

# **UNITED WAY OF PRINCE EDWARD ISLAND**

**CHARLOTTETOWN, PRINCE EDWARD ISLAND**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2021**



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**YEAR ENDED MARCH 31, 2021**

**CONTENTS**

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 16
<b>SCHEDULES</b>	
Schedule of Administrative Expenses (Schedule 1)	17
Schedule of Campaign Expenses (Schedule 2)	18
Schedule of Community Development Expenses (Schedule 3 )	19
Schedule of GCWCC Fundraising Expenses (Schedule 4)	20
Schedule of Healthpartners Portion of GCWCC Fundraising Expense (Schedule 5)	21



25 Stratford Road  
Stratford, PE C1B 1T4

Tel: (902) 628-2242  
Fax: (902) 367-3756

101 School St. Suite 204  
Tignish, PE C0B 2B0

Tel: (902) 882-4448  
Fax: (902) 367-3756

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of United Way of Prince Edward Island,

### ***Qualified Opinion***

We have audited the financial statements of United Way of Prince Edward Island, which comprise of the statement of financial position as at March 31, 2021 and the statements of changes in net assets, operations and cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion section, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of Prince Edward Island as at March 31, 2021, and the results of its operations, net assets, and cash flow for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

### ***Basis for Qualified Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibility 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.

As is common in many not-for-profit organizations, United Way of Prince Edward Island derives revenues from campaign or fundraising activities and events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verifications of these revenues was limited to the amounts recorded in the records of United Way of Prince Edward Island. Therefore we were not able to determine whether any adjustments might be necessary to campaign revenues, excess revenues over expenses and cash flow from operations for the year ended March 31, 2021 and March 31, 2020, current assets as at March 31, 2021 and net assets as at April 1, and March 31, for both the 2020 and 2021 years.

### ***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 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.

***Auditors' Responsibility 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 auditors' 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 auditors' 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 auditors' 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.

**JUNE 24, 2021  
STRATFORD, PEI**

*Bradley Handrahan*

**CHARTERED PROFESSIONAL ACCOUNTANTS**



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2021**

	<u>ASSETS</u>	<u>2021</u>		<u>2020</u>
<b>CURRENT</b>				
Cash		\$ 1,062,895	\$	535,100
Unrestricted		101,887		6,885
Restricted (Note 3)		<u>1,164,782</u>		<u>541,985</u>
Short-term investments		17,506		117,854
Unrestricted		93,766		92,000
Restricted (Note 3)				
Receivables		270,992		305,320
Pledges (Note 4)		6,024		11,325
GCWCC (Schedule 5)		17,543		39,567
Other		20,387		16,784
Prepays		<u>1,591,000</u>		<u>1,124,835</u>
<b>TANGIBLE CAPITAL ASSETS (Note 5)</b>		<u>5,441</u>		<u>3,894</u>
		<u>\$ 1,596,441</u>	\$	<u>1,128,729</u>
<b><u>LIABILITIES</u></b>				
<b>CURRENT</b>				
Trade payables including government remittances payable of \$10,865 (2020 - \$9,551)		\$ 34,850	\$	31,442
Deferred revenues (Note 7)		221,449		29,667
Current priority program (Note 11)		212,501		296,151
Current designations to Canadian Registered Charities		<u>225,384</u>		<u>98,234</u>
		<u>694,184</u>		<u>455,494</u>
Designations to Canadian Registered Charities		-		156,422
		<u>694,184</u>		<u>611,916</u>
<b><u>NET ASSETS</u></b>				
<b>UNRESTRICTED</b>		706,604		417,928
<b>INTERNALLY RESTRICTED (Note 3)</b>		<u>195,653</u>		<u>98,885</u>
		<u>902,257</u>		<u>516,813</u>
		<u>\$ 1,596,441</u>	\$	<u>1,128,729</u>

