



Financial Statements

United Way Maritimes

March 31, 2025

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Independent Auditor's Report

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To the Board of Directors of the
United Way Maritimes

Opinion

We have audited the financial statements of the United Way Maritimes (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the United Way Maritimes as at March 31, 2025, and its statements of operations, changes in net assets and 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 to the financial statements, which explains a change in accounting policy which has resulted in the retrospective application affecting the April 1, 2024 opening balances. Our opinion is not modified in respect of this matter.

Other Matter - Comparative Information

Without modifying our opinion, we draw attention to Note 13 to the financial statements, which explains an amalgamation. We were not engaged to provide an opinion on the comparative information and as a result, the financial statements of the Organization for the period ended March 31, 2024, are unaudited.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Halifax, Canada
June 27, 2025

Doane Grant Thornton LLP

Chartered Professional Accountants

United Way Maritimes

Statement of financial position

As at March 31


	General Fund	Tomorrow Fund	2025 Total	2024 Total (Note 13) (unaudited)
Assets				
Current				
Cash and cash equivalents	\$ 4,546,725	\$ 61,344	\$ 4,608,069	\$ 6,011,494
Restricted cash (Note 2)	841,586	-	841,586	9,392,000
Receivables	477,454	-	477,454	201,021
Prepays	-	-	-	<u>76,021</u>
	<u>5,865,765</u>	<u>61,344</u>	<u>5,927,109</u>	15,680,536
Deposits (Note 5)	704,000	-	704,000	-
Capital assets (Note 6)	8,825,510	-	8,825,510	28,800
Cash surrender value of life insurance	231,063	-	231,063	220,986
Long term investments, at market value	-	<u>4,027,801</u>	<u>4,027,801</u>	<u>3,749,948</u>
	<u>\$ 15,626,338</u>	<u>\$ 4,089,145</u>	<u>\$ 19,715,483</u>	<u>\$ 19,680,270</u>
Liabilities				
Current				
Payables and accruals	\$ 667,189	\$ -	\$ 667,189	\$ 367,385
Payable to Funded agencies	3,931,066	-	3,931,066	3,859,371
Deferred revenue (Note 7)	<u>356,207</u>	-	<u>356,207</u>	<u>937,649</u>
	<u>4,954,462</u>	-	<u>4,954,462</u>	5,164,405
Deferred contributions related to capital assets (Note 8)	<u>9,506,464</u>	-	<u>9,506,464</u>	<u>9,392,000</u>
	<u>14,460,926</u>	-	<u>14,460,926</u>	14,556,405
Net assets (page 5)				
General Fund	1,165,412	-	1,165,412	1,366,878
Tomorrow Fund	-	<u>4,089,145</u>	<u>4,089,145</u>	<u>3,756,987</u>
	<u>1,165,412</u>	<u>4,089,145</u>	<u>5,254,557</u>	<u>5,123,865</u>
	<u>\$ 15,626,338</u>	<u>\$ 4,089,145</u>	<u>\$ 19,715,483</u>	<u>\$ 19,680,270</u>

Commitments (Note 4)
Amalgamation (Note 13)

On Behalf of the Board



Director



Director

United Way Maritimes

Statement of operations

Year ended March 31	2025	2024
		(Note 13) (unaudited)
Revenue		
Fundraising (Note 10)	\$ 9,201,624	\$ 10,434,014
Funds received from other United Ways	<u>706,732</u>	<u>702,006</u>
Net fundraising revenue	<u>9,908,356</u>	<u>11,136,020</u>
Other revenue		
Government funded community program contributions	1,366,518	6,248,665
Other income	532,726	526,709
Investment income	335,562	251,688
Rent income	<u>67,193</u>	<u>-</u>
	<u>12,210,355</u>	<u>18,163,082</u>
Expenses		
Fundraising (Note 12)	<u>2,911,668</u>	<u>3,682,767</u>
Net revenue available for distributions to community programs and services	9,298,687	14,480,315
Distributions and community programs and direct service expenses		
Direct service delivery (Note 11)	4,151,351	2,067,344
Community program investment (Note 11)	4,810,396	11,756,366
Designations (Note 11)	<u>498,168</u>	<u>907,359</u>
	<u>9,459,915</u>	<u>14,731,069</u>
Deficiency of revenue over expenses before other items	(161,228)	(250,754)
Other items		
Unrealized gain on investments	281,380	167,332
Gain (loss) on cash surrender value of life insurance	<u>10,540</u>	<u>(7,805)</u>
Excess (deficiency) of revenue over expenses	<u>\$ 130,692</u>	<u>\$ (91,227)</u>

