

**UNITED WAY OF SARNIA - LAMBTON**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**Lisa Mayer, CPA, Professional Corporation  
Licensed Public Accountant  
375 Exmouth Street  
Sarnia, Ontario  
N7T 5N8**

**UNITED WAY OF SARNIA - LAMBTON**

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**INDEPENDENT AUDITOR'S REPORT**

**To the Directors of United Way of Sarnia - Lambton:**

**Qualified Opinion**

I have audited the accompanying financial statements of United Way of Sarnia - Lambton which comprise of the statement of financial position as of December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In my opinion, except for the 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 United Way of Sarnia - Lambton as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, the Entity 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 Entity. Therefore, we were not able to determine whether any adjustments might be necessary to local fundraising revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021 and net assets at January 1 and December 31 for both the 2022 and 2021 years.

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 United Way of Sarnia - Lambton 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 audit 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 of Sarnia - Lambton'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 United Way of Sarnia - Lambton or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the United Way of Sarnia - Lambton's financial reporting process.

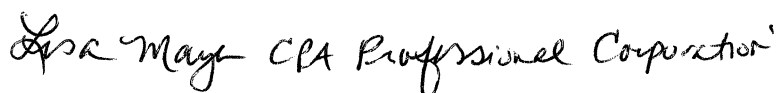
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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:

- 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 United Way of Sarnia - Lambton'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 United Way of Sarnia - Lambton'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 United Way of Sarnia - Lambton 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 our audit.

 Lisa May CPA Professional Corporation

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario  
Sarnia, Ontario  
April 13, 2023

**UNITED WAY OF SARNIA - LAMBTON**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2022**

	<b><u>General</u></b> <b><u>Fund</u></b>	<b><u>Future</u></b> <b><u>Fund</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>ASSETS</b>				
Cash (Note 3)	\$ 590,199	\$ -	\$ 590,199	\$ 502,129
Short term investments (Note 4)	1,501,385	-	1,501,385	1,737,368
Interest receivable	18,467	-	18,467	35,334
Pledges receivable (Note 5)	358,393	-	358,393	702,805
Due from Sarnia-Lambton Future Fund Foundation (Note 6)	95,451	-	95,451	102,300
Inventory	<u>1,810</u>	<u>-</u>	<u>1,810</u>	<u>1,810</u>
	2,565,705	-	2,565,705	3,081,746
<b>LONG-TERM INVESTMENTS (Note 4)</b>	-	-	-	2,896,269
<b>PROPERTY AND EQUIPMENT (Note 7)</b>	7,378	-	7,378	10,341
<b>CASH SURRENDER VALUE OF LIFE INSURANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,773</u>
	<u>\$ 2,573,083</u>	<u>\$ -</u>	<u>\$ 2,573,083</u>	<u>\$ 6,006,129</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities (Note 8)	\$ 116,259	\$ -	\$ 116,259	\$ 114,853
Due to General Fund (Note 6)	-	-	-	102,300
Deferred revenue (Note 9)	<u>1,540,933</u>	<u>-</u>	<u>1,540,933</u>	<u>1,842,353</u>
	1,657,192	-	1,657,192	2,059,506
<b>NET ASSETS</b>	<u>915,891</u>	<u>-</u>	<u>915,891</u>	<u>3,946,623</u>
	<u>\$ 2,573,083</u>	<u>\$ -</u>	<u>\$ 2,573,083</u>	<u>\$ 6,006,129</u>

**APPROVED ON BEHALF OF THE BOARD:**

\_\_\_\_\_ Board Chairperson

\_\_\_\_\_ Executive Director, Secretary of the Board

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**UNITED WAY OF SARNIA - LAMBTON****STATEMENT OF OPERATIONS****YEAR ENDED DECEMBER 31, 2022**