**ON BEHALF OF THE BOARD OF DIRECTORS:**

\_\_\_\_\_ **DIRECTOR**

\_\_\_\_\_ **DIRECTOR**



**UNITED WAY OF PRINCE EDWARD ISLAND  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2021**

	Restricted for Community Contingency Fund (Note 3)	Restricted for Community or Operational Purposes (Note 3)	Restricted for Common Outcomes Project (Note 3)	Unrestricted	<u>2021</u> <u>Total</u>	<u>2020</u> <u>Total</u>
Balance, Beginning of year	\$ 1,738	\$ 97,147	\$ -	\$ 417,928	\$ 516,813	\$ 482,141
Excess of revenues over expenses	-	-	-	385,444	385,444	34,672
Funds internally restricted during the year	-	-	95,000	(95,000)	-	-
Interest earned	<u>1</u>	<u>1,767</u>	<u>-</u>	<u>(1,768)</u>	<u>-</u>	<u>-</u>
<b>Balance, End of Year</b>	<b><u>\$ 1,739</u></b>	<b><u>\$ 98,914</u></b>	<b><u>\$ 95,000</u></b>	<b><u>\$ 706,604</u></b>	<b><u>\$ 902,257</u></b>	<b><u>\$ 516,813</u></b>



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED MARCH 31, 2021**

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUE</b>			
<b>CAMPAIGN</b>			
Gross campaign revenue (Note 8)	\$ 794,315	\$ 907,024	\$ 786,190
Provision for pledge losses	<u>(37,359)</u>	<u>(43,537)</u>	<u>(37,410)</u>
<b>NET CAMPAIGN REVENUE</b>	<b><u>756,956</u></b>	<b><u>863,487</u></b>	<b><u>748,780</u></b>
<b>OTHER REVENUE</b>			
COVID-19 related grants and revenue (Note 13)	-	1,096,068	36,030
211 PEI grant	285,290	293,124	260,651
Community Sector Network	-	35,640	-
Grant revenue	6,000	14,151	17,453
Other income	-	8,581	4,483
Interest	8,480	4,326	10,726
Prior year pledge unrecoverable amount	<u>-</u>	<u>233</u>	<u>(3,256)</u>
	<b><u>1,056,726</u></b>	<b><u>2,315,610</u></b>	<b><u>1,074,867</u></b>
<b>EXPENSES</b>			
Campaign (Schedule 2) - Page 18	196,851	203,586	207,048
Community development (Schedule 3) - Page 19	859,875	835,461	791,728
COVID-19 related agency funding (Note 13)	<u>-</u>	<u>1,037,480</u>	<u>36,030</u>
	<b><u>1,056,726</u></b>	<b><u>2,076,527</u></b>	<b><u>1,029,417</u></b>
<b>EXCESS REVENUES OVER EXPENSES BEFORE OTHER</b>	<b><u>-</u></b>	<b><u>239,083</u></b>	<b><u>45,450</u></b>
<b>OTHER</b>			
Other COVID-19 subsidies (Note 13)	-	189,431	-
Loss on disposal of equipment	-	-	(5,389)
Other losses	<u>-</u>	<u>(43,070)</u>	<u>-</u>
	<b><u>-</u></b>	<b><u>146,361</u></b>	<b><u>-</u></b>
<b>EXCESS REVENUES OVER EXPENSES</b>	<b><u>\$ -</u></b>	<b><u>\$ 385,444</u></b>	<b><u>\$ 45,450</u></b>



