



Financial Statements

United Way of Thunder Bay

December 31, 2023

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes In Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 20
Schedule 1 - Expenses	21

# Independent Auditor's Report

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To the Directors of  
United Way of Thunder Bay

## Qualified opinion

We have audited the financial statements of United Way of Thunder Bay ("the Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of Thunder Bay as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenues from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cashflows from operations for the years ended December 31, 2023 and December 31, 2022, current assets as at December 31, 2023 and December 31, 2022, and net assets as at January 1 and December 31, for both 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Thunder Bay, Canada  
June 21, 2024

Chartered Professional Accountants  
Licensed Public Accountants

# United Way of Thunder Bay

## Statement of Financial Position

As at December 31

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	897,148	728,839
Accounts receivable	9,970	16,154
Harmonized Sales Tax receivable	20,640	18,993
Investments <i>[note 2]</i>	466,717	419,626
Prepaid expenses	8,493	10,516
<b>Total current assets</b>	<b>1,402,968</b>	<b>1,194,128</b>
<b>Capital assets, net <i>[note 3]</i></b>	<b>47,183</b>	<b>63,696</b>
	<b>1,450,151</b>	<b>1,257,824</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Allocations payable	73,146	98,561
Designations received, undistributed <i>[note 4]</i>	95,227	94,674
Accounts payable and accrued liabilities	1,729	43,448
Deferred grant and other revenue <i>[note 5]</i>	171,773	69,952
Obligation under capital lease due within one year <i>[note 7]</i>	1,715	1,251
Long-term debt <i>[note 8]</i>	40,000	-
<b>Total current liabilities</b>	<b>383,590</b>	<b>307,886</b>
<b>Deferred capital contributions <i>[note 6]</i></b>	<b>46,105</b>	<b>60,678</b>
<b>Obligation under capital lease <i>[note 7]</i></b>	<b>-</b>	<b>1,629</b>
<b>Long term debt <i>[note 8]</i></b>	<b>-</b>	<b>40,000</b>
<b>Total liabilities</b>	<b>429,695</b>	<b>410,193</b>
<b>Net assets</b>		
Invested in capital assets <i>[note 9[a]]</i>	1,078	3,018
Restricted <i>[note 10]</i>		
Community Fund	131,372	58,851
Operational Reserve	466,498	448,648
The Tomorrow Fund	323,524	284,539
Unrestricted	97,984	52,575
<b>Total net assets</b>	<b>1,020,456</b>	<b>847,631</b>
	<b>1,450,151</b>	<b>1,257,824</b>

See accompanying notes to the financial statements.

On behalf of the Board:

Aaron LeBlanc

Dan Campbell



# United Way of Thunder Bay

## Statement of Operations

Year ended December 31	2023	2022
	\$	\$
<b>REVENUE</b>		
Donations and fundraising <i>[note 15]</i>	1,621,637	1,767,530
<b>Community Program Grants</b>		
Community services recovery funding (CSRF)	486,215	-
<b>Other</b>		
Amortization of deferred capital contributions <i>[note 16]</i>	14,573	9,846
Investment income (loss)	88,976	(77,528)
Northern Ontario Heritage Fund Corporation - Employment Grant	2,019	32,981
Ontario Trillium Foundation	19,900	-
Other	1,260	50,822
	126,728	16,121
<b>Total revenue</b>	<b>2,234,580</b>	<b>1,783,651</b>
<b>EXPENSES</b>		
Fundraising expenses <i>[schedule 1]</i>	453,872	541,665
<b>Net revenue available for programs</b>	<b>1,780,708</b>	<b>1,241,986</b>
<b>Program expenses</b>		
Community Fund allocations	660,000	809,083
Donor Designations	132,828	274,865
United Way community impact activities <i>[schedule 1]</i>	381,278	407,804
Community services recovery allocations	439,969	-
<b>Total program expenses</b>	<b>1,614,075</b>	<b>1,491,752</b>
<b>Excess (deficiency) of revenue over expenses for year</b>	<b>166,633</b>	<b>(249,766)</b>

See accompanying notes to the financial statements.

