets in the year in which they are received.

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

When required by external restrictions, restricted investment income is accumulated with deferred contributions and recognized as revenue in the period in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Capital contributions

Capital contributions received for the purpose of acquiring capital assets are deferred and amortized on the same basis, and over the same periods, as the related capital asset.

Donations-in-kind

Materials and services

Donations of materials and services are not recorded unless the following two conditions are met: the fair market value of the donated goods and services can be reasonably estimated and the Organization would normally purchase the goods and services if not donated.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and other institutions with maturities of three months or less.

Investments

Investments are recorded at fair value.

Capital assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value as at the date of contribution. Normal maintenance and repair items are expensed in the year incurred.

Amortization is provided on the straight-line basis at the rates set out below. It is expected that these procedures will charge operations with the cost of the capital assets over their estimated useful lives. Gain or loss on the disposal of individual assets is recognized in the statement of operations in the year of disposal.

Computer hardware	20%
Computer software	14% - 20%
Furniture and fixtures	20%
Leasehold improvements	20%
Photocopier	20%
Telephone system	20%

As required, these assets are tested for impairment.

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

Assets under capital lease

Assets under capital lease are accounted for at cost. The cost corresponds to the present value of the minimum lease payments. Amortization of assets under capital lease is calculated by the same method and rates as set out above.

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash and cash equivalents
- accounts receivable
- investments
- allocations payable
- designations received, undistributed
- accounts payable and accrued liabilities

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

Measurement

Financial assets or liabilities obtained in arm's-length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Derecognition

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Subsequent measurement

At each reporting date, the United Way measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The financial instruments measured at amortized cost are cash and cash equivalents, investments (GIC's), accounts receivable, allocations payable, designations received, undistributed and accounts payable and accrued liabilities. Common shares and mutual funds traded in a public market are subsequently measured at fair value with changes in fair value charged to the statement of operations.

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

Financial instruments in related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The United Way does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the United Way initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the United Way has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the statement of operations.

Measurement estimates

Management reviews the carrying amount of items in the financial statements at each statement of financial position date to assess the need for revisions. Many items in the preparation of these financial statements require management's best estimate based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

Significant items subject to management estimates include:

Financial statement element

Management estimate

Capital assets

Asset useful lives

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

2. INVESTMENTS

Investments consist of the following:

	2021	2020
	\$	\$
Common shares	103,500	23,560
Mutual funds	439,768	364,990
Investments	543,268	388,550

The common shares represent a donation of 2,300,000 KWG Resources Inc. common shares dating back to 2011 (note 5) .

The mutual funds are comprised of BMO Monthly High Income Fund II Class, BMO US Equity Class, Dynamic Power American Growth Fund, Fidelity CDN Disciplined Equity Class and Franklin Bissett CDN Equity Fund.

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

3. CAPITAL ASSETS

[a] Details of year-end capital asset balances are as follows:

	Cost \$	Accumulated amortization \$	2021 Net book value \$	2020 Net book value \$
Computer hardware	69,222	48,802	20,420	-
Computer software	58,189	56,224	1,965	3,273
Furniture and fixtures	24,139	24,139	-	75
Leasehold improvements	8,915	8,915	-	-
Telephone system	5,229	4,876	353	-
	165,694	142,956	22,738	3,348
Assets under capital lease				
Photocopier	6,496	2,953	3,543	4,724
	172,190	145,909	26,281	8,072

Amortization for the year is \$5,408 [2020 - \$12,593].

[b] Capital asset additions during the year were as follows:

	2021 \$	2020 \$
Computer hardware	23,117	-
Telephone equipment	500	-
Photocopier	-	6,496
Total additions	23,617	6,496

4. DESIGNATIONS RECEIVED, UNDISTRIBUTED

Included in designations received, undistributed are 2,300,000 common shares of KWG Resources Inc., which were donated to United Way of Thunder Bay in 2011, subject to a written memorandum of understanding with KWG Resources Inc.

The memorandum of understanding requires United Way of Thunder Bay to sell the shares and remit the net proceeds, after an administrative fee, from the sale of the shares to be used for the acquisition, furnishing, and maintenance of residences for students attending the Dennis Franklin Cromarty High School. KWG Resources Inc. retains the right to determine the timing of the share sale and payment. See note 2.

