

Financial Statements of
UNITED WAY OF WINNIPEG
March 31, 2024

Independent Auditor's Report

To the Members of
United Way of Winnipeg

Opinion

We have audited the financial statements of United Way of Winnipeg (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statement of community and operating activities, statement of changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, 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 ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 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 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.

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 GAAS 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 GAAS, 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.

Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
May 27, 2024

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UNITED WAY OF WINNIPEG
Statement of Financial Position
March 31, 2024

	<u>2024</u>	<u>2023</u>
ASSETS		
CASH AND INVESTMENTS (Note 4)	\$ 54,135,874	\$ 48,608,861
PLEDGES RECEIVABLE AND OTHER ASSETS (Note 5)	12,235,616	12,799,076
CAPITAL ASSETS (Note 6)	6,679,063	6,926,169
	\$ 73,050,553	\$ 68,334,106
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (Note 7)	\$ 2,263,089	\$ 1,894,821
MORTGAGE PAYABLE (Note 8)	298,169	333,242
DEFERRED CONTRIBUTIONS (Note 9)	4,180,634	3,199,995
OTHER LIABILITIES (Note 10)	2,567,207	2,217,270
	9,309,099	7,645,328
CONTINGENCY (Note 17)		
FUND BALANCES (Note 3)		
COMMUNITY FUND	25,515,944	25,731,093
OPERATING FUND	-	-
TOMORROW FUND	22,057,585	21,267,569
STABILIZATION FUND	7,401,447	4,730,303
CAPITAL ASSETS FUND	6,380,894	6,592,927
BUILDING AND TECHNOLOGY FUND	2,385,584	2,366,886
	63,741,454	60,688,778
	\$ 73,050,553	\$ 68,334,106

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

APPROVED ON BEHALF OF THE BOARD OF TRUSTEES



 Michael Robertson, Chairperson



 Geeta Tucker, Treasurer

UNITED WAY OF WINNIPEG
Statement of Community and Operating Activities
Year Ended March 31, 2024

	2024						Total
	Community Fund	Operating Fund	Tomorrow Fund	Stabilization Fund	Capital Assets Fund	Building and Technology Fund	
Revenue							
DONATIONS							
United Way campaigns	\$ 22,250,522						\$ 22,250,522
Community programs (Note 13)	2,521,285						2,521,285
Donor directed to other charities	1,138,410						1,138,410
Legacy giving			790,016				790,016
	25,910,217	-	790,016	-	-	-	26,700,233
GOVERNMENT GRANTS (Note 16)							
Operating grant - Province of Manitoba		4,891,000					4,891,000
Province of Manitoba - Equity and COVID-19 Recovery Fund (Note 15)	-						-
Government of Canada - CSRF (Note 14)	3,594,896	186,984					3,781,880
Community programs (Note 13)	3,990,000						3,990,000
Other	50,000						50,000
	7,634,896	5,077,984	-	-	-	-	12,712,880
Sponsorships, grants and other income	389,450	473,207					862,657
Investment Income (Note 2b)	498,488	563,386	-	2,932,147			3,994,021
Total Revenues	34,433,051	6,114,577	790,016	2,932,147	-	-	44,269,791
Expenditures							
COMMUNITY INVESTMENT							
Agency funding	17,881,907						17,881,907
Equity and COVID-19 Recovery funding (Note 15)	1,463,868						1,463,868
United Way community services	2,897,916						2,897,916
Government of Canada - CSRF (Note 14)	3,432,388						3,432,388
Community programs (Note 13)	7,730,056						7,730,056
Donor directed to other charities	1,138,410						1,138,410
Management and administration		652,599					652,599
United Way of Canada	55,598	280,547					336,145
	34,600,143	933,146	-	-	-	-	35,533,289
OPERATIONS							
Resource development		5,106,767					5,106,767
Organizational development initiatives		38,294					38,294
Amortization of capital assets					319,908		319,908
	-	5,145,061	-	-	319,908	-	5,464,969
One-Time Special Initiatives	-	218,857	-	-	-	-	218,857
Total Expenditures	34,600,143	6,297,064	-	-	319,908	-	41,217,115
Excess (deficiency) of revenue over expenditures	\$ (167,092)	\$ (182,487)	\$ 790,016	\$ 2,932,147	\$ (319,908)	-	\$ 3,052,676

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

UNITED WAY OF WINNIPEG
Statement of Community and Operating Activities
Year Ended March 31, 2023