# United Way of Thunder Bay

## Statement of Cash Flows

Year ended December 31	2023	2022
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses for year	166,633	(249,766)
Add charges (deduct credits) to earnings not involving a current payment (receipt) of cash		
Amortization	16,513	12,334
Amortization of deferred capital contributions	(14,573)	(9,846)
Change in unrealized gain on investments	(43,470)	100,773
	<b>125,103</b>	<b>(146,505)</b>
Net change in non-cash working capital balances related to operations <i>[note 12]</i>	41,800	(97,682)
<b>Cash provided by (used in) operating activities</b>	<b>166,903</b>	<b>(244,187)</b>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of capital assets <i>[note 3[b]]</i>	-	(49,749)
Decrease (increase) in investments <i>[note 2]</i>	(3,621)	22,869
<b>Cash used in investment activities</b>	<b>(3,621)</b>	<b>(26,880)</b>
<b>FINANCING ACTIVITIES</b>		
Capital contributions received <i>[note 9[b]]</i>	-	49,749
Endowment contributions received <i>[note 10]</i>	6,192	4,668
Repayments of obligation under capital lease	(1,165)	(1,033)
<b>Cash provided by financing activities</b>	<b>5,027</b>	<b>53,384</b>
<b>Increase (decrease) in cash position during year</b>	<b>168,309</b>	<b>(217,683)</b>
Cash position, beginning of year	728,839	946,522
<b>Cash and cash equivalents, end of year</b>	<b>897,148</b>	<b>728,839</b>

See accompanying notes to the financial statements.



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# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

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### GENERAL

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

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

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

#### Revenue recognition

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

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

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

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

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

Certain United Ways are requested to act on behalf of employers and employee groups as the coordinator of their national campaigns and to receive and disburse funds on behalf of other United Ways within local communities. These campaigns are known as Centrally Coordinated Campaigns ("CCC"). These funds are reported separately in revenue when received or receivable.

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

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

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# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

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

### Donations-in-kind

#### Materials and services

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

### Cash and cash equivalents

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

### Investments

Investments are recorded at fair value.

### Capital assets

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

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

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

As required, these assets are tested for impairment.

### Assets under capital lease

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

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# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

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### Financial instruments

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

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

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

### Measurement

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

### Derecognition

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

### Subsequent measurement

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

### Financial instruments in related party transactions

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

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# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

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

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

### **Impairment**

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

### **Measurement estimates**

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

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

Significant items subject to management estimates include:

<u>Financial statement element</u>	<u>Management estimate</u>
Capital assets	Asset useful lives

### **Allocated expenses**

Administrative expenses are allocated to fundraising and community impact activities based on the estimated time spent in each area.

# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

### 2. INVESTMENTS

Investments consist of the following:

	2023	2022
	\$	\$
Guaranteed investment certificate, at amortized cost	15,000	-
Common shares, at fair value	46,000	64,400
Mutual funds, at fair value	405,717	355,226
<b>Investments</b>	<b>466,717</b>	<b>419,626</b>

The guaranteed investment certificate bears interest at 4.0% and matures July 2024.

The common shares represent a donation of 2,300,000 KWG Resources Inc. common shares dating back to 2011 [note 4].

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

### 3. CAPITAL ASSETS

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

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
	\$	\$	\$	\$
Computer hardware	75,803	60,021	15,782	21,721
Computer software	101,357	71,137	30,220	39,506
Furniture and fixtures	24,139	24,139	-	-
Leasehold improvements	8,915	8,915	-	-
Telephone system	5,229	5,229	-	107
	<b>215,443</b>	<b>169,441</b>	<b>46,002</b>	<b>61,334</b>
<b>Assets under capital lease</b>				
Photocopier	6,496	5,315	1,181	2,362
	<b>221,939</b>	<b>174,756</b>	<b>47,183</b>	<b>63,696</b>

Amortization for the year is \$16,513 [2022 - \$12,334].