United Way Maritimes

Statement of changes in net assets

Year ended March 31

	General Fund	Tomorrow Fund	2025 Total	2024 Total (Note 13) (unaudited)
Net assets, beginning of year	\$ 1,366,878	\$ 3,756,987	\$ 5,123,865	\$ 5,215,092
Excess (deficiency) of revenue over expenses	(340,130)	470,822	130,692	(91,227)
Transfer to General Fund	<u>138,664</u>	<u>(138,664)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 1,165,412</u>	<u>\$ 4,089,145</u>	<u>\$ 5,254,557</u>	<u>\$ 5,123,865</u>

United Way Maritimes

Statement of cash flows

Year ended March 31	2025	2024
		(Note 13) (unaudited)
Increase (decrease) in cash and cash equivalents		
Operating		
Excess (deficiency) of revenue over expenses	\$ 130,692	\$ (91,227)
Unrealized gain on investments	(281,380)	(167,332)
Depreciation	432,205	4,684
Amortization of deferred capital contribution	(427,521)	-
	<u>(146,004)</u>	<u>(253,875)</u>
Change in non-cash working capital		
Receivables	(276,433)	15,992
Prepays	76,021	(22,041)
Deposits	(704,000)	-
Payables and accruals	299,804	58,765
Payable to Funded agencies	71,695	142,678
Deferred revenue	(581,442)	(272,935)
Deferred capital contributions received	541,985	9,392,000
	<u>(718,374)</u>	<u>9,060,584</u>
Investing		
Change in cash surrender value of life insurance	(10,077)	8,231
Purchase of capital assets	(9,228,915)	(14,892)
Restricted cash for housing projects	8,550,414	(9,234,807)
Purchase of investments, net of proceeds on sale	3,527	19,842
	<u>(685,051)</u>	<u>(9,221,626)</u>
Net decrease in cash and cash equivalents	(1,403,425)	(161,042)
Cash and cash equivalents, beginning of year	<u>6,011,494</u>	<u>6,172,536</u>
Cash and cash equivalents, end of year	<u>\$ 4,608,069</u>	<u>\$ 6,011,494</u>

United Way Maritimes

Notes to the financial statements

March 31, 2025

1. Nature of operations

United Way Maritimes (the “Organization”) is a regional impact organization addressing the root causes of poverty and the priority social needs of people in the communities it serves. Its priorities are to help people realize their full potential by keeping them housed, fed, safe and healthy, included and welcome, and ready to successfully work and learn. The Organization was formed as a result of an amalgamation on July 1, 2024, as described in Note 13.

The Organization brings together donors, volunteers, partners, community organizations and governments to create lasting social change. Local teams serve Central and Southwestern New Brunswick, Prince Edward Island, and Mainland Nova Scotia. The Organization also designs and delivers its own programs including building and operating affordable housing, strengthening the non-profit social sector capacity, and advocating on community issues and public policy. The Organization is a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) and include the following significant accounting policies.

Fund accounting

The Organization uses fund accounting and, accordingly, resources are classified for accounting purposes into funds based on specific activities or objectives. This method recognizes the limitations and restrictions placed on the use of resources available to the Organization by classifying all transactions according to their nature. The following funds are being utilized:

Unrestricted General Fund

The General Fund accounts for the Organization’s fundraising activities and other unrestricted contributions. This fund reports the monies which are available to provide support to the community.