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

5. DEFERRED GRANT AND OTHER REVENUE

Deferred grant revenue is comprised of:

	2021	2020
	\$	\$
Emergency Community Support Funding	-	89,495
Musselwhite	-	10,000
Thunder Bay Community Foundation Initiative Project	14,652	14,400
Thunder Bay District Labour Council	-	3,500
Ontario Trillium Foundation	76,264	-
J. Armand Bombardier Foundation	20,000	20,000
	110,916	137,395

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions related to capital assets represent restricted contributions which were used to finance capital asset purchases and expenditures. The changes in the deferred capital contributions balance for the year are as follows:

	2021	2020
	\$	\$
Balance, beginning of year	-	6,636
Contributions received	23,617	-
Amount amortized to revenue in the year	(2,842)	(6,636)
Balance, end of year	20,775	-

7. OBLIGATION UNDER CAPITAL LEASE

The Organization has entered into a lease agreement for a photocopier. The interest rate implicit in the lease is 4.485% and expires in April, 2024. The future minimum annual lease payments, together with the balance of the obligation, are as follows:

	\$
2022	1,342
2023	1,342
2024	1,342
Total minimum lease payments	4,026
Less amounts representing interest	113
	3,913
Less current portion	1,192
	2,721

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

8. LONG-TERM DEBT

	2021 \$	2020 \$
Canada Emergency Business Account ("CEBA") loan payable, interest free with no scheduled payment required until December 31, 2023.	40,000	40,000

Principal repayments required over the next five years are as follows:

	\$
2023	40,000

In 2020r, the Organization received the CEBA loan, which has a face value of \$60,000, of which \$20,000 is forgivable if \$40,000 is repaid by December 31, 2023. If the full amount has not been repaid by this date, the loan is converted to a 3-year term loan with interest at 5%. The Organization recognized the \$20,000 forgivable portion as government assistance in the previous year.

9. INVESTED IN CAPITAL ASSETS

[a] The net assets invested in capital assets consists of the following:

	2021 \$	2020 \$
Capital assets, net	26,281	8,072
Balance, end of year	26,281	8,072

[b] Change in net assets invested in capital assets is calculated as follows:

	2021 \$	2020 \$
Amortization of deferred capital contributions	2,842	6,636
Amortization of capital assets funded by capital contributions	(2,842)	(6,636)
Amortization of other capital assets	(2,566)	(5,957)
	(2,566)	(5,957)
Purchase of capital assets	23,617	-
	21,051	(5,957)

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

10. RESTRICTIONS ON NET ASSETS

The Board of Directors has placed several internal restrictions on the net assets of the Organization, as follows:

Community Fund

In keeping with the United Way of Thunder Bay's Community Impact Plan, the Board approved a new allocations process in 2019, designed to advance the United Way Focus area of a community free from poverty. In lieu of annual grants to funded agencies, investments will be made in community programs that support solutions related to the alleviation of poverty. Unrestricted funds received in each campaign year will be earmarked to the Community Fund and allocated to organizations for vital community projects, services or initiatives that align with the United Way's community impact priorities.

Operational Reserve

The Operational Reserve is to be used to finance general operating costs between campaigns and to cover one-time expenditures as approved by the Board of Directors.

While the Organization functions on a not-for-profit basis, it is deemed prudent to retain an accumulated reserve to provide for the contingencies noted above. The cap for this reserve has been established at 20% of the previous year's actual campaign achievement. An amount equivalent up to 1% of the prior year's net campaign revenue can be allocated to this reserve annually at the discretion of the Board. In 2021, the Board approved a transfer of \$nil from the reserve fund [2020 - \$nil]. Interest earned on the operational reserve investments is also allocated to the operational reserve and amounted to \$466 for 2021 [2020 - \$1,039].

The Tomorrow Fund

The Tomorrow Fund was established in 2009 as a permanent endowment fund to ensure that the Organization's tradition of caring continues into the future.

The Tomorrow Fund represents internally and externally designated amounts. Externally designated amounts refer to those gifts which have been specifically directed to The Tomorrow Fund by the donor. Internally designated amounts are bequests, memorial donations and other planned gifts that were donated to the Organization and have been transferred to The Tomorrow Fund by the Board. The Board of Directors may make the internally designated portion of The Tomorrow Fund available, should the circumstance warrant.

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

Bequests, endowments, memorial donations and other planned gifts are encouraged, and will be directed to The Tomorrow Fund, unless the donor has indicated otherwise.

Any investment income earned on the funds endowed are allocated to the operations of the Organization for the Community Fund.

The Tomorrow Fund consists of the following designations:

	2021	2020
	\$	\$
Externally restricted	154,990	144,740
Internally restricted	121,795	117,099
	276,785	261,839

Endowment contributions of \$10,250 [2020 - \$19,700] have been added to The Tomorrow Fund on the statement of changes in net assets as described in note 1. These amounts are not included in revenue on the statement of operations.

11. COMMITMENTS

The Organization leases an office space under an operating lease which expires July 31, 2023. In addition to basic rent, the lease requires the Organization to pay for common costs to the premises.

The minimum rental payments before harmonized sales tax required under the terms of the lease for the next two years are as follows:

	\$
2022	114,219
2023	66,628
	180,847

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

12. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2021	2020
	\$	\$
Gross proceeds		
Accounts receivable	15,868	(7,763)
Harmonized Sales Tax receivable	(1,572)	479
Prepaid expenses	24,291	(23,061)
	38,587	(30,345)
Less		
Allocations payable	19,577	427
Event expenses	111,375	61,002
Grants awarded	784	(2,967)
Deferred grant and other revenue	(26,479)	68,395
	105,257	126,857
	143,844	96,512

13. DONATIONS-IN-KIND

[a] Sponsored employee representatives

During the year, the Organization received the benefit of services of "sponsored employee representatives" to assist with the 2021 campaign. A representative was provided by the Ministry of the Solicitor General - Kenora District Jail. As the services of this individual would not otherwise have been purchased, the contribution was not reflected in these financial statements.