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**STATEMENT OF CASH FLOW**  
**YEAR ENDED MARCH 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 385,444	\$ 45,450
Items not requiring an outlay of cash		
Depreciation	2,698	2,611
Loss on disposal of tangible capital assets	<u>          </u>	<u>5,389</u>
	388,142	53,450
Changes in non-cash working capital items		
Receivables	61,653	(45,532)
Prepays	(3,603)	(8,910)
Trade payables	3,408	9,820
Priority programs and designations payable	(112,922)	(64,407)
Deferred revenue	<u>191,782</u>	<u>2,353</u>
	<u>528,460</u>	<u>(53,226)</u>
<b>FINANCING ACTIVITY</b>		
Payment of lease obligation	<u>-</u>	<u>(2,380)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets net of government assistance	(4,245)	(2,906)
Purchase of investments	(93,710)	(191,238)
Redemption of investments	190,525	367,156
Growth in investments, net of purchases and redemptions	<u>1,767</u>	<u>1,513</u>
	<u>94,337</u>	<u>174,525</u>
<b>CHANGE IN CASH</b>	<b>622,797</b>	<b>118,919</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>541,985</u>	<u>433,844</u>
<b>CASH, END OF YEAR</b>	<b>\$ <u>1,164,782</u></b>	<b>\$ <u>552,763</u></b>
<b>CASH CONSISTS OF:</b>		
<b>CASH, UNRESTRICTED</b>	\$ 1,062,895	\$ 535,100
<b>CASH, RESTRICTED</b>	<u>101,887</u>	<u>6,885</u>
	<b>\$ <u>1,164,782</u></b>	<b>\$ <u>541,985</u></b>





**UNITED WAY OF PRINCE EDWARD ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2021**

---

**1. NATURE OF OPERATIONS**

The United Way of Prince Edward Island (United Way) is a federally registered foundation that provides leadership and uses volunteers to raise and distribute money for programs and services to help meet the humanitarian needs of communities on Prince Edward Island. The Organization is registered as a registered charitable foundation with Canada Revenue Agency under the Income Tax Act and as such, is exempt from income taxes.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies.

**REVENUE**

The United Way of Prince Edward Island follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expense occurs or the restrictions are met. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Campaign pledges and donations that are undesignated or are directed to a focus area or priority goal by the donor are recognized as revenue in the year that they are received or pledged at the amount committed less a provision for uncollectable pledges. Funds raised during a campaign, net of related campaign expenses and provisions are used to provide funds for operations in the current year and fund partner programs and services in the following fiscal year.

Campaign pledges and donations that are designated by the donor to other Canadian registered charities and other United Ways are considered to be restricted by purpose and are recognized as revenue in the year they are pledged.

National or regional workplace campaigns that are coordinated by one United Way on behalf of other United Ways are known as Centrally Coordinated Campaigns. The pledges and donations received by other United Ways on behalf of the Organization are reported separately and included in pledges receivable until the revenue is received.

Restricted investment income and unrealized gains and losses are recognized as revenue when the related expense is incurred. Restricted endowment investment income is recorded in the statement of changes in net assets when earned. Unrestricted investment income is recognized when earned in the statement of operations.



**UNITED WAY OF PRINCE EDWARD ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2021**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CONTRIBUTED SERVICES AND MATERIALS**

Volunteers contribute a considerable amount of time each year to run the annual campaign and to assist the organization in carrying out its programs and services. Because of the difficulty in determining the fair value of these services, contributed services are not recognized on these financial statements.

Contributions of assets, supplies and services that would otherwise have been purchased are recorded at fair value at the date of contribution, provided a fair value can be reasonably determined.

**GOVERNMENT ASSISTANCE**

The organization has recognized financial assistance under government incentive programs. Government assistance, including investment tax credits, relating to capital expenditures is reflected as a reduction of the cost of the related asset. Government assistance relating to the reimbursement of expenses is recorded as revenue in the period the expenditure was incurred.

**EXPENSE RECOGNITION**

The organization recognizes expenses in the year they are incurred and donor-directed designations when they are distributed. Expenses are reported within the following two categories:

The cost of fundraising is recognized in the year it is incurred, and includes an allocation of the associated general administrative costs. A designation fee is charged to designated charities to recover the cost of fundraising and processing. The fee is reported as revenue and is recognized when the related designation is recognized as revenues. The Organization also incurs Government of Canada Workplace Charitable Campaign (GCWCC) Fundraising costs on behalf of participants of the GCWCC campaign (i.e. Healthpartners) and recovers their portion of the costs based on a pro-rata share of the revenue. GCWCC recoveries are reported as a reduction of the fundraising costs and recognized when deducted or received from recipients.