Restricted Tomorrow Fund

The Board of Directors established the internally restricted fund. The fund receives gifts, bequests and memorials as designated by benefactors. The Tomorrow Fund is governed by the investment committee, as appointed by the United Way Maritimes Board.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents exclude restricted cash when it is not held for purposes of meeting short-term cash commitments or is externally restricted for specific purposes.

Restricted cash

Restricted cash includes \$591,586 (2024 - \$9,142,000) received to support the Organization in developing and operating housing project in HRM and \$250,000 (2024 - \$250,000) received to support rural housing project (Note 8). These funds are held in the restricted account for these specific projects.

United Way Maritimes

Notes to the financial statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Donated life insurance policies are recognized into income of the appropriate fund when cash is received.

Certain United Ways are requested to act on behalf of workplaces as the coordinator of their national or regional campaigns and to receive and disburse funds on behalf of other United Ways. These campaigns are known as Centrally Coordinated Campaigns ("CCC").

- Funds received from other United Ways:
These funds from other United Ways under the CCC arrangement are reported when received.
- Funds received for other United Ways:
Funds received by United Way Maritimes under the CCC arrangement are included in the campaign revenue amount when distributed. These distributed funds are recorded as a reduction to campaign revenue.

Designated donations that have been received but not disbursed at year end are recorded as deferred revenue. Upon disbursement, the payment is recorded as an expense and the donation is recorded as revenue.

Deferred contributions related to capital assets are required to be deferred and amortized on the same basis that related capital assets are amortized.

Investment income is recognized when earned and measurement and collectability are reasonably assured.

Rental income is recorded in accordance with the terms of the lease agreement and when collection is reasonably assured.

All other revenues are recognized when received or receivable.

Amalgamation

The Organization accounts for combination as a merger when all of the following criteria are met:

- (a) No party to the combination is characterized as either the acquirer or acquiree.
- (b) Those charged with governance of the predecessor organizations participate in determining the terms of combination, including the governance and management structures and selection of management personnel.
- (c) No significant consideration, except for transaction costs, flows to a third party of the combined entity.
- (d) The combined entity must encompass the purposes of each of the organizations subject to the combination at the combination date.

United Way Maritimes

Notes to the financial statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Amalgamation (continued)

- (e) There is no significant decline or planned significant decline in the client communities served by one or more but not all of the organizations that combined to form the reporting entity.

If all of the above criteria are not met, the combination shall be accounted for as an acquisition in accordance with the acquisition method.

When the combination is accounted for as merger, the Organization recognize the carrying value of the assets, liabilities, and net assets of the organizations subject to the combination on the combination date. No recognition of previously unrecognized assets or liabilities (e.g., internally developed intangible assets). The Organization measure the assets, liabilities and net assets at the amounts reported in the financial statements of the combining entities adjusted to achieve uniformity of accounting policies across the combining entities.

Capital assets

Capital assets are recorded at cost. Capital assets are amortized on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	20years
Furniture and equipment	5 years
Leasehold improvements	over the term of the lease

Assets under construction are capitalized during the construction period and depreciation commences when the asset is available for use.

When events or changes in circumstances indicate a capital asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value would be recognized as an expense. Such a write-down is not reversed if the service potential subsequently improves.

Investments

Investments are recorded at market value. Changes in fair value are recorded in statement of operation.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known. Items subject to significant management estimates include useful life of capital assets.

United Way Maritimes

Notes to the financial statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Operations

Expenses include costs directly incurred by departments, as well as allocations of certain overhead expenses including salaries, occupancy, insurance, amortization, postage, etc. at the following rates:

	<u>2025</u>	<u>2024</u> (Note 13) (unaudited)
Community impact expenses	52%	52%
Fundraising expenses	<u>48%</u>	<u>48%</u>
	<u>100%</u>	<u>100%</u>

The allocations are determined based on management's best estimate of the employees' time spent in the above areas weighted as an allocation of individual employee salary.