	2023						Total
	Community Fund	Operating Fund	Tomorrow Fund	Stabilization Fund	Capital Assets Fund	Building and Technology Fund	
Revenue							
DONATIONS							
United Way campaigns	\$ 22,182,865						\$ 22,182,865
Community programs (Note 13)	2,690,343						2,690,343
Donor directed to other charities	1,631,299						1,631,299
Legacy giving			526,710				526,710
	26,504,507	-	526,710	-	-	-	27,031,217
GOVERNMENT GRANTS (Note 16)							
Operating grant - Province of Manitoba		4,891,000					4,891,000
Province of Manitoba - Equity and COVID-19 Recovery Fund (Note 15)	-						-
Government of Canada - CSRF (Note 14)	32,077	3,293					35,370
Community programs (Note 13)	3,570,304						3,570,304
Other	50,000						50,000
	3,652,381	4,894,293	-	-	-	-	8,546,674
Sponsorships, grants and other income	285,289	528,510					813,799
Investment Income (Note 2b)	226,352	729,056		(672,323)			283,085
Total Revenues	30,668,529	6,151,859	526,710	(672,323)	-	-	36,674,775
Expenditures							
COMMUNITY INVESTMENT							
Agency funding	17,741,090						17,741,090
Equity and COVID-19 Recovery funding (Note 15)	1,754,706						1,754,706
United Way community services	3,038,793						3,038,793
Government of Canada - CSRF (Note 14)	16,078						16,078
Community programs (Note 13)	7,621,532						7,621,532
Donor directed to other charities	1,631,299						1,631,299
Management and administration		638,475					638,475
United Way of Canada	56,023	285,638					341,661
	31,859,521	924,113	-	-	-	-	32,783,634
OPERATIONS							
Resource development		5,098,277					5,098,277
Organizational development initiatives		37,024					37,024
Amortization of capital assets					368,294		368,294
	-	5,135,301	-	-	368,294	-	5,503,595
One-Time Special Initiatives		234,136					234,136
Total Expenditures	31,859,521	6,293,550	-	-	368,294	-	38,521,365
(Deficiency) excess of revenue over expenditures	\$ (1,190,992)	\$ (141,691)	\$ 526,710	\$ (672,323)	\$ (368,294)	-	\$ (1,846,590)

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

UNITED WAY OF WINNIPEG
Statement of Changes in Fund Balances
Year Ended March 31, 2024

	2024						Total
	Community Fund	Operating Fund	Tomorrow Fund	Stabilization Fund	Capital Assets Fund	Building and Technology Fund	
Fund balance, beginning of year	\$ 25,731,093	\$ -	\$ 21,267,569	\$ 4,730,303	\$ 6,592,927	\$ 2,366,886	\$ 60,688,778
Excess (deficiency) of revenue over expenditures	(167,092)	(182,487)	790,016	2,932,147	(319,908)	-	3,052,676
Fund transfers:							
Purchase of capital assets	(13,800)	(46,200)	-	-	72,802	(12,802)	-
Building and Technology Fund	(15,525)	(51,975)	-	-	-	67,500	-
Recruitment & Transition Activities	-	182,857	-	(182,857)	-	-	-
Mortgage transfer	(18,732)	(16,341)	-	-	35,073	-	-
CRM Project	-	36,000	-	-	-	(36,000)	-
Operating Fund	-	78,146	-	(78,146)	-	-	-
	(48,057)	182,487	-	(261,003)	107,875	18,698	-
Increase (decrease) in fund balance for the year	(215,149)	-	790,016	2,671,144	(212,033)	18,698	3,052,676
Fund balance, end of year	\$ 25,515,944	\$ -	\$ 22,057,585	\$ 7,401,447	\$ 6,380,894	\$ 2,385,584	\$ 63,741,454