	<b><u>General Fund</u></b>	<b><u>Future Fund</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>CAMPAIGN REVENUE</b>				
Local campaign	\$ 1,597,495	\$ -	\$ 1,597,495	\$ 1,606,660
Funds transferred from other United Way Centres	158,722	-	158,722	232,627
Funds transferred to other United Way Centres	(300)	-	(300)	(330)
Emergency Community Support Fund "ECSF"	-	-	-	(6,369)
Gross campaign	1,755,917	-	1,755,917	1,832,588
Less uncollectable pledges and other adjustments	(21,939)	-	(21,939)	(19,752)
Net campaign revenue	1,733,978	-	1,733,978	1,812,836
<b>OTHER INCOME</b>				
Investment income	93,678	-	93,678	376,056
Day of caring	3,500	-	3,500	-
Sarnia-Lambton Future Fund donation	105,000	-	105,000	105,510
Bingo	16,312	-	16,312	7,054
Other campaign activities	12,300	-	12,300	8,107
Ascend 50/50	4,544	-	4,544	13,063
	235,334	-	235,334	509,790
	1,969,312	-	1,969,312	2,322,626
<b>EXPENSES</b>				
Fundraising expenditures (Schedule 2)	334,198	-	334,198	361,638
Future fund expenditures (Schedule 4)	-	-	-	59,564
	334,198	-	334,198	421,202
<b>REVENUE AVAILABLE FOR PROGRAM ALLOCATIONS</b>	1,635,114	-	1,635,114	1,901,424
<b>PROGRAM EXPENDITURES</b> (Schedule 3)	(1,577,828)	-	(1,577,828)	(1,694,567)
<b>DONATIONS TO SARNIA-LAMBTON FUTURE FUND FOUNDATION</b> (Note 6)	(3,660)	-	(3,660)	-
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	\$ 53,626	\$ -	\$ 53,626	\$ 206,857

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**UNITED WAY OF SARNIA - LAMBTON**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2022**

	<b><u>General Fund</u></b>	<b><u>Future Fund</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	\$ 1,111,716	\$ 2,834,907	\$ 3,946,623	\$ 3,718,432
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>53,626</u> 1,165,342	<u>-</u> 2,834,907	<u>53,626</u> 4,000,249	<u>206,857</u> 3,925,289
<b>TRANSFER TO FUTURE FUND FOUNDATION (Note 11)</b>	-	(2,834,907)	(2,834,907)	-
<b>UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	<u>(249,451)</u>	<u>-</u>	<u>(249,451)</u>	<u>21,334</u>
<b>FUND BALANCE, END OF YEAR</b>	\$ <u>915,891</u>	\$ <u>-</u>	\$ <u>915,891</u>	\$ <u>3,946,623</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**UNITED WAY OF SARNIA - LAMBTON**

**STATEMENT OF CASH FLOWS**

**DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenditures		
Operating fund	\$ 53,626	\$ (27,081)
Future fund	-	233,938
Items not requiring an outlay of cash:		
Amortization of property and equipment	<u>2,963</u>	<u>4,183</u>
	56,589	211,040
Changes in non-cash working capital balances		
Accounts receivable	16,867	(19,229)
Due from Sarnia-Lambton Future Fund Foundation	(95,451)	-
Pledges receivable	344,412	(209,077)
Accounts payable and accrued liabilities	1,406	(2,007)
Deferred revenue	<u>(301,420)</u>	<u>(42,161)</u>
	<u>22,403</u>	<u>(61,434)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net proceeds (purchases) of investments	65,667	(51,085)
Proceeds from sale of long term investments	-	20,627
Purchase of long term investments	<u>-</u>	<u>(100,160)</u>
	<u>65,667</u>	<u>(130,618)</u>
<b>INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>88,070</b>	<b>(192,052)</b>
<b>CASH AND EQUIVALENTS, beginning of year</b>	<b><u>502,129</u></b>	<b><u>694,181</u></b>
<b>CASH AND EQUIVALENTS, end of year</b>	<b>\$ <u>590,199</u></b>	<b>\$ <u>502,129</u></b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS



**UNITED WAY OF SARNIA - LAMBTON**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES**

United Way of Sarnia - Lambton is a local organization engaged in raising and distributing of funds to charitable programs in Sarnia-Lambton. The organization was incorporated under the laws of the Province of Ontario. It has been granted tax exempt status as a registered charity and is classified as a charitable organization under section 149, paragraph 149 (1) of the *Income Tax Act*.