Community development priority program expenses are investments made to agencies and community Organizations through a call for proposal process, to deliver front-line programs and services that align to priority goals. These expenses are recognized in the year the annual program funding is approved by the Board and the recipient agencies are notified and accept the funding agreement.

**DONOR DIRECTED DESIGNATIONS**

Designated donations are recognized as revenue in the year they are received or pledged. The organization pays the designated funds to Canadian Registered Charities in addition to the funding for partner programs and services.

**CASH**

Cash consists of cash on hand and balances held at financial institutions with a maturity less than one year.



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**PLEDGES RECEIVABLE**

Pledges are recorded as revenue and receivable when signed pledge documents are received or other documents are available to provide reasonable evidence of a valid pledge. The provision for pledge losses is estimated as a percentage of the campaign revenue by management based on a five-year average. During the current year management used a factor of 4.8% (2020 - 4.8%) of total campaign revenues to determine this provision. Uncollectable pledge receivables are written off in full after two years on the statement of operations.

**TANGIBLE CAPITAL ASSETS**

Tangible capital assets are stated at cost. Depreciation of tangible capital assets is provided for using the declining balance and straight line methods at the rates shown in Note 5. Depreciation of additions is calculated at one-half the stated rate. No depreciation is recorded in the year of disposal. Tangible capital assets should be tested for impairment.

**LEASES**

Leases are classified as either capital or operating leases. A lease that transfers substantially all the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are amortized on a straight-line basis over the term of the lease to net income. At the inception of the capital lease, an asset and an obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payment and the property's fair value at the beginning of the lease.

**USE OF ESTIMATES**

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

The use of estimates are used in the determination of depreciation, which requires an estimate by management in regards to the estimated useful life of the tangible capital assets allowance for doubtful accounts, which requires an estimate in regards of the collectability of receivables and, as such, bad debt expense is based on these estimates.



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**FINANCIAL INSTRUMENTS**

The organization initially records a financial instrument at its fair value except for a related party transaction which is recorded at the carrying or exchange amount depending on the circumstances.

The organization's financial instruments subsequently measured at amortized cost include cash, short-term investments, receivables, trade payables, current priority programs, current designations to other charities and designations to other charities.

**BUDGET**

The budget figures have not been audited and have been included on the financial statements for comparative purposes only.

**ALLOCATION OF EXPENSES**

Management has adopted the policy to allocate expenses in three areas, Administration, Campaign and Community Development. Unless an expenditure can be identified as relating to a specific area, management allocates the expenditure as follows:

	<u>2021</u>	<u>2020</u>
Administrative	25%	25%
Campaign	56%	56%
Community Development	19%	19%

General management and administration expenses are incurred to support functional areas and are allocated to campaign and community development expenses based on the time spent method. Following this method, general management and administrative expenses per Schedule 1 are allocated on the following basis:

	<u>2021</u>	<u>2020</u>
Campaign	40%	36%
Community Development	60%	64%

**INTERNALLY RESTRICTED NET ASSETS**

Net assets which are internally restricted are stated at the original cost of the investment, and is increased each year by interest income earned in the year, net of any withdrawals which have been approved by the board of directors.



**UNITED WAY OF PRINCE EDWARD ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2021**

**3. INTERNALLY RESTRICTED NET ASSETS**

	<u>2021</u>	<u>2020</u>
Internally restricted assets for community program purposes include:		
Community Contingency Fund	\$ 1,739	\$ 1,738
Community or Operational Purposes	98,914	97,147
Common Outcomes Project	<u>95,000</u>	<u>-</u>
	<u>\$ 195,653</u>	<u>\$ 98,885</u>

The Community Contingency Fund was set up by the board of directors to meet the emergency needs of Agencies.

The Community or Operational Purposes Fund was set up by the board of directors to provide funding for new creative programming as identified in the community, or for operational purposes. The United Way may set aside up to 1% of annual campaign results towards the fund. The United Way board has the discretion to allocate 100% of the fund as a disbursement in any given year.