	2023						Total
	Community Fund	Operating Fund	Tomorrow Fund	Stabilization Fund	Capital Assets Fund	Building and Technology Fund	
Fund balance, beginning of year	\$ 26,969,278	\$ 1,595	\$ 20,740,859	\$ 5,583,762	\$ 6,790,204	\$ 2,449,670	\$ 62,535,368
(Deficiency) excess of revenue over expenditures	(1,190,992)	(141,691)	526,710	(672,323)	(368,294)	-	(1,846,590)
Fund transfers:							
Purchase of capital assets	(13,800)	(46,200)	-	-	135,773	(75,773)	-
Building and Technology Fund	(15,525)	(30,464)	-	-	-	45,989	-
Recruitment & Transition Activities	-	181,136	-	(181,136)	-	-	-
Mortgage transfer	(17,868)	(17,376)	-	-	35,244	-	-
CRM Project	-	53,000	-	-	-	(53,000)	-
	(47,193)	140,096	-	(181,136)	171,017	(82,784)	-
Increase (decrease) in fund balance for the year	(1,238,185)	(1,595)	526,710	(853,459)	(197,277)	(82,784)	(1,846,590)
Fund balance, end of year	\$ 25,731,093	\$ -	\$ 21,267,569	\$ 4,730,303	\$ 6,592,927	\$ 2,366,886	\$ 60,688,778

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

UNITED WAY OF WINNIPEG

Statement of Cash Flows

Year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Excess (deficiency) of revenue over expenditures	\$ 3,052,676	\$ (1,846,590)
Items not involving cash		
Amortization	319,908	368,294
Unrealized gain on investments	(3,920,837)	(242,883)
Non-operating Tomorrow Fund contributions	(790,016)	(526,710)
Change in deferred contributions	980,639	170,942
Changes in non-cash working capital	1,245,498	(2,042,060)
	<u>887,868</u>	<u>(4,119,007)</u>
Cash flows from financing activities		
Tomorrow Fund contributions received	826,183	497,689
Repayment of mortgage payable	(35,073)	(35,245)
	<u>791,110</u>	<u>462,444</u>
Cash flows from investing activity		
Purchase of capital assets	(72,802)	(135,773)
Change in cash and cash equivalents	1,606,176	(3,792,336)
Cash and cash equivalents, beginning of year	4,482,851	8,275,187
Cash and cash equivalents, end of year	<u>\$ 6,089,027</u>	<u>\$ 4,482,851</u>
Represented by:		
Cash	\$ 5,580,683	\$ 3,998,385
Money market fund	508,344	484,466
	<u>\$ 6,089,027</u>	<u>\$ 4,482,851</u>

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

UNITED WAY OF WINNIPEG

Notes to the Financial Statements

March 31, 2024

1. PURPOSE OF THE ORGANIZATION

United Way of Winnipeg (the “Organization”) was incorporated in 1965 in response to the joint efforts of its founders, the Winnipeg Labour Council and the Winnipeg Chamber of Commerce.

United Way of Winnipeg is a non-profit, non-partisan, volunteer driven organization that engages and unites Winnipeggers in a shared effort to improve the quality of life and build a stronger, safer, more caring community for the benefit of everyone living in Winnipeg.

United Way of Winnipeg operates according to the highest standards of conduct consistent with its commitment to voluntarism, integrity, accountability, accessibility, being apolitical and having respect for donors, service providers and the users of service.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Contributed services

A large number of people have volunteered significant amounts of their time to United Way of Winnipeg and its agencies. No objective basis is available to measure the value of this significant contribution and no amount has been reflected in these financial statements for these services.

b) Revenue recognition

The Organization follows the restricted fund method in which externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Other restricted contributions received for funds not presented separately are deferred and recognized as revenue in the Community Fund in the year in which the related restriction is met.

Unrestricted campaign contributions, net of an allowance for uncollectible pledges, are recognized as revenue in the period in which the campaign is held.

Investment income comprises interest from cash, interest from short-term investments, interest from pooled investment funds, realized gains and losses on the sale of investments and unrealized gains and losses in the fair value of pooled investment funds.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Revenue recognition (continued)

A portion of the annual investment income equal to the Consumer Price Index (CPI) is capitalized to the Tomorrow Fund on an annual basis – see Tomorrow Fund (Note 3). On an annual basis, in conjunction with its annual budgeting process, the Board of Trustees approves an allocation of the remaining non-capitalized investment income to the Community Fund and Operating Fund. Typically, the allocation is based on a percentage return that could be expected over the long term for United Way's type of investment portfolio. In this way, the Board of Trustees approves the use of investment returns to provide a stable flow of resources for community investment and operations. Accordingly, changes in the market value of investment funds are reflected as income or loss from investments in the Stabilization Fund.

