

Financial Statements of

**UNITED WAY OF
GREATER TORONTO**
(OPERATING AS UNITED WAY GREATER TORONTO)

And Independent Auditors' Report thereon

Year ended March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of United Way of Greater Toronto

Opinion

We have audited the financial statements of United Way of Greater Toronto (operating as United Way Greater Toronto) (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 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 the 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.



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- 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 3, 2022

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

(Incorporated under the laws of Ontario)

Statement of Financial Position

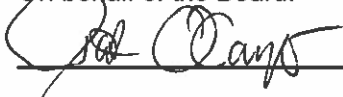
(In thousands of dollars)

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 40,357	\$ 40,807
Accounts receivable	1,021	871
Prepaid expenses	524	611
	<u>41,902</u>	<u>42,289</u>
Long-term investments (note 2)	66,387	66,484
The Tomorrow Fund - Endowments (note 3)	28,722	29,650
Long-term receivable	125	251
Capital assets (note 4)	1,722	1,826
	<u>\$ 138,858</u>	<u>\$ 140,500</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,832	\$ 4,899
Donor directed designations payable	3,068	2,012
Deferred revenue (note 6(a))	15,324	19,913
	<u>24,224</u>	<u>26,824</u>
Long-term liabilities:		
Accrued net pension liability (note 5)	2,719	3,019
Deferred revenue (note 6(b))	2,885	2,888
	<u>5,604</u>	<u>5,907</u>
Total liabilities	29,828	32,731
Net assets:		
Invested in capital assets	1,722	1,826
Financial reserves (note 2)	66,387	45,920
The Tomorrow Fund - Endowments (note 3)	28,722	29,650
Unrestricted Net Assets (note 7)	12,199	30,373
	<u>109,030</u>	<u>107,769</u>
Commitments (note 16)		
	<u>\$ 138,858</u>	<u>\$ 140,500</u>

See accompanying notes to financial statements.

On behalf of the Board:



Trustee



Trustee

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Statement of Operations (In thousands of dollars)

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Campaign revenue - UWGT (note 8)	\$ 101,934	\$ 99,395
Campaign revenue - other UWC's and charities (note 8)	24,192	22,335
Government grants (note 9)	10,341	2,048
Investment income	230	539
Other income	75	178
	<u>136,772</u>	<u>124,495</u>
COVID-19 pandemic and emergency revenue:		
Local Love Emergency Funds (note 10)	1,099	9,066
Government Emergency Funds (note 10)	2,817	28,507
Government Wage and Rent Subsidy programs (note 10)	1,536	4,200
	<u>5,452</u>	<u>41,773</u>
Investment activities:		
Interest from financial reserves	439	-
Asset liquidation from financial reserves	-	5,948
Unrealized gains from The Tomorrow Fund - Endowments	516	3,476
	<u>955</u>	<u>9,424</u>
Total revenue	143,179	175,692
Fundraising expense	19,681	20,940
Available for distributions and community programs	123,498	154,752
Distributions and community programs:		
Community investments via UWGT network of agencies, partners (note 11)	70,052	72,023
Programs and organizations supported by restricted gifts and government grants (note 12)	14,286	6,569
Donor-directed designations (note 13)	24,192	22,335
Government emergency funded programs (note 14)	2,356	26,372
Community services and program support (note 15)	12,366	15,992
Total distributions and community programs	123,252	143,291
Excess of revenue over distributions and expenses	\$ 246	\$ 11,461

See accompanying notes to financial statements.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Statement of Changes in Net Assets
(In thousands of dollars)