**2. SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Use of Estimates

The preparation of financial statements in accordance 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 reported period. Actual results could differ from these estimates. Significant estimates include the useful life of capital assets. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Investments

Investments are measured at fair market value (see Note 4).

Property and Equipment

Property and equipment, including expenditures which improve or prolong the useful lives of the assets, are stated at cost and amortized over their estimated useful lives using the following methods and annual rates:

Office furniture and fixtures	20%	diminishing balance
Office equipment	30%	diminishing balance
Computer equipment	30%	diminishing balance

One-half year's amortization is expensed in the year of acquisition.

## **UNITED WAY OF SARNIA - LAMBTON**

### **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

#### **SIGNIFICANT ACCOUNTING POLICIES (con't)**

##### **Fund Accounting**

The organization follows the restricted fund method of accounting for contributions. Under these principles, resources for various purposes are classified in accordance with activities or objectives specified.

The General Fund accounts for the organization's program delivery and administration activities. This fund reports unrestricted resources and restricted operating grants.

The Future Fund reports internally restricted funds as directed by the Board of Directors to be invested in which income earned and capital may be used for agency allocations. On January 1, 2022, the United Way of Sarnia - Lambton transferred the assets and liabilities to its own separate registered charity, the Sarnia-Lambton Future Fund Foundation (see note 11).

##### **Revenue Recognition**

Contributions, including grants and donations, are recognized as revenue of the appropriate fund. Contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. As part of its annual fundraising campaign the United Way of Sarnia - Lambton received \$1,451,562 (2021 - \$1,740,413) in pledges. These amounts are recorded as deferred revenue when the organization is advised of the pledge. The pledge is then recorded as revenue in the year the funds are intended to be disbursed to the community in accordance with the Community Investment Model. Of this amount, \$327,430 (2021 - \$657,883) were not received by year-end and were included in amounts receivable in the statement of financial position.

Investment income earned is recognized as revenue of the fund to which that income relates.

##### **Donated services**

A substantial number of unpaid volunteers have made significant contributions of their time in the furtherance of the United Way of Sarnia - Lambton. The value of this contributed time is not included in these financial statements.

##### **Controlled Foundation**

The organization is in control of the Sarnia-Lambton Future Fund Foundation since the organization's management is closely involved in developing Sarnia-Lambton Future Fund Foundation's policies and can influence their content. Sarnia-Lambton Future Fund Foundation was created to raise funds to finance the United Way of Sarnia-Lambton.

**UNITED WAY OF SARNIA - LAMBTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**SIGNIFICANT ACCOUNTING POLICIES (con't)**

Allocation of expenses

The organization engages in fundraising and program projects and costs directly related to each project are allocated directly to the corresponding project. Costs not directly related to each project are allocated as per Schedule 5. The organizations also incurs a number of general and administrative expenditures associated with the governing and operating of the organization that are allocated 68% to fundraising and 32% to program (see Schedule 1)

Financial Instruments

Financial Instruments are recorded at fair value at initial recognition. In subsequent periods, equities traded in an active market are reported at fair value, with any change in fair value reported in the statement of changes in net assets. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

**3. CASH AND BANK**

The United Way of Sarnia - Lambton bank accounts are held at one financial institution.

**4. INVESTMENTS**

	<u>2022</u>	<u>2021</u>
<i>Short-term investments</i>		
General Fund		
Marketable securities (cost \$1,467,974; 2021 \$1,485,368)	<u>\$ 1,501,385</u>	<u>\$ 1,737,368</u>

**5. PLEDGES RECEIVABLE**

	<u>2022</u>	<u>2021</u>
Accounts receivable 2020 campaign	\$ -	\$ 18,377
Accounts receivable 2021 campaign	12,944	657,883
Accounts receivable 2022 campaign	327,430	26,545
Accounts receivable 2023 campaign	18,019	-
	<u>\$ 358,393</u>	<u>\$ 702,805</u>

**UNITED WAY OF SARNIA - LAMBTON**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**6. DUE FROM SARNIA-LAMBTON FUTURE FUND FOUNDATION**

The balance due from the Sarnia-Lambton Future Fund Foundation is non-interest bearing, unsecured and is due on demand.