During the year, the Board of Directors authorized the restriction of funds totaling \$95,000 for the Community Outcomes Project to be used over a two year period. Any unused funds at the end of the period are to be returned to unrestricted net assets.

The Board authorized disbursements totaling \$NIL (2020 - \$NIL) of the internally restricted fund during the current year.

Interest earned on the restricted investments in the year was \$1,768 (2020 - \$1,932).

**4. RECEIVABLES - PLEDGES**

	<u>2021</u>	<u>2020</u>
2020 Campaign	\$ 314,529	\$ -
2019 Campaign	40,663	342,730
2018 Campaign	<u>-</u>	<u>49,188</u>
	355,192	391,918
Less: provision for pledge losses		
2020 Campaign	43,537	-
2019 Campaign	40,663	37,410
2018 Campaign	<u>-</u>	<u>49,188</u>
	<u>\$ 270,992</u>	<u>\$ 305,320</u>



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

**5. TANGIBLE CAPITAL ASSETS**

			<b>2021</b>			<b>2020</b>
	<u>Rate</u>	<u>Cost</u>	<u>Government Assistance</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Network server	5 yr S/L	\$ 8,366	\$ -	\$ 8,366	\$ -	\$ 837
Equipment	20%	6,895	1,356	4,950	589	736
Computers	3 yr S/L	14,243	2,248	7,649	4,346	1,195
211 Website	55%	31,065	29,512	1,047	506	1,126
		<u>\$ 60,569</u>	<u>\$ 33,116</u>	<u>\$ 22,012</u>	<u>\$ 5,441</u>	<u>\$ 3,894</u>

**6. GOVERNMENT OF CANADA WORKPLACE CHARITABLE CAMPAIGN (GCWCC)**

The Treasury Board of the Federal Government of Canada has appointed the United Way of Canada as the Official Campaign Manager for the internal Federal Public Service campaign to be conducted annually within the Federal Government of Canada. The United Way of Canada and Healthpartners were given equal access to donors. The United Way has adopted the accounting policy of recognizing total revenues from the campaign and showing the payments to Healthpartners for their portion as designated donations. During the year, \$61,848 (2020 - \$66,576) was pledged by Federal Public Service and will be remitted directly to Healthpartners. As well as incurring local campaign expenditures, the United Way is charged a percentage of the total National Campaign Management budget, proportionate to the GCWCC revenue on PEI.



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

**7. DEFERRED REVENUES**

During the year the organization received \$95,000 for the Common Outcomes Project, none of these funds have been used during the year and has been deferred for use in future years.

During the year the organization received \$52,926 in grants for the implementation of the Community Sector Network. During the year \$35,640 of these funds were used on expenses. The remainder of the funding has been deferred to be used in future years.

During the year the organization received \$574,633 for the implementation of the Atlantic Compassion Fund. During the year the organization used \$539,184 on programs. The remainder of the funding has been deferred to be used in future years.

Deferred contributions for goldrush and special events are related to future year campaigns reflect the pledged and received amounts of donations accepted by the United Way that are restricted by the donor for the 2021 fundraising campaign.

During the year the organization received \$349,120 (2020 - \$283,508) in grants for the implementation of the 211 PEI service. During the year \$293,124 (2020 - \$260,651) of these funds were used on expenses and capital purchases. The remainder of the grant has been deferred to be used in future years.

	<u>2021</u>	<u>2020</u>
Common Outcomes Project	\$ 95,000	\$ -
Community Sector Network	17,286	-
Atlantic Compassion Fund	35,449	-
Goldrush and special events	17,718	6,810
211 PEI Service	<u>55,996</u>	<u>22,857</u>
	<u><b>221,449</b></u>	<u><b>\$ 29,667</b></u>



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

**8. REVENUE**

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Corporate gifts	\$ 114,424	\$ 152,469	\$ 112,270
Employee gifts	484,468	453,790	475,400
Individual	72,748	77,763	71,379
Other gifts	12,230	180,300	12,000
Work special events	110,445	42,702	108,336
Gifts in kind	-	-	6,805
	<u>\$ 794,315</u>	<u>\$ 907,024</u>	<u>\$ 786,190</u>

**9. MANAGEMENT OF CAPITAL**

The organization's objective when managing capital is to safeguard its ability to sustain itself as a going concern so that it can continue to provide the appropriate level of benefits and services to its beneficiaries and stakeholders.