Year ended March 31, 2022, with comparative information for 2021

	2022			2021		
	General (note 7)	Pension remeasurements and other items (notes 5)	Invested in capital assets	Financial reserves (note 2)	The Tomorrow Fund - Endowments (note 3)	Total
Net assets, beginning of year	\$ 33,392	\$ (3,019)	\$ 1,826	\$ 45,920	\$ 29,650	\$ 94,009
Excess (deficiency) of revenue over distributions and expenses	206	-	(476)	-	516	11,461
Pension remeasurements and other items (notes 5)	-	300	-	-	-	199
Endowment contributions	-	-	-	-	715	2,100
Endowment distributions (note 3)	2,159	-	-	-	(2,159)	-
Invested in capital assets	(372)	-	372	-	-	-
Investment income - reserve accounts	(439)	-	-	439	-	-
Inter-fund transfers	(20,028)	-	-	20,028	-	-
Net assets, end of year	\$ 14,918	\$ (2,719)	\$ 1,722	\$ 66,387	\$ 28,722	\$ 107,769

See accompanying notes to financial statements.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Statement of Cash Flows (In thousands of dollars)

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash flows from operating activities:		
Excess of revenue over distributions and expenses	\$ 246	\$ 11,461
Items not involving cash:		
Amortization of capital assets	476	531
Unrealized loss (gain) on investments	(419)	5,961
Defined benefit pension expense	166	166
Change in non-cash working capital	(1,825)	14,994
Defined benefit pension contributions (note 5)	(166)	(166)
Cash flows provided by (used in) operating activities	(1,522)	32,947
Cash flows from financing activities:		
Endowment contributions, net of distributions	1,444	2,100
Cash flows from investing activities:		
Purchase of capital assets	(372)	(588)
Proceeds (purchase) of investments, net	—	(20,826)
Cash flows used in investing activities	(372)	(21,414)
Increase (decrease) in cash and cash equivalents	(450)	13,633
Cash and cash equivalents, beginning of year	40,807	27,174
Cash and cash equivalents, end of year	\$ 40,357	\$ 40,807

See accompanying notes to financial statements.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements
(In thousands of dollars)

Year ended March 31, 2022

The mission of United Way of Greater Toronto (operating as United Way Greater Toronto) ("United Way" or "UWGT") is to meet urgent human needs and improve social conditions by mobilizing the community's volunteer and financial resources in a common cause of caring.

United Way is registered as a charitable organization under the Income Tax Act (Canada) (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, United Way must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook.

(a) Revenue recognition:

United Way follows the deferral method of accounting for contributions, which include campaign revenue.

In fiscal 2021, United Way continued to be eligible for certain COVID-19 pandemic and emergency programs. These include:

- Government emergency program funding for the community;
- Government emergency program support for businesses, i.e. Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS"); and
- Local Love In A Global Crisis program which was targeted fundraising to provide immediate support to communities affected by the COVID-19 pandemic.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

1. Significant accounting policies (continued):

United Way recognizes unrestricted donations as revenue when received, i.e. on a cash basis.

Restricted donations are treated as follows:

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").

(i) Funds received from other United Ways:

These funds from other United Ways under the CCC arrangement are reported when received.

(ii) Funds received for other United Ways:

Funds received by United Way under the CCC and CCC type arrangements are included in the campaign revenue amount when distributed - these distributed funds are recorded as a reduction to campaign revenue. This reporting approach is consistent and follows the Transparency, Accountability and Financial Reporting ("TAFR") policy as established by United Way Canada Centraide ("UWCC").

(iii) Donor directed designations:

Donor directed designations for United Way that have not been disbursed at year end are recorded as deferred campaign revenue on the statement of financial position. Upon disbursement, the payment is recorded as an expense and the donation is recorded as campaign revenue.

(iv) Restricted donations:

Donations restricted for a specific purpose by the donors, that have not been spent at the end of the year are recorded as deferred campaign revenue on the statement of financial position. They are recognized as campaign revenue when distributed.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(v) Government grants and other income:

Government grants represent funds received from the Federal, Provincial and Municipal governments. Other income represents funds received from a court-ordered settlement (per note 6), issued to utility companies and whose associated funds are administered by United Way.

Government grant revenue and other income are recognized when the related program expenses and grants have been disbursed.

Government emergency program funding received from the Federal Government are disclosed separately from ongoing grant programs, as these funds are intended for specific purposes to address the COVID-19 pandemic.