In any year where returns on investments are higher than the Board of Trustees approved allocation, the excess will serve as an additional increase to the Stabilization Fund. In a year where returns are lower, the budgeted allocations to Community Fund and Operating Fund are made using the previous excess investment returns in the Stabilization Fund. The Board could also choose to continue to capitalize income to the Tomorrow Fund when investment returns are lower than CPI. In 2023-24, investment allocations to the Tomorrow Fund (as approved in the 2023-24 budget) were temporarily suspended, upon approval from the Board of Trustees.

Other revenues are recognized in the fund corresponding to the purpose for which they were contributed when persuasive evidence of an arrangement exists, the amount is fixed or determinable, and collection is reasonably assured. Where these amounts relate to pledges, the amount recorded is net of an allowance for uncollectible pledges.

United Way of Winnipeg is requested by certain employers and employee groups to act on behalf of their provincial and national campaigns by receiving funds and disbursing them on their behalf to other United Ways. Funds received and disbursed under these centrally coordinated campaigns are not included in the statement of community and operating activities and changes in fund balances. Total funds received and processed on behalf of other United Ways were \$2,024,654 (2023 - \$2,140,515).

Funds received by United Way of Winnipeg for campaigns centrally coordinated by other United Ways are included in the campaign revenue amount on the Statement of Community and Operating Activities and Changes in Fund Balances.

UNITED WAY OF WINNIPEG
Notes to the Financial Statements
March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Fundraising costs

Fundraising costs are recognized as an expense in the period in which they are incurred.

Payments to agencies are recognized as expenses following both program and financial approval by the Board of Trustees.

d) Pledges receivable

Contributions pledged, net of an allowance for uncollectible pledges, are recorded as receivables.

e) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis using the following rates:

Furniture and fixtures	10 years
Equipment	5 years
Computer equipment	4 to 5 years
Computer software	3 to 4 years
Donation software	10 years
Telecommunications	10 years

Costs reflected under the Building category are amortized based on the following components and rates on a straight-line basis:

Building	50 years
Roof	25 years
HVAC System	15 years

f) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Key components of the financial statements requiring management to make estimates include the allowance for uncollectible pledges and the useful life of capital assets. Actual results could differ from these estimates.

g) Financial instruments

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Organization becomes a party

UNITED WAY OF WINNIPEG
Notes to the Financial Statements
March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially recognized at cost.

All financial instruments are subsequently measured at amortized cost except for investments in listed shares and pooled investment funds which are measured at fair value at the year end date. The fair value of listed shares, pooled investment funds and securities are based on the latest closing price with changes in fair value being recognized in the Statement of Community and Operating Activities and Changes in Fund Balances.

Transaction costs related to financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in the excess of revenue over expenditures as interest income or expense.

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

h) Allocation of expenses

General management and operations expenses, along with general marketing and communication expenses, are allocated between Resource Development expenses and Community Investment management and administration expenses based on an analysis of time and effort to support these specific areas of the Organization.

3. NATURE OF FUND BALANCES

Community Fund

The source of the Community Fund is all resources dedicated or directed to supporting investments in the community including: donations to the annual campaign; program sponsorships; government and non-government grants; gifts-in-kind; and investment income allocated through the annual budgeting process. These resources may contain restrictions imposed by the donor or provider (i.e. allocation to a particular agency or investment in a particular program, initiative or area of service) or they may be unrestricted.

UNITED WAY OF WINNIPEG
Notes to the Financial Statements
March 31, 2024

3. NATURE OF FUND BALANCES (continued)

Community Fund (continued)

The purpose of the Community Fund is the investment of unrestricted resources in the community through funding in accordance with partnership agreements and expenditures for community services, programs and/or initiatives which support sustainable community solutions to pressing social issues. Restricted resources are allocated or expended in accordance with the directions of the donor.

The revenues presented in the 2024 Statement of Community and Operating Activities include the proceeds of the 2023 Annual Campaign. In April of each year, the Organization's Board of Trustees approves the expenditure of these proceeds to support vital community services in Winnipeg. As a result, the associated community investment expense will be recorded in the year that will end on March 31, 2025.

Operating Fund

The source of the Operating Fund is the accumulation of resources dedicated or directed to cover the operating and development costs of United Way of Winnipeg including: Provincial funding; sponsorships; other government and non-government grants; special events; gifts-in-kind; and investment income allocated through the annual budgeting process.

The purpose of the Operating Fund is to record expenditures on: resource development; management and administration; marketing and communication; administration of community investments; research and development and purchase of capital assets for operating purposes.