Donations paid to the Sarnia-Lambton Future Fund Foundation include memorial or non-directed, one-time gifts received by the organization and approved by the Board of Directors to be transfer to the Sarnia-Lambton Future Fund. During the year, the Board of Directors approved donations to the Sarnia-Lambton Future Fund Foundation totaling \$3,660.

Donations received from the Sarnia-Lambton Future Fund Foundation represents 3.5% of the Sarnia-Lambton Future Fund Foundation's long-term investment's previous year October 31st balance. The donation is made to assist in funding the member agencies and to offset administration costs incurred by the organization. During the year, the United Way of Sarnia - Lambton received a donation totaling \$105,000 (2021 - \$102,300) from the Sarnia-Lambton Future Fund Foundation (2021 - Future Fund).

**7. PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>2022 Accumulated Amortization</u>	<u>Net Book Value</u>	<u>2021 Net Book Value</u>
Office furniture and fixtures	\$ 19,724	\$ 18,608	\$ 1,116	\$ 1,395
Office equipment	44,409	42,404	2,005	2,864
Computer equipment	<u>22,272</u>	<u>18,015</u>	<u>4,257</u>	<u>6,082</u>
	<u>\$ 86,405</u>	<u>\$ 79,027</u>	<u>\$ 7,378</u>	<u>\$ 10,341</u>

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2022</u>	<u>2021</u>
Trade accounts payable	\$ 5,546	\$ 3,709
Government remittances payable	11,332	10,663
Donor option payable	<u>99,381</u>	<u>100,481</u>
	<u>\$ 116,259</u>	<u>\$ 114,853</u>

**9. DEFERRED REVENUE**

	<u>2022</u>	<u>2021</u>
Fall 2021 campaign	\$ -	\$ 1,740,413
Fall 2022 campaign	1,451,562	100,130
Fall 2023 campaign	87,561	-
Artwork	<u>1,810</u>	<u>1,810</u>
	<u>\$ 1,540,933</u>	<u>\$ 1,842,353</u>

Deferred revenue represents monies received and pledged to be received during the year that relate to the distribution of funds to charitable programs in the subsequent fiscal year.

## UNITED WAY OF SARNIA - LAMBTON

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

#### **10. FINANCIAL INSTRUMENTS**

The organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk and market risk.

##### *Credit risk*

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization monitors its accounts receivable or pledges receivable, regularly and establishes allowances for doubtful accounts as needed. The organization is also exposed to a concentration of credit risk arising from the majority of its bank accounts being held at one financial institution. There have not been any changes in the risk from the prior year.

##### *Liquidity risk*

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The organization is exposed to this risk mainly in respect of its accounts payable or agency funding and accrued charges and deferred revenue. The organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and meet its liabilities when due, under both normal and stressed conditions. The organization maintains a portion of its invested assets in liquid securities. There have not been any changes in the risk from the prior year.

##### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The organization's risk management strategies are described below:

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-interest instruments subject the organization to a fair value risk. The organization is exposed to changes in interest rates related to its investments in marketable securities. The organization's primary objective is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory return. Treasury risk management policies specify various investment parameters including eligible types of investment, maximum maturity dates, maximum exposure by counterparties and maximum credit ratings. The organization mitigates interest rate risk on investments by diversifying the duration of the fixed-income investments that are held at a given time. The organization is exposed to interest rate risk as it does have fixed and floating interest rate financial instruments as described in Notes 3 and 4. There have not been any changes in the risk from the prior year.

**UNITED WAY OF SARNIA - LAMBTON**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**FINANCIAL INSTRUMENTS (con't)**

*Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investments in quoted shares. The organization manages other price risk through asset allocation and maintaining a portfolio that is well diversified on both a geographic and industry sector basis. There have not been any changes in the risk from the prior year.