(vi) Investment income:

Investment income includes dividends, interests, income distributions from pooled funds, realized gain/losses and the net change in unrealized gain/losses from cash and cash equivalents and financial reserves, and are recognized on an accrual basis.

(vii) Endowment contributions:

Endowment contributions, which are donor directed and restricted, are recognized as increases in net assets in the year in which they are received. Investment income earned on endowed funds that are restricted, is deferred and recognized in income in the year the related expenses are recognized. Investment income earned on endowed funds, whereby the principle is restricted but the investment earned thereon is not restricted, is recognized in income in the year earned. UWGT's policy for capital appreciation/depreciation for those funds which are above/below the distribution threshold are added to/deducted from the principal, and recognized as an inter-fund transfer in net assets as expendable funds available for a future year.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(b) Cash and cash equivalents:

Cash and cash equivalents include deposits in banks, certificates of deposit and short-term investments with original maturities of less than three months.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. United Way has elected to carry its fixed income and pooled fund investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, United Way determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount United Way expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(d) Capital assets:

Purchased capital assets are recorded at cost. When a capital asset no longer contributes to United Way's ability to provide services, its carrying amount is written down to its residual value. Capital assets are amortized on the following basis using the following rates:

Asset	Basis	Rate
Automobiles	Straight line	4 years
Information Technology Systems and Software	Straight line	3 - 7 years
Computer equipment	Straight line	3 years
Furniture and fixtures	Declining balance	15%
Leasehold improvements	Straight line	Term of lease

(e) Contributed materials and services (gifts-in-kind and services-in-kind):

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements. In addition, the value of contributed materials is not recognized in the financial statements. Since these contributed materials and services are not purchased nor charged by United Way, they are not recognized in these financial statements.

(f) Employee future benefits:

The Supplemental Executive Retirement Plan ("SERP"), is an unfunded deferred compensation plan that the United Way offers to select senior executives. The United Way uses the immediate recognition approach to account for the plan by accruing its obligation as actuarially determined annually.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(g) Calculation of fundraising cost revenue ratios:

In accordance with UWCC Transparency, Accountability and Financial Reporting policy, United Way uses the following method to calculate cost revenue ratios ("CRR"):

	2022	2021
Total revenue, excluding government contributions and investment activities	\$ 127,530	\$ 131,513
Total fundraising expenses	\$ 19,681	\$ 20,940
Total fundraising expenses as a percentage of total revenue	15.4%	15.9%

(h) Allocation of expenses:

The allocation of general management and administrative expenses are based on either direct support activities or headcount-driven allocation for example, headcount ratio between the fundraising team and the community services and program support team. This approach to the allocation of expenses enables key performance indicators, that inform and measure the efficiency and effectiveness of United Way.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Significant items subject to such estimates and assumptions include the obligations related to employee future benefits and allocation of expenses.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

2. Long-term investments:

Long-term investments of \$66,387 are held in interest bearing accounts (2021 - \$66,484 in interest bearing accounts), and reflect the financial reserves of United Way. The reserves have been categorized to identify the specific purpose for example: community, operations and capital reserves, using information previously reported under unrestricted net assets. The financial reserves are for the United Way's long-term financial sustainability to deliver its mission. Adequate financial reserves will be maintained to:

- (a) Provide a contingency for a significant revenue shortfall, for example, contingencies for ongoing financial commitments of the United Way's operations and community investments.
- (b) Direct funds for new strategic initiatives as identified in the approved annual budget, business plan and risk management plan of the United Way.
- (c) Fund significant and major capital infrastructure assets as required.

Management has categorized the financial reserves as long-term investments based on intent of use, regardless of the nature of the liquid assets held. However, should circumstances warrant the use of these financial reserves, they will be accessible upon approval by the Board of Trustees.