Tomorrow Fund

The source of the Tomorrow Fund is permanent capital gifts made by donors to provide ongoing benefit to the community and a portion of the investment income earned on the fund. These gifts may contain restrictions imposed by the donor (i.e. governing the use of investment income) or they may be unrestricted. Separate capital records are maintained for each capital gift to ensure that the directions of the donor are implemented accurately.

In order to preserve the purchasing power of the Tomorrow Fund, the portion of the annual investment income equal to the Consumer Price Index is capitalized to the Fund on an annual basis as described in Note 2b.

Stabilization Fund

The purpose of the Stabilization Fund is to support community service levels and United Way operations in special circumstances and to manage the use of investment income in order to provide a stable flow of resources for community investment and operations. Accordingly, changes in the market value of investment funds are reflected as income or loss from investments in the Stabilization Fund. On an annual basis, in conjunction with its annual budgeting process, the Board of Trustees approves an allocation of investment income from the Stabilization Fund to the Community and Operating Funds. In addition, in accordance with policy, in any year where returns on investments are higher (lower) than the Board of Trustees approved allocation, the excess (shortfall) will serve as an additional increase (decrease) to the Stabilization Fund.

UNITED WAY OF WINNIPEG
Notes to the Financial Statements
March 31, 2024

3. NATURE OF FUND BALANCES (continued)

Capital Assets Fund

The Capital Assets Fund was established to record the investment in capital assets, net of the mortgage liability. The purchase price of operating capital assets is funded through transfers from the Operating Fund, Community Fund and Building and Technology Fund. The purchase price of United Way's building was funded by the Federal and Provincial Government, private capital contributions with the balance being mortgage financed. On an annual basis, amortization expense is charged to the Capital Assets Fund.

Building and Technology Fund

The Building Fund was established to allow for funds to be set aside for future significant repairs, maintenance and replacement costs related to United Way of Winnipeg's building at 580 Main Street. In 2018, it was expanded to become a Building and Technology Fund in order to similarly set aside funds for large technology infrastructure purchases in future years.

The source of the Building and Technology Fund is annual transfers from the Operating and Community Funds allocated through the annual budgeting process to cover costs including, but not limited to, roof repairs/replacement, window replacement, HVAC systems, server replacements, network replacements, etc.

4. CASH AND INVESTMENTS

	<u>2024</u>	<u>2023</u>
Cash	\$ 5,580,683	\$ 3,998,385
Money market funds	508,344	484,466
Pooled investment funds	48,046,847	44,126,010
	\$ 54,135,874	\$ 48,608,861

UNITED WAY OF WINNIPEG
Notes to the Financial Statements
March 31, 2024

5. PLEDGES RECEIVABLE AND OTHER ASSETS

	<u>2024</u>	<u>2023</u>
Pledges Receivable		
Current campaign pledges	\$ 9,121,870	\$ 8,998,578
Prior campaign pledges	816,377	675,966
Other pledges	115,490	153,910
Province of Manitoba grants	1,464,000	2,171,000
Flow through receivables	1,072,320	1,166,404
Other miscellaneous receivables	812,288	743,570
	13,402,345	13,909,428
<u>Less allowance for uncollectible pledges</u>	<u>(1,430,097)</u>	<u>(1,436,792)</u>
	11,972,248	12,472,636
 Other Assets		
Inventory	5,343	7,514
Prepaid expenses	147,963	203,631
Other assets	110,062	115,295
	263,368	326,440
	\$ 12,235,616	12,799,076

The gross allowance for uncollectible pledges of \$1,500,000 (2023 - \$1,500,000) is net of write-offs recorded of \$69,903 (2023 - \$63,208).

6. CAPITAL ASSETS

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Furniture and fixtures	\$ 755,108	\$ 733,509	\$ 754,954	\$ 719,595
Equipment	15,297	15,297	15,297	15,297
Computer equipment	1,605,718	1,404,096	1,532,916	1,361,053
Computer software	1,296,426	1,296,426	1,296,426	1,296,426
Donation software	883,773	805,930	883,231	734,327
Telecommunications	94,856	94,856	94,856	94,856
Land	523,283	-	523,283	-
Building	8,446,960	2,592,244	8,446,960	2,400,200
	13,621,421	6,942,358	13,547,923	6,621,754
<u>Cost less accumulated amortization</u>	\$ 6,679,063		\$ 6,926,169	

7. GOVERNMENT REMITTANCES PAYABLE

Included in accounts payable and accrued liabilities at March 31, 2024 is \$28,113 of government remittances payable (2023 - \$28,136).