Management and the Board of Directors carefully consider fundraising campaigns, grants, sponsorships and investment income to ensure that sufficient funds will be available to meet the organization's short and long term objectives.

The organization monitors its financial performance against an annual budget that is approved by the Board. Surpluses from unspent operational activities are accumulated under the general fund and are available for general use. In the event that revenues decline, the organization will budget for reduced distributions and reduced operational expenditures.

**10. FINANCIAL RISKS**

The organization is exposed to various financial risks through transactions in financial instruments. The following provides information in assessing the extent of the organization's exposure to these risks.

**Interest risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed and floating short-term and long-term investments

**Credit risk**

Credit risk is the risk that a customer will cause a financial loss to the organization by failing to discharge an obligation. The organization's main credit risks are related to its pledges receivable.





UNITED WAY OF PRINCE EDWARD ISLAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

---

11. MULTI-YEAR FUNDING AGREEMENTS

The Call for Proposals process has committed Priority Program Funding for a period up to two years with PEI Registered Charities. The funding levels in subsequent years may be subject to adjustments depending on campaign results and available funding.

Funding commitments for the next two years are as follows:

2022	\$	190,000
2023		-
	\$	<u>190,000</u>

12. LEASE COMMITMENTS

The organization is committed to minimum annual lease payments for various operating leases for office space and Konica photocopier as follows:

2022	\$	44,252
2023		44,852
2024		1,852
2025		1,852



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

---

**13. COVID-19**

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods. Measures taken to contain the spread of the virus, include travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

United Way of Prince Edward Island received funding for the Emergency Community Support Fund (ECSF) and Seniors' Response Fund per the agreement with United Way Centraide Canada and Employment and Social Development Canada. United Way of Prince Edward Island also participated in the Atlantic Compassion Fund (ACF) with 10 other United Ways in the Atlantic region. These funds are recognized in COVID-19 related grants and revenue on the statement of operations which is comprised of the following:

	<u>2021</u>	<u>2020</u>
Atlantic Compassion Fund	\$ 539,225	\$ 36,030
Emergency Community Support Fund	501,581	-
Seniors' Response Fund	<u>55,262</u>	<u>-</u>
	<u>\$ 1,096,068</u>	<u>\$ 36,030</u>

In total, United Way of Prince Edward Island has disbursed \$1,037,480 to 34 eligible agencies under these programs.

United Way of Prince Edward Island has followed provincial and local public health recommendations and continued operations throughout the pandemic. As a result, employees were required to work from home and office premises were modified to prepare staff to return to work at the office. The organization applied for and received \$179,574 in Canada Emergency Wage Subsidy, \$7,357 in Canada Emergency Rent Subsidy and \$2,500 Business Advice and Adaptation Program grant.

The duration and impact of COVID-19 remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as its impact on future operations.

**14. COMPARATIVE AMOUNTS**

Certain prior year amounts have been restated to conform with presentation changes adopted in the current year.



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**SCHEDULE OF ADMINISTRATIVE EXPENSES**  
**YEAR ENDED MARCH 31, 2021**

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Audit and professional fees	\$ 5,198	\$ 9,028	\$ 4,412
Communications and marketing	1,550	4,472	1,819
Depreciation	3,599	2,188	1,892
Dues and fees	4,205	7,240	3,947
Insurance	4,016	3,044	2,950
Office expenses	17,409	20,795	18,144
Office rent	36,786	38,987	38,369
Other expenses	600	2,227	19
Salaries and wages	<u>44,614</u>	<u>50,796</u>	<u>52,452</u>
	<b>117,977</b>	<b>138,777</b>	<b>124,004</b>
Allocation to Campaign Expenses (Schedule 2)	<b>(47,191)</b>	<b>(55,783)</b>	<b>(44,359)</b>
Allocation to Community Development Expenses (Schedule 3)	<u><b>(70,786)</b></u>	<u><b>(82,994)</b></u>	<u><b>(79,645)</b></u>
	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**SCHEDULE OF CAMPAIGN EXPENSES**  
**YEAR ENDED MARCH 31, 2021**