The investments are set aside for the reserves, as recorded in the statement of financial position, net assets as follows:

	2022	2021
Financial reserves:		
Community Reserve	\$ 46,220	\$ 45,920
Operations Reserve	14,716	-
Capital Reserve	5,451	-
	<u>\$ 66,387</u>	<u>\$ 45,920</u>

With the fundraising risks and financial uncertainties due to the COVID-19 pandemic, all financial reserves, which are currently in cash as a result of asset liquidation in the previous fiscal year, were invested in interest-bearing accounts in schedule 1 banks.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

3. The Tomorrow Fund - Endowments:

The Tomorrow Fund is the vehicle in which United Way invests endowment gifts from donors. The fundamental objective of The Tomorrow Fund is to gather and preserve capital, and earn investment income which may be expected towards United Way's programs and projects. As such, it has been United Way's practice to have Endowment distributions of 4.5% from The Tomorrow Fund.

With a medium and long-term investment view, The Tomorrow Fund investments are pooled with the Toronto Foundation's investments, with a goal of less volatility with diversification.

The Tomorrow Fund value of \$28,722 experienced a net decrease of \$928, resulting from distributions of \$2,159, offset by income from endowment gifts of \$715 and unrealized gains of \$516.

The following provides the asset allocation of The Tomorrow Fund in compliance with United Way's Statement of Investment Policies and Procedures.

	2022	2021
Cash and cash equivalents	4%	11%
Fixed income securities	6%	13%
Canadian securities	–	4%
U.S. securities	–	18%
Other foreign equities	59%	21%
Other strategies	31%	33%
	100%	100%

Other strategies include real assets, hedge funds, opportunistic investments and private equity, venture capital among others.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)

(In thousands of dollars)

Year ended March 31, 2022

4. Capital assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Automobiles	\$ 28	\$ 15	\$ 13	\$ 19
Information Technology				
Systems and Software	5,228	4,938	290	231
Computer equipment	6,184	6,099	85	261
Furniture and fixtures	2,036	1,459	577	612
Leasehold improvements	3,751	2,994	757	703
	<u>\$ 17,227</u>	<u>\$ 15,505</u>	<u>\$ 1,722</u>	<u>\$ 1,826</u>

5. Employee future benefits:

Information about United Way's SERP is as follows:

Pension liability	2022	2021
Opening accrued pension liability	\$ (3,019)	\$ (2,871)
Employer contributions	166	166
Defined benefit cost	(170)	(170)
Pension remeasurement	304	(144)
<u>Closing accrued pension liability</u>	<u>\$ (2,719)</u>	<u>\$ (3,019)</u>

6. Deferred revenue:

- (a) Deferred revenue represents funds received from donors including individuals and corporations, bequests, and government, that are being held for future recognition based on direction in donation and funding agreements.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

6. Deferred revenue (continued):

(b) In July 2011, United Way received an \$11,234 legal settlement related to a class action against a group of electricity distribution companies in Ontario. United Way was charged with distributing these funds pooled under the Hydro Settlement Fund, through an appropriate Low-Income Energy Assistance Program. United Way has decided to supplement the Ontario Energy Board's Low-Income Energy Assistance Program ("LEAP"). Every year, eligible agencies will contact United Way to request funds from this Late Payment Settlement to supplement funding they have received for that year from LEAP.

The financial information of the Hydro Settlement Fund are as follows at the end of this fiscal year:

	2022	2021
Current portion of other deferred revenue	\$ 940	\$ 960
Long-term portion of other deferred revenue	2,885	2,888
Total other deferred revenue	\$ 3,825	\$ 3,848

7. Unrestricted Net Assets:

Unrestricted Net Assets are comparable to the retained earnings of a for-profit organization. These funds are earmarked by management for the following purposes:

	2022	2021
General	\$ 14,918	\$ 33,392
SERP (note 5)	(2,719)	(3,019)
Unrestricted net assets	\$ 12,199	\$ 30,373

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

8. Campaign revenue:

Campaign revenue relates to donations mainly received from donors in the Peel, Toronto and York Region area. United Way, like some other United Ways in the movement, acts 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, this is known as CCC, note 1(a)(i) and 1(a)(ii).