Total fundraising expenses reported in the statement of operations of \$2,911,668 (2024 - \$3,682,767) are reported after allocation of 48% (2024 - 48%).

Total community impact expenses reported in the statement of revenues and expenses of \$4,151,351 (2024 - \$2,067,344) are reported after allocation of 52% (2024 - 52%).

Included in the cost of fundraising are Government of Canada Workplace Charitable Campaign, a portion of which is reimbursable from Health Partners in the amount of \$95,069 (2024 - \$91,061).

Donated materials and services

Donated materials and services are recognized at their fair value in the financial statements when the amount can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased. There were no donated materials and services received by the Organization during the year to distribute to various agencies.

Financial instruments

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

- cash and cash equivalents
- receivables
- cash surrender value of life insurance
- payables and accruals
- payable to Funded agencies
- long term investments

United Way Maritimes

Notes to the financial statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Initial measurement

The Organization's financial instruments are measured at fair value when issued or acquired, except for certain non-arm's length transactions. Financial assets and financial liabilities obtained in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Organization does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. All changes in fair value of the Organization's investments in equities quoted in an active market are recorded in the statement of operations.

The financial instruments measured at amortized cost are cash and cash equivalents, receivables and payables and accruals.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment.

If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

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

The Organization is exposed to some risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations as at March 31, 2025:

a) Credit risk

Credit risk is the risk of financial loss to the Organization if a debtor fails to make payments when due. The Organization is exposed to this risk relating to its receivables. Management closely evaluates the collectability of its receivables which are assessed on a regular basis. There was no significant change in exposure from the prior year.

United Way Maritimes

Notes to the financial statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

b) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its payables and accruals. In the opinion of management, the liquidity risk to the Organization is low and not material. There was no significant change in exposure from the prior year.

c) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Organization is mainly exposed to interest rate risk. Interest rate risk is the risk that the fair value or 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 investments. In the opinion of management, the interest rate risk to the Organization is low and not material. There was no significant change in exposure from the prior year.

3. Change in accounting policy

The Organization is required to measure the assets, liabilities and net assets at the amounts reported in the financial statements of the combining entities adjusted to achieve uniformity of accounting policies across the combining entities. Before the amalgamation, some of the entities were recognized pledged contributions when received or receivable and a provision for uncollectible amounts was recorded to reduce pledges receivable to its estimated realizable value.

Effective April 1, 2024, the Organization changed its accounting policy for revenue recognition to record pledges when received. The Organization concluded that it was no longer reasonably able to estimate the realizable value of pledges. The Organization also believes that the new method of recognition presents information in a manner that is more easily understood by users. The change in policy has been applied retrospectively.

As a result, the balances as at March 31, 2024 have been adjusted as follows:

	Previously reported	Adjustment	Retrospective effect on closing balances
Statement of financial position			
Pledge receivables	\$ 1,940,498	\$(1,940,498)	\$ -
Allowance	(201,463)	201,463	-
Deferred revenues	23,850	(23,850)	-
Opening net assets	2,714,821	(1,598,264)	1,116,557
Statement of operations			
Fundraising revenue	224,058	116,922	340,980
Excess of revenue over expenses	224,058	116,922	340,980

United Way Maritimes

Notes to the financial statements

March 31, 2025

4. Commitments

The Organization leases its premises under a long term operating lease which expire between 2025 and 2032. The annual rent consists of a minimum amount plus a proportionate share of certain operating costs determined on an annual basis. Minimum rent payable for the premises for each of the next five years is as follows:

2026	\$ 200,462
2027	156,148
2028	130,848
2029	130,848
2030	130,848

5. Deposits

Construction deposits relate to a planned 47- unit community initiative to address affordability in rural communities. All construction is expected to be completed in 2026-27.

6. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2025 Net Book Value</u>	<u>2024 Net Book Value (Note 13) (unaudited)</u>
Land	\$ 581,348	\$ -	\$ 581,348	\$ -
Buildings	8,550,414	427,521	8,122,893	-
Furniture and equipment	13,362	5,344	8,018	10,690
Leasehold improvements	20,122	4,024	16,098	18,110
Assets under construction	<u>97,153</u>	<u>-</u>	<u>97,153</u>	<u>-</u>
	<u>\$ 9,262,399</u>	<u>\$ 436,889</u>	<u>\$ 8,825,510</u>	<u>\$ 28,800</u>

7. Deferred revenue

	<u>Opening balance</u>	<u>Contributions received</u>	<u>Revenue recognized</u>	<u>Ending balance</u>
Halifax	\$ 309,166	\$ 53,119	\$ 116,078	\$ 246,207
Central New Brunswick	171,035	-	171,035	-
PEI	354,943	110,000	354,943	110,000
Other	<u>102,505</u>	<u>-</u>	<u>102,505</u>	<u>-</u>
	<u>\$ 937,649</u>	<u>\$ 163,119</u>	<u>\$ 744,561</u>	<u>\$ 356,207</u>

United Way Maritimes

Notes to the financial statements

March 31, 2025

8. Deferred contributions related to capital assets

Deferred contributions related to capital assets are externally restricted expendable funds received in the current or prior periods to support capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations. Changes in the deferred contributions related to capital assets balance is detailed in the following table:

	<u>Opening balance</u>	<u>Contributions received</u>	<u>Revenue recognized</u>	<u>Ending balance</u>
Housing project - HRM	\$ 9,142,000	\$ -	\$ 427,521	\$ 8,714,479
Rural housing project	<u>250,000</u>	<u>541,985</u>	<u>-</u>	<u>791,985</u>
	<u>\$ 9,392,000</u>	<u>\$ 541,985</u>	<u>\$ 427,521</u>	<u>\$ 9,506,464</u>

9. Defined contribution pension plan

The Organization operates a defined contribution pension plan for its employees. The assets of the plan are held separately from those of the Organization in an independent fund administered by Industrial Alliance. The Organization matches the annual contributions of employees, which may be up to 5% of each employee's regular earnings.

Pension expense attributable to the Organization's pension plan for the current year is \$94,087 (2024 - \$83,477).

10. Fundraising revenue

Overall fundraising revenue includes revenue results from workplace giving campaigns, individual leadership donors, event proceeds, and major gift donations.

11. Distribution and community programs and direct service expenses

Direct service delivery

The Organization invests directly in community impact work to drive change across the Maritime region. Community impact expense includes collaborative funding, research, partnership facilitation (regarding equity, housing and poverty), salaries, consultation, public education and engagement in poverty issues. Critical services include 211 PEI, Building Safer Communities, ED Academy and others.

Community program investment

Community Program Investment includes funds provided to community organizations to support valuable programs and initiatives that align with the Organization's mandate to address the root causes of poverty and prioritize social needs of people in the communities the Organization serves.

United Way Maritimes

Notes to the financial statements

March 31, 2025

11. Distribution and community programs and service expenses (continued)

Community program investment (continued)

During fiscal 2025, the Organization provided program funding to 144 agencies (165 programs). The Organization commits to funding programs between 1 and 3 years. Total Community Program Investment will fluctuate annually based on past commitments and level of fundraising revenue. Current year Community Program Investment total also includes disaster relief funding and issue-specific corporate donations.

Designations

The Organization's workplace fundraising campaign provides the opportunity for donors to designate gifts to various organizations and programs making an impact in the community, in addition to giving directly to the Organization. These designations are recognized in revenue and expensed when paid out to the designated organizations. During 2025 and 2024 designations represented 5% and 6% respectively, of the funds raised in the organization's workplace fundraising campaigns.

