

LLOYDMINSTER & DISTRICT UNITED WAY INC.

Financial Statements

Year Ended April 30, 2019



LLOYDMINSTER & DISTRICT UNITED WAY INC.

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Year Ended April 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Lloydminster & District United Way Inc.

Qualified Opinion

We have audited the financial statements of Lloydminster & District United Way Inc. (the Organization), which comprise the statement of financial position as at April 30, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at April 30, 2019, 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 Organization 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended April 30, 2019, current assets and net assets as at April 30, 2019. Our audit opinion on the financial statements for the year ended April 30, 2018 was modified accordingly because of the possible effects of this limitation of 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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.

Leckie & Associates LLP

Lloydminster, Alberta
June 18, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS

LLOYDMINSTER & DISTRICT UNITED WAY INC.
Statement of Financial Position
April 30, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 48,144	\$ 95,984
Goods and services tax recoverable	298	511
Prepaid expenses	-	557
	<u>48,442</u>	<u>97,052</u>
OTHER ASSET (Note 4)	97	92
	<u>\$ 48,539</u>	<u>\$ 97,144</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ -	\$ 1,500
Employee deductions payable	447	816
Allocations payable to member agencies	-	73,000
	<u>447</u>	<u>75,316</u>
LEASE COMMITMENT (Note 5)		
UNRESTRICTED NET ASSETS	<u>48,092</u>	<u>21,828</u>
	<u>\$ 48,539</u>	<u>\$ 97,144</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements



LLOYDMINSTER & DISTRICT UNITED WAY INC.

Statement of Operations
Year Ended April 30, 2019

	2019	2018
REVENUES		
Donations	\$ 59,590	\$ 83,182
Funds transferred from other United Way's	28,609	24,600
Fundraising	9,651	5,431
Interest earned	156	47
	<u>98,006</u>	<u>113,260</u>
EXPENSES		
Advertising and promotion	18	1,617
Fundraising	3,163	1,088
Insurance	823	788
Interest and bank charges	103	35
Licenses, memberships and fees	3,278	3,180
Mileage	89	-
Non recoverable GST	298	250
Postage and office supplies	2,573	306
Professional fees	3,543	3,347
Rental - premises	3,622	3,843
Repairs and maintenance - equipment	20	-
Salaries - staff	20,783	22,822
Staff benefits	1,586	1,390
Telephone	2,043	1,998
	<u>41,942</u>	<u>40,664</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	56,064	72,596
SCHEDULE OF ALLOCATIONS TO MEMBER AGENCIES (<i>Schedule 1</i>)	<u>(29,800)</u>	<u>(73,000)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 26,264	\$ (404)



LLOYDMINSTER & DISTRICT UNITED WAY INC.
Statement of Changes in Net Assets
Year Ended April 30, 2019

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 21,828	\$ 22,232
Excess of revenues over expenses	<u>26,264</u>	<u>(404)</u>
NET ASSETS - END OF YEAR	<u>\$ 48,092</u>	<u>\$ 21,828</u>

See notes to financial statements



LLOYDMINSTER & DISTRICT UNITED WAY INC.

Statement of Cash Flows
Year Ended April 30, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 26,264	\$ (404)
Changes in non-cash working capital:		
Goods and services tax recoverable	213	(251)
Prepaid expenses	557	(557)
Accounts payable and accrued liabilities	(1,500)	(499)
Employee deductions payable	(369)	446
Allocations payable to member agencies	(73,000)	13,000
	<u>(74,099)</u>	<u>12,139</u>
Cash flow (used by) from operating activities	<u>(47,835)</u>	<u>11,735</u>
INVESTING ACTIVITY		
Increase in other asset	<u>(5)</u>	<u>(3)</u>
(DECREASE) INCREASE IN CASH FLOW	(47,840)	11,732
Cash - beginning of year	<u>95,984</u>	<u>84,252</u>
CASH - END OF YEAR	\$ 48,144	\$ 95,984



LLOYDMINSTER & DISTRICT UNITED WAY INC.

Notes to Financial Statements

Year Ended April 30, 2019

1. PURPOSE OF THE ORGANIZATION

Lloydminster & District United Way Inc. (the "organization") is incorporated under the Non-profit Corporations Act of Saskatchewan. The organization enables all citizens to join in a community wide effort to raise sufficient funds to assist member agencies to deliver programs and services. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Canadian Income Tax Act.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

3. SUMMARY OF ACCOUNTING INFORMATION

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Revenue recognition

Lloydminster & District United Way Inc. follows the deferral method of accounting for contributions.

Donations and funds transferred from other United Way's are recognized as income upon receipt.

Fundraising, grants, and interest earned are recorded as income in the period in which they are earned or in the period in which the related expenses are incurred.

Capital assets

In accordance with Canadian account standards for not-for-profit organizations with average revenue of less than \$500,000, the Organization has chosen the policy to expense capital assets as incurred. The amount of assets expenses in the current period, if any, is disclosed in the account - capital asset purchases.

Contributed capital assets are recorded as revenue and expensed at the fair market value at the date of the contribution.

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LLOYDMINSTER & DISTRICT UNITED WAY INC.

Notes to Financial Statements

Year Ended April 30, 2019

3. SUMMARY OF ACCOUNTING INFORMATION (continued)

Contributed materials and services

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Donated materials are not recognized in the financial statements unless the amount is significant, the materials would normally be purchased for operations and the fair market value is reasonably determined.

4. OTHER ASSET

	<u>2019</u>	<u>2018</u>
Patronage equity Servus Credit Union	\$ 97	\$ 92

5. LEASE COMMITMENT

The Organization leases a premises under a long term lease that expires on December 31, 2019. Under the lease, the Organization is required to pay a base rent of \$301 plus GST per month. Future minimum lease payments as at year end are as follows:

2020	<u>\$ 2,408</u>
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6. COMMITMENT

The Organization has a commitment to allocate a portion of their net fundraising actives to associated beneficiaries, special requests and programs. Currently, it is proposed that this will be a swim fee coverage program allocating funds to Lloydminster, Vermilion and Wainwright. It is estimated that \$20,000 - 25,000 will be allocated.

7. RELATED PARTY TRANSACTIONS

The following is a summary of the organization's related party transactions:

	<u>2019</u>	<u>2018</u>
United Way Centraides National Office Licenses, memberships, and fees	\$ 3,000	\$ 3,000

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.



8. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash, other asset, accounts payable and accrued liabilities, and lease commitment. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant liquidity, credit, market, or other price risks arising from these financial instruments. Market risk includes interest rate risk, currency risk and other price risk.



LLOYDMINSTER & DISTRICT UNITED WAY INC.

Schedule of Allocations to Member Agencies

(Schedule 1)

Year Ended April 30, 2019

	2019	2018
Catholic Social Services	\$ -	\$ 7,100
Inclusion Lloydminster	-	8,000
Libbie Young Centre	-	3,000
Lloydminster Interval Home	-	3,500
Lloydminster Native Friendship Centre	-	4,000
Lloydminster Rescue Squad	7,450	8,400
Lloydminster Sexual Assault & Information Centre	7,450	12,000
Lloydminster and Area Brain Injury Society	7,450	7,000
MS Society Lloydminster	-	4,000
Midwest Family Connection	-	7,000
Spinal Cord Injury of Alberta	-	2,000
The Bea Fisher Centre	-	7,000
The Olive Tree	7,450	-
	\$ 29,800	\$ 73,000