**11. TRANSFER TO FUTURE FUND FOUNDATION**

On January 1, 2022, the United Way of Sarnia - Lambton transferred Future Fund assets and liabilities to the Sarnia-Lambton Future Fund Foundation as follows:

**ASSETS**

Cash	\$ 10,111
Interest receivable	13,054
Long-term investments	2,896,269
Cash surrender value of life insurance	<u>17,773</u>
	<b><u>\$ 2,937,207</u></b>

**LIABILITIES**

Due to United Way of Sarnia-Lambton	\$ 102,300
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**NET ASSETS**

<u>2,834,907</u>
<b><u>\$ 2,937,207</u></b>

## **UNITED WAY OF SARNIA - LAMBTON**

### **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

#### **12. COMMITMENTS**

The United Way of Sarnia - Lambton leases a premises for an initial term of 10 years 4 months commencing on April 1, 2019 and expiring on July 31, 2029. The lease is an absolute net lease with an option to renew for two additional term(s) of 5 years (each).

The United Way of Sarnia - Lambton has entered into funding agreements with member agencies whereby it has committed to regular payments to the end of March 2024.

Future minimum payments required for the premises lease and funding agreements over the next five years are as follows:

	<u>Agency Funding</u>	<u>Premises</u>	<u>Total</u>
2023	\$ 1,068,945	\$ 21,318	\$ 1,090,263
2024	250,245	21,318	271,563
2025	-	21,318	21,318
2026	-	21,318	21,318
2027	-	21,318	21,318
Thereafter	-	33,754	33,754
	<u>\$ 1,319,190</u>	<u>\$ 140,344</u>	<u>\$ 1,459,534</u>

The United Way of Sarnia - Lambton holds a membership with the United Way of Canada and is required to pay 1% of donation revenues as part of its membership agreement. Membership agreements are renewed annually.

#### **13. COVID-19 OUTBREAK**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

Governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods and social distancing, caused material disruption to businesses globally resulting in an economic recession. Global equity markets experienced significant volatility and weakness. Governments and central banks reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. It is not possible to reliably estimate the long term effect of these developments, including the impact on future financial results noting that this contingency has become less severe and uncertain as of the financial statement reporting date.

#### **14. SUBSEQUENT EVENTS**

Subsequently, the Board approved the fiscal 2023 donation from the Sarnia-Lambton Future Fund Foundation to the United Way of Sarnia - Lambton in the amount of \$118,000 based on a Board approved increased rate of 3.5% on the first \$1,000,000 of investments held and 5% on the balance in excess of \$1,000,000.

**UNITED WAY OF SARNIA - LAMBTON**

**SCHEDULE 1 - GENERAL AND ADMINISTRATIVE EXPENDITURES**

**DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
Amortization	\$ 2,963	\$ 4,183
Bank charges	4,031	10,012
Computer supplies and subscriptions	5,875	6,947
Conference and travel	288	(188)
Equipment rentals	3,255	3,326
Insurance	2,665	2,228
Meetings	140	116
Mileage	966	701
Office supplies	1,718	2,033
Postage	1,255	7,505
Printing	696	310
Professional fees	3,326	5,001
Rent	10,208	8,669
Salaries and employee benefits	109,013	194,097
Telephone	1,627	1,908
Training	-	31
Volunteer appreciation	209	350
Website and advertising	<u>5,331</u>	<u>-</u>
	<u>153,566</u>	<u>247,229</u>
Allocation to fundraising expenditures (Schedule 2)	(104,425)	(168,116)
Allocation to program expenditures (Schedule 3)	<u>(49,141)</u>	<u>(79,113)</u>
	\$ <u>-</u>	\$ <u>-</u>