Campaign revenue for United Way is as follows:

	2022	2021
Campaign revenue - UWGT	\$ 113,895	\$ 118,112
Funds received from other United Ways (note 1(a)(i))	2,083	2,276
Funds received for other United Ways (note 1(a)(ii))	(14,044)	(20,993)
Campaign revenue - UWGT	\$ 101,934	\$ 99,395

Campaign revenue for other United Ways in the movement and charities:

Donations received from donors in Peel, Toronto and York Region area that have been directed to other United Ways and other charities by the donor are as follows.

	2022	2021
United Way agencies and partners	\$ 1,452	\$ 1,469
Other United Ways	1,500	1,287
Other Canada Revenue Agency registered charities	21,240	19,579
	\$ 24,192	\$ 22,335

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

9. Government grants:

	2022	2021
Reaching Home (Homelessness Partnership Strategy)	\$ 9,316	\$ 968
Peel Newcomer Strategy Group	339	353
Toronto Enterprise Fund ("TEF")	619	727
FOCUS - Funding Subsidy	55	-
Community Safety and Well-Being	12	-
Government grants	\$ 10,341	\$ 2,048

(a) Reaching Home (Homelessness Partnership Strategy):

Reaching Home homelessness partnership strategy is funded by the federal government through the Ministry of Employment and Social Development Canada ("ESDC").

The five-year agreement (2019-20 to 2023-24) was renewed and signed in June 2019, for a total of \$7,400. On July 28, 2021, an amending agreement was signed which provided for additional funding of \$7,500 for the Fall Economic Statement, increasing the total funding to \$14,900.

United Way Greater Toronto is the program administrator of this grant until March 31, 2024.

(b) Peel Newcomer Strategy Group:

The Peel Newcomer Strategy Group program is an immigration partnership serving Brampton, Caledon and Mississauga. This program is fully funded by the Region of Peel and the Federal Government through Immigration, Refugees and Citizenship Canada ("IRCC"). A new five-year funding agreement was approved in March 2020, and United Way is the program administrator of this grant until March 31, 2025.

A new five-year agreement was approved in March 2020 with IRCC, assigning the United Way as the program administrator of this grant until March 31, 2025.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

9. Government grants (continued):

On December 12, 2021, another three-year agreement was signed for additional funding of \$380 under the IRCC, Service Delivery Integration. The United Way is the program administrator until March 31, 2024.

(c) Toronto Enterprise Fund ("TEF"):

The TEF supports social enterprises in the Peel, Toronto and the York Region area. TEF provides a number of programs, workshops, and grants to support employment and enterprise development. This is a unique funding partnership between the Province, Toronto and United Way. The program is renewed on an annual basis and United Way is the program administrator of this grant.

In fiscal year 2021 to 2022, the Province did not renew its funding for the TEF program, and it was funded solely by the City of Toronto and UWGT.

(d) Community Safety and Well-Being ("CSWB Plan"):

The CSWB project is funded by the Regional Municipality of Peel for \$12,430 for consulting and administration. The project was completed as of December 2021.

10. COVID-19 pandemic and emergency revenue:

(a) In response to the increased need caused by the COVID-19 pandemic, United Way launched an emergency fund to support communities in urgent need - Local Love Fund ("LLF"). Funds raised provided for new programs and new agencies outside of United Way's network of agencies. Ceasing the emergency fund in September 2021, United Way issued a report in October 2020 entitled LLF Greater Toronto Area. Based on donor directions when they fulfilled their pledges to the emergency fund, an additional \$1,100 (2021 - \$9,100) was disbursed for this fiscal year.

(b) During the COVID-19 pandemic, the federal government issued emergency program funding to support and strengthen the capacity of the community service organizations in order to meet the urgent needs, created by the COVID-19 pandemic.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

10. COVID-19 pandemic and emergency revenue (continued):

United Way disbursed the remaining \$2,800 for the government emergency funds, thereby completing the programs and fulfilling its agreements with the federal government.