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# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

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

	<b>2023</b>	2022
	\$	\$
Computer hardware	-	6,581
Computer software	-	43,168
<b>Total additions</b>	<b>-</b>	<b>49,749</b>

#### 4. DESIGNATIONS RECEIVED, UNDISTRIBUTED

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

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

#### 5. DEFERRED GRANT AND OTHER REVENUE

Deferred grant revenue is comprised of:

	<b>2023</b>	2022
	\$	\$
Thunder Bay Community Foundation Initiative Project	<b>16,952</b>	16,952
Ontario Trillium Foundation	<b>27,000</b>	33,000
J. Armand Bombardier Foundation	-	20,000
Tbaytel	<b>10,000</b>	-
CSRF	<b>117,821</b>	-
	<b>171,773</b>	69,952

# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

### 6. DEFERRED CAPITAL CONTRIBUTIONS

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

	2023	2022
	\$	\$
<b>Balance, beginning of year</b>	<b>60,678</b>	20,775
Contributions received	-	49,749
Amount amortized to revenue in the year	<b>(14,573)</b>	(9,846)
<b>Balance, end of year</b>	<b>46,105</b>	60,678

### 7. OBLIGATION UNDER CAPITAL LEASE

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

	\$
2024	1,744
Less amounts representing interest	29
	1,715
Less current portion	1,715
	-

### 8. LONG-TERM DEBT

	2023	2022
	\$	\$
Canada Emergency Business Account ("CEBA") loan payable, interest free with no scheduled repayment required until January 18, 2024.	<b>40,000</b>	40,000
Less amounts included in current liabilities	<b>40,000</b>	-
<b>Long-term portion</b>	<b>-</b>	40,000

In 2020, the Organization received a CEBA loan with a face value of \$60,000, of which \$20,000 is forgivable if \$40,000 is repaid by January 18, 2024. \$40,000 was repaid in full subsequent to year end and before January 18, 2024. The \$20,000 forgivable portion was recognized as government assistance in a previous year.

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# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

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### 9. INVESTED IN CAPITAL ASSETS

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

	2023	2022
	\$	\$
Capital assets, net	47,183	63,696
Amounts financed by deferred capital contributions	(46,105)	(60,678)
<b>Balance, end of year</b>	<b>1,078</b>	<b>3,018</b>

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

	2023	2022
	\$	\$
Amortization of deferred capital contributions	14,573	9,846
Amortization of capital assets funded by capital contributions	(14,573)	(9,846)
Amortization of other capital assets	(1,940)	(2,488)
	(1,940)	(2,488)
Purchase of capital assets	-	49,749
Capital contributions received during the year	-	(49,749)
	(1,940)	(2,488)



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# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

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### 10. RESTRICTIONS ON NET ASSETS

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

#### Community Fund

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

#### Operational Reserve

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

While the Organization functions on a not-for-profit basis, it is deemed prudent to retain an accumulated reserve to provide for the contingencies noted above. The cap for this reserve has been established at 20% of the previous year's actual campaign achievement. An amount equivalent up to 1% of the prior year's net campaign revenue can be allocated to this reserve annually at the discretion of the Board. In 2023, the Board approved a transfer of \$nil to the reserve fund [2022 - \$nil]. Interest earned on the operational reserve investments is also allocated to the operational reserve and amounted to \$17,850 for 2023 [2022 - \$4,378].

#### The Tomorrow Fund

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

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

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# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

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

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

The Tomorrow Fund consists of the following designations:

	<b>2023</b>	2022
	\$	\$
Externally restricted	<b>165,850</b>	159,658
Internally restricted	<b>157,674</b>	124,881
	<b>323,524</b>	284,539

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Endowment contributions of \$6,192 [2022 - \$4,668] have been added to The Tomorrow Fund on the statement of changes in net assets as described in note 1. These amounts are not included in revenue on the statement of operations.

### 11. COMMITMENTS

The Organization leases an office space under an operating lease which expires July 31, 2028. In addition to basic rent, the lease requires the Organization to pay for common costs to the premises.