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8. MORTGAGE PAYABLE

United Way of Winnipeg has a commercial mortgage loan with Cambrian Credit Union for a 60 month term (maturing June 30, 2026) and a 120 month amortization. The loan bears interest at a fixed rate of 3.00%.

Amounts outstanding under the loan are repayable on demand. However, unless and otherwise demanded, blended monthly principal and interest payments of \$3,816 are required on the 1st of every month. No donor dollars from the annual campaign are used towards the financing costs of the mortgage.

The loan is secured by a first fixed charge over the commercial property located at 580 Main Street and a general security agreement providing a first floating charge over United Way of Winnipeg's assets related specifically to this project.

The construction of the commercial property located at 580 Main Street was financed by way of:

- A commercial loan, which as at March 31, 2024 is \$298,169;
- Government contributions of \$5,389,958 from Canada Manitoba Infrastructure; and
- \$1,810,000 of capital campaign donation pledges.

9. DEFERRED CONTRIBUTIONS

Deferred contributions reflect externally restricted contributions that include donor directed donations to specific registered charities, grants for specific purposes from private donors, and unspent funding received for Community Programs (Note 13). Deferred contributions for these programs includes:

	<u>2024</u>	<u>2023</u>
For Every Family (FEF) Initiative	\$ 643,507	\$ 611,684
Winnipeg Boldness Project	565,379	650,431
Manitoba Youth Hubs	1,232,263	1,143,871
211 Manitoba	12,500	-
Food Security	-	50,790
Deferred donor directed donations	1,716,985	733,219
Other	10,000	10,000
	\$ 4,180,634	\$ 3,199,995

10. OTHER LIABILITIES

Other liabilities include funds payable to other United Ways of \$1,790,096 (2023 - \$1,212,808).

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11. FINANCIAL INSTRUMENTS

United Way of Winnipeg actively manages the risks that arise from its use of financial instruments by adhering to its Board approved Asset Investment, Management and Governance Policy. This policy outlines the objectives, parameters and constraints of United Way's investing activities and prescribes limits around the quality and concentration of investments held by United Way. United Way's investment manager is responsible for recommending a proposed asset mix within the targets set for each asset class in the Investment Policy.

a) *Credit risk*

Credit risk exists where a significant portion of the portfolio is invested in securities which have similar characteristics or which are expected to follow similar variations relating to economic or political conditions. The risk of excess concentration is mitigated by an investment policy established by the Board of Trustees, which sets out various investment thresholds. The portfolio, which is managed by an external investment manager, includes the following concentrations:

Pooled Investment Funds

Corporate/Government Bond Funds	12.8%	\$ 6,116,746
Canadian Equity Funds	25.4%	12,183,968
Canadian Real Estate Funds	14.4%	6,927,069
Mortgage Funds	21.5%	10,331,775
U.S. Equity Funds	7.2%	3,441,832
U.S. Dividends Funds	5.8%	2,801,623
International Equity Funds	9.4%	4,504,017
Emerging Market Funds	3.6%	1,739,817
	<u>100.0%</u>	<u>\$ 48,046,847</u>

b) *Market risk*

Market risk is the potential for financial loss to United Way from changes in the values of its financial instruments due to changes in interest rates, currency exchange rates or equity prices. United Way's investments are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in interest rates. United Way is exposed to this risk through its investments and long-term liabilities (mortgage). United Way manages this risk by holding a diversified investment portfolio and using a professional investment advisor, as well as regular monitoring of its mortgage and interest rates. This resulted in United Way locking its mortgage in for a 5-year fixed term during 2021-2022.

11. FINANCIAL INSTRUMENTS (continued)

b) Market risk (continued)

Foreign currency risk

Foreign currency exposure arises from the Organization's holdings of foreign securities. The amount of foreign securities held at March 31, 2024 is set out in Note 11 (a). The objective of United Way's investment policy is to manage currency risk by maintaining a diversified portfolio. The Organization does not engage in hedging transactions to reduce its exposure to foreign currency fluctuations.