A summary of the emergency community funding projects are as follows:

	2022	2021
Emergency Community Support Fund	\$ 439	\$ 22,752
Seniors Support Fund	–	893
Reaching Home, York Region - COVID-19	2,378	4,862
	<u>\$ 2,817</u>	<u>\$ 28,507</u>

(i) Emergency Community Support Fund ("ECSF"):

This fund was established by the Federal Government, through Employment and Social Development Canada, and distributed through UWCC; Community Foundations of Canada and Canadian Red Cross. The purpose being to strengthen the capacity of community service organizations across the country to meet the urgent needs of vulnerable individuals and families affected by the COVID-19 pandemic.

As the program administrator, United Way's portion from UWCC was \$23,100. The program ended in June 2021, and all funds have already been disbursed to recipient agencies.

(ii) Reaching Home, York Region - COVID-19:

The Federal Government, through ESDC provided funds through its current Reaching Home program with United Way, to expand the emergency response in helping communities in York Region to address the immediate impacts of the COVID-19 pandemic. The emergency funding supported people experiencing homelessness as well as provide transitional isolation shelters. As the program administrator, United Way's funding from ESDC was \$7,200. The program ended in September 2021, and all funds have been disbursed to recipients agencies.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

10. COVID-19 pandemic and emergency revenue (continued):

(c) Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS"):

In response to the COVID-19 pandemic, the Federal Government enacted fiscal and tax relief to support individuals and businesses. The CEWS was to provide support to employers that experienced a decline in revenue during the COVID-19 pandemic. The CEWS program effective date was March 15, 2020, and was extended to October 2021.

The CERS was effective as of September 27, 2020, with the purpose of providing rent relief subsidies to businesses experiencing a decline in revenue. Similar to CEWS, the program has been extended to October 2021.

United Way has been the recipient of such program support from the Federal Government, meeting the required revenue eligibility criteria to apply.

	2022	2021
CEWS	\$ 1,362	\$ 4,139
CERS	174	61
	<u>\$ 1,536</u>	<u>\$ 4,200</u>

11. Community investments through United Way's network of agencies, partners and community services:

	2022	2021
Community Services Sector Strategy	\$ 61,891	\$ 66,459
Building Strong Neighbourhoods Strategy	2,110	2,653
Youth Success Strategy	2,711	2,911
Strategic initiatives	3,340	-
	<u>\$ 70,052</u>	<u>\$ 72,023</u>

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

11. Community investments through United Way's network of agencies, partners and community services (continued):

United Way currently supports a network of 280 member agencies that directly respond to changes in the community and deliver programs to address areas of the highest needs.

The Community Services Sector Strategy provides funding to member agencies that have the ability to reach and service people who are in, or at risk of falling into poverty.

The Building Strong Neighbourhoods Strategy supports local residents living in priority neighbourhoods to engage in making meaningful changes through communities.

The Youth Success Strategy provides support to youth through assistance with post-secondary education and training applications, networking opportunities and mentorship programs.

The Strategic Initiatives Strategy has been established as a response to the ongoing COVID-19 pandemic, to ensure the United Way has strategic initiatives program that would allow for a faster response, improved agility and flexibility, and better support to the urgent needs of the community.

The Strategic Initiatives program included grants to Black and Indigenous organizations.

Through its network of agencies, working with communities, and engaging with donors and volunteers, United Way is able to deliver and support these important and necessary programs.

12. Programs and organizations supported by restricted gifts and government grants:

United Way receives restricted funds from donors and other funders which are aligned to its mission. These funds are for specific programs, grant programs and capital projects managed by United Way. United Way works with these donors to match their specific giving interest to United Way funding priorities in the community.

Additionally, United Way is the recipient of government grants, per note 9.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

13. Donor-directed designations:

United Way receives donations received from donors in Peel, Toronto and York Region area that have been directed to other United Ways and other charities by the donor.