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Communication and marketing	\$ 13,002	\$ 1,647	\$ 12,148
Dues and fees	13,874	15,182	12,275
Office expenses	1,110	2,451	1,742
Salaries and wages	72,618	93,378	91,224
Other expenses	<u>3,093</u>	<u>-</u>	<u>2,191</u>
	<b>103,697</b>	<b>112,658</b>	<b>119,580</b>
Allocation of Administrative Expenses (Schedule 1)	<b>47,191</b>	<b>55,783</b>	<b>44,359</b>
GCWCC Fundraising Expenses (Schedule 4)	<b>57,181</b>	<b>46,123</b>	<b>54,607</b>
Recovery of fundraising costs on designations	<u>(11,218)</u>	<u>(10,978)</u>	<u>(11,498)</u>
	<b><u>\$ 196,851</u></b>	<b><u>\$ 203,586</u></b>	<b><u>\$ 207,048</u></b>



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**SCHEDULE OF COMMUNITY DEVELOPMENT EXPENSES**  
**YEAR ENDED MARCH 31, 2021**

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Priority programs (Note 11)	\$ 185,000	\$ 190,000	\$ 180,000
Designations to Canadian registered charities	<u>207,892</u>	<u>193,733</u>	<u>228,306</u>
	<u>392,892</u>	<u>383,733</u>	<u>408,306</u>
Communications and marketing	1,178	646	532
Community Sector Network	-	35,640	-
Dues and fees	10,420	9,844	7,766
Office expenses	548	2,436	247
Other expenses	494	4,687	14
Salaries and wages	116,252	46,150	64,020
Workshops and seminars	21,000	11,484	16,930
211 PEI service	<u>246,305</u>	<u>257,847</u>	<u>214,268</u>
	<u>396,197</u>	<u>368,734</u>	<u>303,777</u>
Allocation of Administrative Expenses (Schedule 1)	<u>70,786</u>	<u>82,994</u>	<u>79,645</u>
	<u>\$ 859,875</u>	<u>\$ 835,461</u>	<u>\$ 791,728</u>



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**SCHEDULE OF GCWCC FUNDRAISING EXPENSES**  
**YEAR ENDED MARCH 31, 2021**

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Audit and professional fees	\$ 1,302	\$ 810	\$ 1,201
Communications and marketing	5,194	4,518	7,282
Depreciation	901	510	719
Dues and fees	8,127	5,617	7,762
Office expense	3,286	2,474	220
Other expenses	1,687	581	2,793
Office rent	9,214	6,575	6,539
Salaries and wages	<u>37,470</u>	<u>31,062</u>	<u>39,416</u>
Total GCWCC Fundraising Expenses	<u>67,181</u>	<u>52,147</u>	<u>65,932</u>
Recoverable from Healthpartners (Schedule 5)	<u>(10,000)</u>	<u>(6,024)</u>	<u>(11,325)</u>
	<u>\$ 57,181</u>	<u>\$ 46,123</u>	<u>\$ 54,607</u>



**UNITED WAY OF PRINCE EDWARD ISLAND**  
**SCHEDULE OF HEALTHPARTNERS PORTION OF GCWCC FUNDRAISING EXPENSES**  
**YEAR ENDED MARCH 31, 2021**

	<u>2021</u>	<u>2020</u>
Audit and professional fees	\$ 75	\$ 187
Depreciation	47	112
Dues and fees	520	1,208
Marketing	1,615	1,932
Office expense	229	300
Other expenses	54	435
Office rent	609	1,017
Salaries and wages	<u>2,875</u>	<u>6,134</u>
	<u>\$ 6,024</u>	<u>\$ 11,325</u>