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

	\$
2024	34,920
2025	34,920
2026	34,920
2027	34,920
2028	20,370
	<b>160,050</b>

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# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

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### 12. STATEMENT OF CASH FLOWS

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

	2023	2022
	\$	\$
<b>Gross proceeds</b>		
Accounts receivable	6,185	(16,154)
Harmonized Sales Tax receivable	(1,647)	(5,025)
Prepaid expenses	2,023	4,695
	<b>6,561</b>	<b>(16,484)</b>
<b>Less</b>		
Allocations payable	(25,415)	61,563
Designations received, undistributed	552	(139,847)
Accounts payable and accrued liabilities	(41,719)	38,050
Deferred grant and other revenue	101,821	(40,964)
	<b>35,239</b>	<b>(81,198)</b>
	<b>41,800</b>	<b>(97,682)</b>

### 13. DONATIONS-IN-KIND

#### Volunteers

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

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# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

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### 14. FINANCIAL INSTRUMENTS

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

[a] Credit risk

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

[b] Market risk

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

[c] Liquidity risk

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

# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

### 15. TRANSPARENCY, ACCOUNTABILITY AND FINANCIAL REPORTING

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

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

	2023 %	2022 %
To fundraising expenses	59.6	56.4
To community impact activities expenses	40.4	43.6

[b] Fundraising cost ratio

	2023 \$	2022 \$
Total donations and fundraising	1,621,637	1,767,530
<b>Total revenue for fundraising</b>	<b>1,621,637</b>	<b>1,767,530</b>
Direct fundraising expenses <i>[schedule 1]</i>	295,293	371,481
Allocation of general management and administration <i>[schedule 1]</i>	158,579	170,184
<b>Total fundraising expenses</b>	<b>453,872</b>	<b>541,665</b>
	<b>27.9%</b>	<b>30.6%</b>

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# United Way of Thunder Bay

## Notes to the Financial Statements

December 31, 2023

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### 16. CATCH THE ACE FUNDRAISER

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

	<b>2023</b>	2022
	\$	\$
Ticket sales	-	177,030
Sponsorships	-	3,750
Total proceeds	-	180,780
<b>Less</b>		
Prize payouts	-	93,407
Event expenses	-	20,390
Grants awarded	-	66,333
	-	180,130
Net proceeds to be distributed in 2023	-	650

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# United Way of Thunder Bay Expenses

## Schedule 1

Year ended December 31	2023	2022
	\$	\$
<b>GENERAL MANAGEMENT AND ADMINISTRATIVE</b>		
Amortization	16,513	12,334
Computers and equipment maintenance	21,454	12,504
Employee benefits	19,989	20,154
Mileage and parking	1,147	420
Occupancy	58,301	78,063
Office	43,578	34,601
Property taxes	18,800	26,313
Salaries	103,881	105,073
Telephone and communications	4,550	5,303
Utilities	7,247	7,009
	<b>295,460</b>	301,774
Allocation to community activities	(29,547)	-
	<b>265,913</b>	301,774
Allocation to fundraising expenses <i>[note 15]</i>	(158,579)	(170,184)
Allocation to community impact activities <i>[note 15]</i>	(107,334)	(131,590)
	-	-
<b>FUNDRAISING</b>		
Advertising and public relations	17,162	25,232
Campaign supplies and contracted labour	63,121	153,712
Employee benefits	34,036	30,551
Salaries	178,902	158,864
Travel and training	2,072	3,122
	<b>295,293</b>	371,481
Allocation of general management and administrative expenditures to functional areas <i>[note 15]</i>	158,579	170,184
	<b>453,872</b>	541,665
<b>UNITED WAY COMMUNITY IMPACT ACTIVITIES</b>		
Community impact initiatives	142,760	146,778
United Way of Canada membership	16,854	17,099
Special projects	84,783	112,337
CSRF	29,547	-
	<b>273,944</b>	276,214
Allocation of general management and administrative expenditures to functional areas <i>[note 15]</i>	107,334	131,590
	<b>381,278</b>	407,804