12. Fundraising

	<u>2025</u>	<u>2024</u> (Note 13) (unaudited)
Fundraising expenses	<u>\$ 2,911,668</u>	<u>\$ 3,682,767</u>

Fundraising expenses are incurred to support sustainable operations, donor stewardship, and long-term mission advancement. Fundraising expenses consist of direct and general and administrative expenses. Direct expenses include event logistics, marketing, and staff salaries for dedicated fundraising activities. General and administrative expenses include shared operational costs for supporting fundraising, such as management oversight, financial tracking and management, as well as technological support and equipment.

13. Amalgamation

Effective July 1, 2024, seven United Way organizations across the Maritimes unified into a single entity known as United Way Maritimes. This new organization serves Central and Southwestern New Brunswick, Prince Edward Island and Mainland Nova Scotia. The amalgamation has been accounted for as a continuity of interest and accordingly, the assets, liabilities, net assets and operations of the predecessor entities have been combined in the operations of the amalgamated entity, which will now operate under the name of United Way Maritimes.

In addition, United Way of Halifax Board and United Way Halifax Tomorrow Fund Board have approved the motion to amalgamate.

The following is a summary of net assets brought into the amalgamation by the combining organizations:

United Way Maritimes

Notes to the financial statements

March 31, 2025

13. Amalgamation (continued)

Statement of financial position

	<u>United Way Halifax</u>	<u>Amalgamated United Ways</u>	<u>Amalgamation & Presentation Adjustments</u>	<u>United Way Maritimes</u>
Assets				
Cash and cash equivalents	\$ 1,610,818	\$ 4,400,676	\$ -	\$ 6,011,494
Restricted cash	9,392,000	-	-	9,392,000
Receivables	110,283	1,829,774	(1,739,036)	201,021
Prepays	-	76,021	-	76,021
	<u>11,113,101</u>	<u>6,306,471</u>	<u>(1,739,036)</u>	<u>15,680,536</u>
Capital assets	28,800	7,334	(7,334)	28,800
Cash surrender value of life insurance	220,986	-	-	220,986
Long term investments, at market value	<u>3,749,948</u>	<u>-</u>	<u>-</u>	<u>3,749,948</u>
	<u>\$15,112,835</u>	<u>\$ 6,313,805</u>	<u>\$ (1,746,370)</u>	<u>\$19,680,270</u>
Liabilities				
Payables and accruals	\$ 115,313	\$ 252,072	\$ -	\$ 367,385
Payable to funded agencies	1,325,508	2,533,863	-	3,859,371
Deferred revenue	<u>309,166</u>	<u>652,333</u>	<u>(23,850)</u>	<u>937,649</u>
	<u>1,749,987</u>	<u>3,438,268</u>	<u>(23,850)</u>	<u>5,164,405</u>
Deferred contributions related to capital assets	<u>9,392,000</u>	<u>-</u>	<u>-</u>	<u>9,392,000</u>
	<u>11,141,987</u>	<u>3,438,268</u>	<u>(23,850)</u>	<u>14,556,405</u>
Net assets				
General Fund	\$ 113,861	\$ 2,875,537	\$ (1,622,520)	\$ 1,366,878
Reserve for future operations	100,000	-	(100,000)	-
Tomorrow Fund	<u>3,756,987</u>	<u>-</u>	<u>-</u>	<u>3,756,987</u>
	<u>3,970,848</u>	<u>2,875,537</u>	<u>(1,722,520)</u>	<u>5,123,865</u>
	<u>\$15,112,835</u>	<u>\$ 6,313,805</u>	<u>\$ (1,746,370)</u>	<u>\$19,680,270</u>