**UNITED WAY OF SARNIA - LAMBTON**

**SCHEDULE 2 - FUNDRAISING EXPENDITURES**

**DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
Ascend 50/50	\$ 15,208	\$ 12,381
Bank charges	4,031	-
Computer supplies and subscriptions	5,875	4,168
Conference and travel	352	(144)
Equipment rentals	3,255	2,406
Insurance	2,665	1,642
Media subscriptions	-	428
Meetings	140	70
Mileage	966	476
Office supplies	1,718	-
Postage	6,008	-
Printing	2,089	620
Professional fees	3,326	-
Rent	10,208	6,388
Salaries and employee benefits	165,700	163,742
Special events	405	-
Telephone	1,627	1,272
Training	-	73
Volunteer appreciation	203	-
Website and advertising	<u>5,997</u>	<u>-</u>
	229,773	193,522
Allocation from general and administrative expenditures (Schedule 1)	<u>104,425</u>	<u>168,116</u>
	\$ <u>334,198</u>	\$ <u>361,638</u>

**UNITED WAY OF SARNIA - LAMBTON**

**SCHEDULE 3 - PROGRAM EXPENDITURES**

**DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
Allocation to non-member agencies	\$ 97,265	\$ 96,305
Bank charges	1,423	-
Community investments	1,190,207	1,372,876
Computer supplies and subscriptions	3,314	-
Conference and travel	213	-
Day of caring	2,500	-
Dental and hearing programs	20,350	30,904
Equipment rentals	566	-
Insurance	1,683	1,407
Meetings	186	-
Mileage	909	224
Postage	1,704	-
Prescription drugs	9,077	12,080
Office supplies	1,473	-
Printing costs	696	-
Professional fees	1,663	2,484
Rent	6,447	5,475
Salaries and other	164,675	80,380
Strategic partnerships	2,000	-
Telephone	1,265	-
Volunteer appreciation	210	-
United Way of Canada - Centraide Canada dues	18,862	19,180
ECSF allocation fund	-	(5,861)
Website and advertising	1,999	-
	<u>1,528,687</u>	<u>1,615,454</u>
Allocation from general and administrative expenditures (Schedule 1)	<u>49,141</u>	<u>79,113</u>
	<u>\$ 1,577,828</u>	<u>\$ 1,694,567</u>

**UNITED WAY OF SARNIA - LAMBTON**

**SCHEDULE 4 - FUTURE FUND EXPENDITURES**

**DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
Bank charges	\$ -	\$ 1,112
Computer supplies and subscriptions	-	7,195
Conference and travel	-	(75)
Equipment rentals	-	708
Insurance	-	586
Life insurance	-	29,714
Mileage	-	173
Office supplies	-	407
Postage	-	834
Printing	-	124
Professional fees	-	6,124
Rent	-	2,281
Salaries and employee benefits	-	9,833
Telephone	-	424
Training	-	31
Volunteer appreciation	-	95
	<u>\$ -</u>	<u>\$ 59,564</u>

**UNITED WAY OF SARNIA - LAMBTON**

**SCHEDULE 5 - ALLOCATION OF EXPENDITURES**

**DECEMBER 31, 2022**

	<b><u>General and Administrative Expenditures</u></b>	<b><u>Fundraising Expenditures</u></b>	<b><u>Program Expenditures</u></b>	<b><u>Future Fund</u></b>
Bank charges	42.50 %	42.50 %	15.00 %	- %
Computer supplies	39.00 %	39.00 %	22.00 %	- %
Conference and travel	33.75 %	41.25 %	25.00 %	- %
Equipment rentals	46.00 %	46.00 %	8.00 %	- %
Insurance	38.00 %	38.00 %	24.00 %	- %
Meetings	30.00 %	30.00 %	40.00 %	- %
Mileage	34.00 %	34.00 %	32.00 %	- %
Office supplies	35.00 %	35.00 %	30.00 %	- %
Postage	14.00 %	67.00 %	19.00 %	- %
Printing costs	20.00 %	60.00 %	20.00 %	- %
Professional fees	40.00 %	40.00 %	20.00 %	- %
Rent	38.00 %	38.00 %	24.00 %	- %
Salaries and benefits	25.00 %	38.00 %	37.00 %	- %
Telephone	36.00 %	36.00 %	28.00 %	- %
Volunteer appreciation	34.00 %	33.00 %	33.00 %	- %