

UNITED WAY SOCIETY OF THE YUKON

FINANCIAL STATEMENTS

December 31, 2022

INDEX

	Page
Management Responsibility Statement	1
Independent Auditor's Report	2 - 3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 13

MANAGEMENT RESPONSIBILITY STATEMENT

The management of United Way Society of the Yukon is responsible for preparing these financial statements.

Management prepares the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements are considered by management to present fairly the society's financial position and results of operations.

Management, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that the financial records provide reliable information for preparing the financial statements.

The financial statements have been reported on by M. McKay & Associates Ltd., Chartered Professional Accountants, the members' auditors. Their report outlines the scope of their examination and their opinion on the financial statements.

A handwritten signature in blue ink, appearing to be 'D. White', is written over the text of the statement.

President

April 26, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of United Way Society of the Yukon

Qualified opinion

We have audited the financial statements of United Way Society of the Yukon, which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with (ASNPO).

Basis for qualified opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended December 31, 2021 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.

Emphasis of matter

Without modifying our opinion, we draw attention to note 9 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 subsequent to year-end and its effect on the global economy. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the society 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.

INDEPENDENT AUDITOR'S REPORT, continued

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 society'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 society'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 society 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.



M. McKay & Associates Ltd.
Chartered Professional Accountants

Whitehorse, Yukon
April 26, 2023

UNITED WAY SOCIETY OF THE YUKON
STATEMENT OF OPERATIONS
For the year ended December 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUES		
Donations	\$ 170,459	\$ 247,873
Grants and funding	121,710	35,640
Fundraising and other donations	28,583	33,013
Donations in kind	1,410	1,500
Interest	883	1
Memberships	60	40
	<u>323,105</u>	<u>318,067</u>
 EXPENSES (note 10)		
Subcontractors	44,987	-
Wages and benefits	42,320	36,084
Campaign	11,677	2,179
Professional fees	12,141	54,415
Interest and bank charges	6,278	7,170
Office rent	5,400	4,530
Donations	5,088	2,062
Office and telephone	4,615	1,704
Dues and fees	3,070	3,045
Insurance	367	367
	<u>135,943</u>	<u>111,556</u>
 Excess of revenues over expenses before funding allocations	 187,162	 206,511
 FUNDING ALLOCATIONS (note 4)	 <u>218,788</u>	 <u>187,009</u>
 (LOSS) NET EARNINGS	 <u>\$ (31,626)</u>	 <u>\$ 19,502</u>

See accompanying notes to the financial statements

**UNITED WAY SOCIETY OF THE YUKON
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2022**

	2022	2021
Net assets, beginning of year	\$ 274,461	\$ 254,959
(Loss) net earnings	(31,626)	19,502
Net assets, end of year	\$ 242,835	\$ 274,461

See accompanying notes to the financial statements

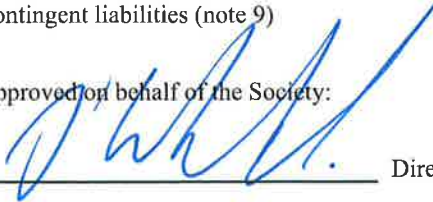
5.
M. McKay & Associates Ltd.
Chartered Professional Accountants


UNITED WAY SOCIETY OF THE YUKON
STATEMENT OF FINANCIAL POSITION
December 31, 2022

	ASSETS	
	2022	2021
CURRENT		
Cash	\$ 241,720	\$ 288,760
Accounts receivable (note 5)	26,575	5,533
Prepaid expenses (note 6)	-	4,068
Restricted cash (note 7)	5,650	5,650
	\$ 273,945	\$ 304,011
	LIABILITIES	
CURRENT		
Accounts payable and accrued liabilities (note 8)	\$ 16,810	\$ 13,500
Holdbacks payable	14,300	16,050
	31,110	29,550
	NET ASSETS	
NET ASSETS	242,835	274,461
	\$ 273,945	\$ 304,011

Contingent liabilities (note 9)

Approved on behalf of the Society:


 _____ Director
 2023.08.23


 _____ Director
 Aug 14/23.

See accompanying notes to the financial statements

6.
M. McKay & Associates Ltd.
 Chartered Professional Accountants

UNITED WAY SOCIETY OF THE YUKON
STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Cash received from donors, government and other	\$ 315,012	\$ 335,129
Cash paid to suppliers and funding recipients	(362,052)	(337,280)
NET DECREASE IN CASH	(47,040)	(2,151)
CASH, beginning of year	294,410	296,561
CASH, end of year	\$ 247,370	\$ 294,410
 CASH CONSISTS OF:		
Cash	\$ 241,720	\$ 288,760
Restricted cash	5,650	5,650
	\$ 247,370	\$ 294,410

See accompanying notes to the financial statements

7.
M. McKay & Associates Ltd.
Chartered Professional Accountants

UNITED WAY SOCIETY OF THE YUKON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Nature of operations

United Way Society of the Yukon is incorporated under Yukon legislation. Its main activities are receiving donations and distributing funds to registered charities that deliver community programs. The Society is a registered charity under the Income Tax Act.

2. Significant accounting policies

The society applies the Canadian Accounting Standards for Not-for-Profit organizations.

(a) Revenue recognition

Donations and memberships from individuals are recorded on receipt. Corporate donations and donations collected by employers' payroll deductions are recorded when received or receivable. Government contributions are accounted for by the deferral method.

Donations of services and products for administrative or campaign purposes are recorded at fair value.

Donations in kind are recorded when a value is for the products or services can be reliably estimated.

(b) Funding allocations

The Board determines funding allocations to registered charities. Allocations are recorded as expenditures of the year in which determined. Undistributed allocations are recorded as holdbacks payable. Adjustments to prior years' allocations are recorded in the current year.

(c) Volunteer services

Volunteer services are not recorded due to the difficulty of determining fair values.

(d) Financial instruments

Financial instruments are recorded at fair value. In subsequent years, financial instruments traded in active markets are reported at fair value, with unrealized gains and losses reported in income. Other financial assets are reported at cost or amortized cost less impairment, if any. Financial assets are tested for impairment when facts and circumstances indicate possible impairment.

(e) Accounting estimates

The preparation of financial statements in accordance with society requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates.

UNITED WAY SOCIETY OF THE YUKON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

2. Significant accounting policies, continued

(f) Allocation of expenses

The nature of the Organization's operations dictates that its costs are largely influenced by the deployment of its staff. Similarly, the costs of supporting fundraising and program expenses are directly correlated to the portion of time staff members are working in each of those areas.

Operational support expenses are allocated between fundraising expenses and distributions, community programs and services expenses based on the portion of time spent by staff of the Organization during the year in which the operational support expenses are incurred.

Operational support expenses are allocated as follows:

Fundraising expenses - 57% (2021 -57%)

Distribution, community programs and services expenses -43% (2021 -43%)

(g) Tangible capital assets

The Society, in accordance with the accounting standards for small Not-for-profit organizations has chosen to expense tangible capital assets in the year of purchase and not to amortize the asset over its useful life. The total capital assets purchased for 2022 was \$1,483 (2021 \$-nil).

3. Financial instruments risk

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

(a) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The society has credit risk related to bank deposit accounts and accounts receivable of \$26,574 (2021 -\$5,533)

(b) Liquidity risk

The society does have a liquidity risk in the accounts payable and accrued liabilities of \$29,884 (2021-\$29,550). Liquidity risk is the risk that the society cannot repay its obligations when they become due to its creditors. The society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the society low and is not material.