Equity price risk

Equity price risk is the risk that the value of United Way's financial instruments will fluctuate due to changes in market prices. United Way is exposed to equity price risk because of its investment in index pooled funds. The objective of the Organization's investment policy is to manage equity price risk through its asset mix parameters and maintaining a diversified portfolio. The performance of United Way's investments is monitored by measuring against a benchmark consisting of relative weightings of TSX and S&P.

12. PENSION PLAN

The employees of United Way of Winnipeg are members of the Community Agencies Retirement Plan, a multi-employer, defined benefit pension plan, covering eligible members of participating community agencies in Manitoba.

The Plan is registered under the Pension Benefits Act of Manitoba and is funded by employee and agency matching contributions. The contributions are based on each employee's salary. An actuarial valuation is performed every year to determine if the contributions are adequate to finance the benefits accruing under the Plan and finance the amortization of any unfunded liabilities. Should contributions on a matching basis prove to be inadequate, then special payments are required to be made by the agencies.

An actuarial valuation prepared as at December 31, 2021 estimated that, on the basis of the data, assumptions and methods employed in the valuation, the current contribution rates are adequate, on an ongoing concern basis, to finance all membership service benefits accrued to that date.

In November 2015 the Province allowed the Plan to be exempt from the solvency funding requirements of the Pension Act. This exemption will reduce the risk to members' benefits and the future of the Plan that can be caused by the volatility of the markets and historically low interest rates.

While the Community Agencies Retirement Plan is a defined benefit pension plan, it is accounted for as a defined contribution plan – given that it is a multi-employer plan which makes it difficult to differentiate United Way of Winnipeg's portion. United Way of Winnipeg's pension contribution and expense for the year was \$345,602 (2023 - \$344,364).

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13. COMMUNITY PROGRAMS

United Way administers several collaborative Community Programs. For presentation purposes they are rolled up into the category of Community Programs on the Statement of Community and Operating Activities instead of being shown as individual programs. Contributions to all Community Programs are recorded into deferred contributions and recognized as revenue in the period in which the related expenses are incurred (Note 9). The programs are:

- 211 Manitoba is a free, confidential, 24/7 service that connects individuals to government, health, and social services available across the province. During the year ended March 31, 2024, the Province of Manitoba provided \$510,000 to continue full service 211 in the fiscal year, in addition to \$105,000 for Seniors and Long Term Care, alongside a contribution from United Way of Winnipeg donors of \$170,422. United Way of Winnipeg is the lead agency.
- Manitoba's Integrated Youth Services (IYS) Youth Hubs (Huddle) is an initiative of the Government of Manitoba in partnership with Shared Health and a group of philanthropic partners. As the Administrative Host for this innovative, systems transformation initiative, United Way Winnipeg is providing comprehensive backbone support to the scaling of the IYS model across the Province. 2023-2024 was the second year of the pilot project with the Winnipeg School Division (WSD), helping Huddle become even more visible and available for youth. The investment through WSD is \$240,800 over fiscal years 2022-23 and 2023-24. During the 2023-24 fiscal year, \$1,750,000 was received from the province and \$1,129,808 from philanthropy, in addition to a contribution from United Way Winnipeg of \$150,000.
- The For Every Family Initiative supports 24 Family Resource Centres located across Winnipeg. The initiative supports the Centres to work as a network, stay open longer hours and provide enhanced programming. \$7,500,000 was raised for the initial 6-year initiative that ended in 2021-22, with all funds matched by the Province. A new 3-year funding agreement has been signed with the Province for fiscal years 2023-24, 2024-25 and 2025-26. During fiscal year 2023-24 the Province contributed \$1,500,000 to FEF, alongside contributions from philanthropy partners of \$952,177 and United Way donors of \$808,084. United Way is the lead agency.
- The Winnipeg Boldness Project is an Indigenous-led program focused on improving child and family outcomes in the Point Douglas neighbourhood. For 10 years, the Project has used social innovation tools to research, develop, test and scale effective practices and drive systems change consistent with the wisdom and approaches of Indigenous peoples. The two primary funders for 2023-24 are the Province of Manitoba with funding of \$125,000 and the McConnell Foundation with funding of \$150,000.

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13. COMMUNITY PROGRAMS (continued)

- Food Security is a partnership between Cargill, United Way of Winnipeg, funding partners, and community agencies and stakeholders to help address the issue of food security in our community. This initiative is establishing a network of community organizations that offer food security programs, surveying greatest community need, identifying gaps in services, and working to develop new innovative food security solutions. Cargill and United Way of Winnipeg will each invest \$300,000 in this initiative. \$170,075 was utilized in 2023-24 (2022-23 - \$218,406).