	2022	2021
United Way agencies and partners	\$ 1,452	\$ 1,469
Other United Ways	1,500	1,287
Other Canadian registered charities	21,240	19,579
	<u>\$ 24,192</u>	<u>\$ 22,335</u>

14. Government Emergency Programs, COVID-19:

Government Emergency Programs as disclosed in note 10, were expended as follows:

	2022	2021
Emergency Community Support Fund	\$ 350	\$ 21,067
Seniors Support Fund	–	850
Reaching Home, York Region - COVID-19	2,006	4,455
	<u>\$ 2,356</u>	<u>\$ 26,372</u>

15. Community services and program support:

Community services and program supports the management, oversight and distribution of community investments via the United Way network of agencies, partners and community services. It also includes program administration for government programs, allocation of expenses per note 1(h) and United Way membership dues in accordance with the TAFR policy, established by UWCC.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

16. Commitments:

- (a) United Way has community investment commitments of minimum of \$66,400 to its network of agencies for the period of April 1, 2022 to March 31, 2023.

United Way's largest funding stream is through anchor funding which are five-year contract commitments. This contract expires March 31, 2023.

The remaining funding stream is based on its community program grants which are three-year contract commitments. These community program grants were recently refreshed in late February 2022 and commencing as of April 1, 2022 to March 31, 2025.

In addition to fighting poverty, the community program grants are also aligned with the reconciliation and equity commitments of United Way.

- (b) United Way maintains offices in Peel, Toronto and York Region area. Lease expirations of these premises are as follows:

- (i) Peel office - with current lease expiring in September 2031;
- (ii) Toronto office - with current lease expiring in January 2033; and
- (iii) York Region office - with current lease expiring in June 2027.

2023	\$	1,590
2024		1,700
2025		1,704
2026		1,870
2027		1,942
Thereafter		12,178
		<hr/>
	\$	20,984

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

17. Financial instruments:

(a) Currency risk:

United Way is exposed to financial risks with its securities denominated in a currency other than the Canadian dollar as a result of exchange rate fluctuations and the volatility of these rates. United Way does not currently enter into forward contracts to mitigate this risk. United Way mitigates these risks with investment policies designed to limit exposure and concentration while achieving optimal return within reasonable risk tolerances. As certain equity securities were converted to cash and cash equivalents last year, there has been no change in currency risk from the prior year.

(b) Liquidity risk:

Liquidity risk is the risk that United Way will be unable to fulfill its obligations on a timely basis or at a reasonable cost. United Way manages its liquidity risk by monitoring its operating requirements and its financial commitments. United Way prepares budgets and cash flow projections to ensure it has sufficient funds to fulfill its obligations. With the COVID-19 pandemic, this risk exposure remains a focus similar to the prior year.

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. United Way is exposed to credit risk with respect to other receivables. United Way assesses, on a continuous basis, other receivables and provides for any amounts that are not collectible. Cash and cash equivalents are held in creditworthy financial institutions in accordance with United Way's Statement of Investment Policies and Procedures. There has been no change in credit risk as compared to the prior year.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

17. Financial instruments (continued):

(d) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. United Way may be exposed to other price risk on equity securities. United Way mitigates these risks with investment policies designed to limit exposure and concentration while achieving optimal return within reasonable risk tolerances. There has been no change in price risk as compared to the prior year.

(e) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in interest rates. The United Way is exposed to interest rate risk on its cash and cash equivalent investments as interest rates not maintaining pace with inflation. With consideration of changes in interest rates, the interest rate risk exposure has increased from the prior year.

(f) Operating line of credit:

In the previous fiscal year, the Board of Trustees approved an operating line of credit for \$10,000 with a schedule 1 bank, a contingency plan to address the fundraising risk and financial uncertainties brought by the COVID-19 pandemic. To date, no amount has been drawn.

18. Voluntary related party disclosures:

As part of Imagine Canada Standards Program, United Way is required to disclose any payments to organizations in which a Board or Committee Member is an owner, partner or senior manager even though these transactions may not otherwise be disclosed under Section 4460 of Part III of the CPA Canada Handbook.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY GREATER TORONTO)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2022

18. Voluntary related party disclosures (continued):

United Way incurred expenses for bank service, merchant and security brokerage fees, with organizations with which certain members of the Board of Trustees and committee members are associated by way of employment, totalling approximately \$86 (2021 - \$98). These transactions are considered to be in the normal course of business and are measured at fair market value.