United Way Maritimes

Notes to the financial statements

March 31, 2025

13. Amalgamation (continued)

Statement of Operations

	<u>United Way Halifax</u>	<u>Amalgamated United Ways</u>	<u>Amalgamation & Presentation Adjustments</u>	<u>United Way Maritimes</u>
Revenue				
Fundraising	\$ 5,045,922	\$ 5,505,014	\$ (116,922)	\$10,434,014
Funds received from other United Ways	<u>691,613</u>	<u>10,393</u>	<u>-</u>	<u>702,006</u>
Net fundraising revenue	<u>5,737,535</u>	<u>5,515,407</u>	<u>(116,922)</u>	<u>11,136,020</u>
Other revenue				
Government funded community program contributions	4,166,762	2,081,903	-	6,248,665
Other income	252,355	408,256	-	660,611
Investment and other income from Tomorrow Fund	<u>137,907</u>	<u>-</u>	<u>(20,121)</u>	<u>117,786</u>
	<u>10,294,559</u>	<u>8,005,566</u>	<u>(137,043)</u>	<u>18,163,082</u>
Expenses				
Fundraising	<u>1,186,999</u>	<u>2,495,768</u>	<u>-</u>	<u>3,682,767</u>
Net revenue available for distributions to community programs and services	9,107,560	5,509,798	(137,043)	14,480,315
Distributions and community programs and direct service expenses				
Direct service delivery	1,769,484	297,860	-	2,067,344
Community program investment	6,729,635	4,888,825	137,907	11,756,366
Designations	437,899	469,460	-	907,359
Tomorrow Fund disbursements	<u>137,907</u>	<u>-</u>	<u>(137,907)</u>	<u>-</u>
	<u>9,074,925</u>	<u>5,656,145</u>	<u>-</u>	<u>14,731,069</u>
Excess (deficiency) of revenue over expenses before other items	<u>32,635</u>	<u>(146,347)</u>	<u>(137,043)</u>	<u>(250,754)</u>
Other items				
Loss on cash surrender value of life insurance	(8,231)	427	-	(7,805)
Unrealized gain on investments	<u>-</u>	<u>-</u>	<u>167,332</u>	<u>167,332</u>
Excess (deficiency) of revenue over expenses	<u>\$ 24,404</u>	<u>\$ (145,920)</u>	<u>\$ 30,289</u>	<u>\$ (91,227)</u>

United Way Maritimes

Notes to the financial statements

March 31, 2025

13. Amalgamation (continued)

Statement of Cash Flows

	<u>United Way Halifax</u>	<u>Amalgamated United Ways</u>	<u>Amalgamation & Presentation Adjustments</u>	<u>United Way Maritimes</u>
Operating				
Excess (deficiency) of revenue over expenses	\$ 24,403	\$ (145,919)	\$ 30,289	\$ (91,227)
Unrealized gain on investments	(167,332)	-	-	(167,332)
Depreciation	4,684	-	-	4,684
	<u>(138,245)</u>	<u>(145,919)</u>	<u>30,289</u>	<u>(253,875)</u>
Change in non-cash working capital				
Receivables	13,942	2,050	-	15,992
Prepays	-	(22,041)	-	(22,041)
Payables and accruals	8,253	50,512	-	58,765
Payable to Funded agencies	-	142,678	-	142,678
Deferred revenue	229,675	(502,610)	-	(272,935)
Deferred capital contributions	9,392,000	-	-	9,392,000
	<u>9,505,625</u>	<u>(475,330)</u>	<u>30,289</u>	<u>9,060,584</u>
Investing				
Change in cash surrender value of life insurance	8,231	-	-	8,231
Restricted cash for housing projects	(9,392,000)	157,193	-	(9,234,807)
Purchase of capital assets	(14,892)	-	-	(14,892)
Purchase of investments, net of proceeds on sale	167,053	-	(147,211)	19,842
	<u>(9,231,608)</u>	<u>157,193</u>	<u>(147,211)</u>	<u>(9,221,626)</u>
Net increase (decrease) in cash and cash equivalents	274,017	(318,137)	(116,922)	(161,042)
Cash and cash equivalents, beginning of year	<u>1,336,801</u>	<u>4,835,735</u>	<u>-</u>	<u>6,172,536</u>
Cash and cash equivalents, end of year	<u>\$ 1,610,818</u>	<u>\$ 4,517,598</u>	<u>\$ (116,922)</u>	<u>\$ 6,011,494</u>