A summary of the revenues and expenditures related to community programs are as follows:

	<u>2024</u>	<u>2023</u>
Revenue		
DONATIONS		
For Every Family	\$ 952,177	\$ 1,237,804
The Winnipeg Boldness Project	352,851	294,641
Manitoba Youth Hubs	1,129,808	939,103
211 Manitoba	7,159	389
Food Security	79,290	218,406
	\$ 2,521,285	\$ 2,690,343
GOVERNMENT GRANTS		
For Every Family	\$ 1,500,000	\$ 1,237,804
The Winnipeg Boldness Project	125,000	250,000
Manitoba Youth Hubs	1,750,000	1,540,000
211 Manitoba Provincial Funding	615,000	542,500
	\$ 3,990,000	\$ 3,570,304
Expenditures		
For Every Family	\$ 3,260,261	\$ 3,475,608
The Winnipeg Boldness Project	477,851	544,641
Manitoba Youth Hubs	3,029,289	2,629,103
211 Manitoba	792,581	753,774
Food Security	170,075	218,406
	\$ 7,730,056	\$ 7,621,532

14. COMMUNITY SERVICES RECOVERY FUND (CSRF) FEDERAL FUNDING

To help non-profit organizations modernize, build resilience, and adapt for the future, the Government of Canada created the Community Services Recovery Fund, a \$400 million investment by the Federal Government in collaboration with United Way Centraide Canada (UWCC), Community Foundations of Canada (The Winnipeg Foundation locally) and Canadian Red Cross. Throughout the Province, United Way Winnipeg is stewarding \$3,554,680 locally and in rural and northern communities in partnership with United Way Central Plains and United Way Pembina Valley. These monies will be distributed for one-time projects focusing on people, systems and program innovation – from improving accessibility with technology to recruiting and retaining staff and volunteers. Funding for projects in the amount of \$3,554,680 will be distributed to eligible community service organizations over fiscal years 2023-24 and 2024-25 with CSRF projects completed by June 30, 2024

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14. COMMUNITY SERVICES RECOVERY FUND (CSRF) FEDERAL FUNDING (continued)

In 2023-24, United Way of Winnipeg received \$3,572,680 from UWCC, \$3,554,680 for distribution and an additional \$18,000 to support administrative activities related to the CSRF (2022-23 - \$465,524 to support administrative activities) Of the amounts received, \$3,360,393 was distributed and \$421,487 recognized to offset costs incurred (2022-23 - \$32,870 recognized to offset costs incurred) with the remaining \$223,454 deferred to 2024-2025.

15. EQUITY AND COVID-19 RECOVERY FUND

The Equity and COVID-19 Recovery Fund prioritizes investment in agencies addressing one or more of the following areas: Diversity, Equity and Inclusion; Mental Health and Addictions Supports; Family Supports; Job Readiness and Training; Sector Modernization. United Way Winnipeg was able to leverage \$2,922,000 in donor dollars through a partnership with the Province of Manitoba Department (Mental Health and Community Wellness). The Province contributed an additional \$1,986,000 for a total investment of approximately \$4,908,117.

\$1,463,868 was paid out in 2023-24 (2022-23 - \$1,754,706; 2021-22 - \$825,203) and the remaining investment will be paid out over 2024-25 - \$864,340.

16. GOVERNMENT GRANTS

The following grants were received during the year:

	<u>2024</u>	<u>2023</u>
Province of Manitoba:		
Operating Grant (covers fundraising & administrative costs) \$	4,891,000	\$ 4,891,000
Winnipeg Poverty Reduction Council	50,000	50,000
FEF Initiative (see Notes 9 & 13)	1,500,000	1,500,000
Manitoba Youth Hubs (see Notes 9 & 13)	1,750,000	1,540,000
211 Manitoba (see Note 13)	615,000	542,500
Boldness Project (see Notes 9 & 13)	125,000	250,000
Government of Canada:		
Community Service Recovery Fund (see Note 14)	\$ 3,781,880	\$ 35,370

17. CONTINGENCY

The Organization has been named as a defendant in a complaint filed with the Manitoba Human Rights Commission. The Organization cannot quantify the likelihood of the outcome or monetary amounts should the complaint be found valid and as a result no provision has been included for this matter.