

LLOYDMINSTER & DISTRICT UNITED WAY INC.

Financial Statements

Year Ended April 30, 2023

Draft for discussion purposes only

LLOYDMINSTER & DISTRICT UNITED WAY INC.
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Year Ended April 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Directors 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, 2023, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In 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, 2023, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

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, 2023, current assets and net assets as at April 30, 2023. Our audit opinion on the financial statements for the year ended April 30, 2022 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 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 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 ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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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.

L&A CPA LLP

LLOYDMINSTER & DISTRICT UNITED WAY INC.

Statement of Financial Position

April 30, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 125,663	\$ 141,135
Accounts receivable	100	-
Goods and services tax recoverable	334	305
Prepaid expenses	495	824
	126,592	142,264
OTHER ASSETS <i>(Note 4)</i>	608	604
	\$ 127,200	\$ 142,868
LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness <i>(Note 5)</i>	\$ 15	\$ -
Accounts payable and accrued liabilities	587	110
Employee deductions payable	431	-
Allocation payable to member agencies	49,560	71,000
	50,593	71,110
COMMITMENTS <i>(Note 6)</i>		
UNRESTRICTED NET ASSETS	76,607	71,758
	\$ 127,200	\$ 142,868

APPROVED BY THE DIRECTORS

_____ Director

_____ Director

LLOYDMINSTER & DISTRICT UNITED WAY INC.

**Statement of Operations
Year Ended April 30, 2023**

	2023	2022
REVENUE		
Donations	\$ 87,833	\$ 103,869
Fundraising	8,683	8,605
Funds transferred from other United Way's	5,705	1,709
Interest income	1,155	159
COVID-19 relief funding	-	2,645
	<u>103,376</u>	<u>116,987</u>
EXPENSES		
Advertising and promotion	256	100
Fundraising	254	264
Insurance	1,098	960
Interest and bank charges	43	18
Licences, memberships and fees	4,141	4,363
Miscellaneous	334	305
Postage and office supplies	954	292
Professional fees	3,902	3,530
Rental - premises	6,000	6,000
Salaries - staff	6,065	-
Staff benefits	408	-
Telephone	1,912	1,869
	<u>25,367</u>	<u>17,701</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	78,009	99,286
SCHEDULE OF ALLOCATIONS TO MEMBER AGENCIES (Schedule 1)	<u>(73,160)</u>	<u>(99,000)</u>
EXCESS OF REVENUE OVER EXPENSES	\$ 4,849	\$ 286

LLOYDMINSTER & DISTRICT UNITED WAY INC.
Statement of Changes in Net Assets
Year Ended April 30, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 71,758	\$ 71,472
EXCESS OF REVENUE OVER EXPENSES	4,849	286
NET ASSETS - END OF YEAR	\$ 76,607	\$ 71,758

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LLOYDMINSTER & DISTRICT UNITED WAY INC.

**Statement of Cash Flow
Year Ended April 30, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 4,849	\$ 286
Changes in non-cash working capital:		
Accounts receivable	(100)	88
Goods and services tax recoverable	(29)	50
Prepaid expenses	329	8
Accounts payable and accrued liabilities	477	110
Employee deductions payable	431	-
Allocation payable to member agencies	(21,440)	65,000
	<u>(20,332)</u>	<u>65,256</u>
Cash flow (used by) from operating activities	<u>(15,483)</u>	<u>65,542</u>
INVESTING ACTIVITY		
Increase in other assets	<u>(4)</u>	<u>(3)</u>
FINANCING ACTIVITY		
Increase in bank indebtedness	<u>15</u>	<u>-</u>
(DECREASE) INCREASE IN CASH FLOW	(15,472)	65,539
Cash - beginning of year	<u>141,135</u>	<u>75,596</u>
CASH - END OF YEAR	\$ 125,663	\$ 141,135

LLOYDMINSTER & DISTRICT UNITED WAY INC.

Notes to Financial Statements

Year Ended April 30, 2023

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 Subsection 149(1)(f) of the Income Tax Act.

2. BASIS OF PRESENTATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

Capital assets

In accordance with Canadian accounting standards for not-for-profit organizations with average revenue of less than \$500,000, the Organization has chosen to expense capital assets. 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 their fair market value at the date of the contribution.

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.

COVID relief funding, 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.

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.

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LLOYDMINSTER & DISTRICT UNITED WAY INC.

Notes to Financial Statements

Year Ended April 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

4. OTHER ASSET

	2023	2022
Damage Deposit on lease	\$ 500	\$ 500
Servus Credit Union - Patronage equity	108	104
	\$ 608	\$ 604

5. BANK INDEBTEDNESS

	2023	2022
MasterCard payable	\$ 15	\$ -

The Organization has a Mastercard payable with maximum authorized limit of \$2,000. The Mastercard payable bears interest at 16.99% per annum on unpaid balances. The Mastercard payable is unsecured.

6. COMMITMENTS

The Organization leases premises under a long term lease that expires on February 28, 2025. Under the lease, the Organization is required to pay a base rent plus fixed amount of internet of \$550 plus GST per month. Future minimum lease payments as at year end are as follows:

2024	\$ 6,600
2025	5,500
	\$ 12,100

The organization has a commitment to allocate a portion of their net fundraising activities to associated beneficiaries, special request or programs. The amount is based on the board of directors decision.

LLOYDMINSTER & DISTRICT UNITED WAY INC.

Notes to Financial Statements

Year Ended April 30, 2023

7. RELATED PARTY TRANSACTIONS

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

	<u>2023</u>	<u>2022</u>
<u>Related party transactions</u>		
United Way Centraides <i>National Office</i>		
License, memberships, and fees	\$ 3,000	\$ 3,000
	<u>\$ 3,000</u>	<u>\$ 3,000</u>

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 commitments. 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, 2023

	2023	2022
EXPENSES		
Border City Connects Society	\$ 3,000	\$ -
Canadian Celiac Association Edmonton Chapter	450	-
Canadian Parks and Wilderness Society	260	-
Libbie Young Centre	7,700	4,250
Lloydminster & District Co-op	-	18,000
Lloydminster Catholic School Division	-	10,000
Lloydminster Learning Council Association	1,200	-
Lloydminster Native Friendship Centre	1,400	-
Lloydminster Regional Health Foundation	5,500	-
Lloydminster Regional Health Foundation - Commitment	35,500	35,500
Lloydminster Rescue Squad Inc.	-	4,250
Lloydminster Sexual Assault & Information Centre Inc.	-	4,250
Lloydminster and Area Brain Injury Society	1,500	4,250
Residents in Recovery	11,500	4,250
Southridge Community Church Lloydminster	1,430	-
The Arthritis Research Centre Society of Canada	100	-
The David Suzuki Foundation	260	-
The Nature Conservancy of Canada	260	-
The Olive Tree Community Centre Inc.	1,500	4,250
The Olive Tree Community Centre Inc. - Commitment	-	10,000
Wainwright & District Community Health Foundation	600	-
Wounded Warriors Canada	1,000	-
	\$ 73,160	\$ 99,000