[b] Volunteers

Volunteers contribute their time to assist the United Way of Thunder Bay in carrying out its fundraising activities. Because of the difficulty of determining their fair value, these contributed services are not recognized in the financial statements.

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

14. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Organization assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

[a] Credit risk

Credit risk arises from cash and cash equivalents and credit exposures on outstanding balances receivable. Cash and cash equivalents are held at major financial institutions minimizing any potential exposure to credit risk. Management annually assesses the balances in accounts receivable, and has provided an allowance for potential uncollectible amounts.

[b] Market risk

The Organization is subject to market risk on the investments carried at fair value. These investments are subject to market risk such that the fair value of these investments may change as a result of factors specific to a particular investment or as a result of factors affecting all instruments trading in the market. The Organization manages this risk by using an experienced portfolio manager.

[c] Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities. Liquidity risk is not considered to be significant.

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

15. TRANSPARENCY, ACCOUNTABILITY AND FINANCIAL REPORTING

The United Way of Thunder Bay follows the reporting guidelines as outlined in its membership agreement with United Way-Centraide Canada.

[a] General management and administrative expenditures are incurred to support functional areas and are allocated to fundraising and community impact activities expenses based on the estimated time spent in each area.

	2021 %	2020 %
To fundraising expenses	57.3	57.3
To community impact activities expenses	42.7	42.7

[b] Fundraising cost ratio

	2021 \$	2020 \$
Total donations and fundraising	1,842,376	1,901,229
Total revenue for fundraising	1,842,376	1,901,229
Direct fundraising expenses <i>[schedule 1]</i>	368,509	281,214
Allocation of general management and administration <i>[schedule 1]</i>	166,845	188,161
Total fundraising expenses	535,354	469,375
	29.0%	24.7

United Way of Thunder Bay

Notes to the Financial Statements

December 31, 2021

16. CATCH THE ACE FUNDRAISER

Catch the Ace is a progressive 50/50 raffle, multiple-draw lottery, licenced by the Alcohol & Gaming Commission of Ontario. The program was undertaken in partnership with the Port Arthur Rotary Club. Net proceeds are jointly awarded by UWTB and Port Arthur Rotary to community organizations in support of programs and initiatives that meet the immediate needs of local people and families to ensure that they have access to much-needed food, housing, clothing, crisis counselling and other vital services.

	2021	2020
	\$	\$
Ticket sales	80,950	-
Sponsorships	18,222	-
Total proceeds	99,172	-
Less		
Prize payouts	35,628	-
Event expenses	21,683	-
Grants awarded	30,654	-
	87,965	-
Net proceeds to be distributed in 2022	11,207	-

17. IMPACTS OF COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. In many countries, including Canada, businesses are being forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

In 2021, the United Way of Thunder Bay partnered with the Thunder Bay Community Foundation to assist in the local allocation of Emergency Community Support Funding (ECSF). The United Way of Thunder Bay received \$935,594 in funding to distribute to organizations serving persons less equipped to deal with the health, social and economic impacts of COVID-19, of which \$89,495 was carried over to the current year and distributed in 2021. The Organization was able to access government assistance in the form of the Canada Emergency Wage Subsidy to help offset salary costs and fund operating costs during the year.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

United Way of Thunder Bay Expenses

Schedule 1

Year ended December 31	2021	2020
	\$	\$
GENERAL MANAGEMENT AND ADMINISTRATIVE		
Amortization	5,408	12,593
Computers and equipment maintenance	13,939	28,001
Employee benefits	15,690	20,338
Mileage and parking	411	400
Occupancy	93,618	85,941
Office	33,311	35,336
Property taxes	13,186	16,751
Salaries	101,644	112,274
Telephone and communications	6,946	9,557
Utilities	7,161	7,341
	291,314	328,532
Allocation to fundraising expenses <i>[note 15]</i>	(166,845)	(188,161)
Allocation to community impact activities <i>[note 15]</i>	(124,469)	(140,371)
	-	-
FUNDRAISING		
Advertising and public relations	42,475	44,970
Campaign supplies and contracted labour	107,093	32,400
Employee benefits	26,919	31,090
Salaries	191,133	171,932
Travel and training	889	822
	368,509	281,214
Allocation of general management and administrative expenditures to functional areas <i>[note 15]</i>	166,845	188,161
	535,354	469,375
UNITED WAY COMMUNITY IMPACT ACTIVITIES		
Community impact initiatives	181,810	151,457
United Way of Canada membership	16,536	15,926
Special projects	72,229	46,186
	270,575	213,569
Allocation of general management and administrative expenditures to functional areas <i>[note 15]</i>	124,469	140,371
	395,044	353,940