UNITED WAY SOCIETY OF THE YUKON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

4. Funding allocations

	2022	2021
Abbotsford Community Foundation	\$ 28	\$ -
BYTE - Empowering Youth Society	4,658	-
Big Brothers, Big Sisters of Yukon	4,000	8,000
Birds Canada	1,230	-
Blood Ties 4 Directions Centre Society	7,900	-
Boys & Girls Club of Whitehorse	1,500	6,000
Canadian Mental Health Association	-	8,000
Canadian Red Cross Society	109	100
Challenge Disability Resource Group	-	4,188
Child Development Centre	-	6,000
Ecotrust Canada	23	-
Whitehorse Food Bank	8,339	5,703
Fetal Alcohol Syndrome Society Yukon	12,000	13,000
Freedom Trails Therapeutic Riding Association	4,800	4,800
Gaden Samten Ling	90	-
Haines Junction Food Association	8,000	-
Home for Hooves Farm Sanctuary	233	-
Humane Society Yukon	2,517	-
Habitat for Humanity Yukon	-	1,000
Help and Hope for Families Society	-	9,500
Kluane First Nation	3,000	-
Learning Disabilities Association of Yukon	8,000	8,000
Liard Aboriginal Women's Society	4,000	-
Liard First Nation	4,000	-
Nature Conservancy Canada	507	-
Raven Recycling Society	-	(600)
Special Olympics Yukon	90	-
Saint Paul's Foundation	90	-
Victoria Faulkner Women's Centre	18,000	22,400
Victoria Humane Society	137	-
Vuntut Gwichin First Nation	5,000	-
Yukon Learn Society	11,800	7,628
Yukon Anti-Poverty Coalition	105,237	75,000
Yukon Circle of Social Change	-	600
Yukon Literacy Coalition	-	1,000
Youth of Today Society	4,000	-
Yukon Reads	(250)	-
Yukon Imagination Library	(250)	2,500
Frontier College Funding	-	4,000
Girl Guides	-	90
Doctors Without Borders Canada	-	100
	\$ 218,788	\$ 187,009

UNITED WAY SOCIETY OF THE YUKON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

5. Accounts receivable

	2022	2021
Accounts Receivable	\$ 24,255	\$ 4,138
GST Rebate Receivable	2,320	1,395
	\$ 26,575	\$ 5,533

6. Prepaid expenses

	2022	2021
Prepaid Expenses & Deposits	\$ -	\$ 4,068

7. Restricted cash and internally restricted net assets

The perpetuity fund of \$5,650 (2021 \$5,650) is restricted by the Board to provide an investment fund to yield revenue to pay for administration expenditures.

8. Accounts payable and accrued liabilities

	2022	2021
Accounts Payable	\$ 1,225	\$ -
Accrued Liabilities	7,035	3,904
Payroll Liabilities	7,800	9,461
	750	135
	\$ 16,810	\$ 13,500

UNITED WAY SOCIETY OF THE YUKON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

9. Contingent liabilities

COVID 19

On March 11, 2020, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian and international governments regarding travel, business operations and isolation/quarantine orders. The extent of the impact the COVID-19 outbreak may have on the society will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the length of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are, or may, be put in place by Canada or other countries to fight the virus. The society's activities have not been significantly impacted thus far; however, the society continues to assess the impact COVID-19 will have on its operations.

HOLDBACKS

Payment of holdbacks payable is contingent upon the recipients' fulfilment of all requirements specified in the funding agreements.

FUNDING ARRANGEMENTS

Repayment, if any, of the government contribution is contingent upon final review of the funded project by the government agency.

**UNITED WAY SOCIETY OF THE YUKON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022**

10. Allocation of expenses

The Society has determined the allocations of its total costs between its Fundraising and Distributions, community programs, and services activities to be as follows:

	<u>%</u>	<u>2022</u>	<u>%</u>	<u>2021</u>
Direct fundraising expenses		\$ 35,860		\$ 23,781
Allocated fundraising expenses	<u>57%</u>	<u>46,352</u>	<u>57%</u>	<u>43,861</u>
Total Fundraising expenses		<u>82,212</u>		<u>67,642</u>
Direct distributions and program expenses		218,788		187,008
Allocated distributions and program expenses	<u>43%</u>	<u>53,370</u>	<u>43%</u>	<u>43,862</u>
Total Distribution, community programs and services expenses		<u>271,893</u>		<u>230,923</u>
Total Expenses	<u>100%</u>	<u>\$ 354,105</u>	<u>100%</u>	<u>\$ 298,565</u>

*Shula Downey
Aug 14/23.*

*[Signature]
2023.08.14*