

UNITED WAY OF THE ALBERTA CAPITAL REGION

Audited Financial Statements

March 31, 2026



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INDEPENDENT AUDITOR'S REPORT

To the Members of United Way of the Alberta Capital Region

Opinion

We have audited the financial statements of United Way of the Alberta Capital Region (the Entity), which comprise:

- the statement of financial position as at March 31, 2026
- 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, 2026, 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 “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s 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.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor’s report thereon, included in the Annual Report.



Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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.

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 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.

- 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 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 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.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Edmonton, Canada

June 16, 2026

United Way of the Alberta Capital Region

Statement of Financial Position

As at March 31, 2026

	2026	2025
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,422,898	\$ 7,333,174
Restricted cash	494,816	1,070,269
Accounts receivable (note 3)	5,899,596	6,590,521
Prepaid expenses and other	172,193	115,148
Total current assets	<u>11,989,503</u>	<u>15,109,112</u>
Long-term investments	-	10
Capital assets (note 4)	3,236,653	3,561,332
Total assets	<u>\$ 15,226,156</u>	<u>\$ 18,670,454</u>
Liabilities and Net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 940,985	\$ 1,827,156
Deferred contributions (note 5)	2,334,221	4,000,626
Total current liabilities	<u>3,275,206</u>	<u>5,827,782</u>
Deferred capital contributions (note 6)	90,420	102,041
Net assets		
Unrestricted	3,590,708	4,157,752
Invested in capital assets	3,146,235	3,459,292
Internally restricted operating fund (note 7)	5,123,587	5,123,587
Total net assets	<u>11,860,530</u>	<u>12,740,632</u>
Commitments (note 12)		
Total liabilities and net assets	<u>\$ 15,226,156</u>	<u>\$ 18,670,454</u>

Approved by the Board of Directors



United Way of the Alberta Capital Region

Statement of Operations

For the year ended March 31, 2026

	2026	2025
Revenue		
Contributions and pledges, net (note 8)	\$ 16,200,974	\$ 17,481,113
Government grants	9,989,292	7,587,914
Investment income	122,729	419,142
Other	89,514	16,870
Total revenue	<u>26,402,509</u>	<u>25,505,039</u>
Fundraising expenses (note 10)	<u>5,616,081</u>	<u>5,833,023</u>
Net revenue available for community investment and programs	20,786,428	19,672,017
Community investment and program expenses		
Community investment to funded agencies and partners	4,894,747	5,450,611
Community investment for United Way initiatives with partners	11,274,328	11,011,497
Community services and program support (note 9)	3,293,764	4,321,503
Partner and non-partner designations	2,203,690	1,063,722
Total community investment and program expenses	<u>21,666,529</u>	<u>21,847,333</u>
Deficiency of revenue over expenses for the year	<u>\$ (880,101)</u>	<u>\$ (2,175,317)</u>

United Way of the Alberta Capital Region

Statement of Changes in Net Assets

For the year ended March 31, 2026

	Unrestricted	Invested in capital assets	Internally restricted operating fund	Total
Balance at April 1, 2024	\$ 6,487,664	\$ 3,304,697	\$ 5,123,587	\$14,915,948
Deficiency of revenue over expenses for the year	(1,832,902)	(342,415)	-	(2,175,317)
Purchase of capital assets	(315,197)	315,197	-	-
Mortgage repayment	(181,813)	181,813	-	-
Balance at March 31, 2025	4,157,752	3,459,292	5,123,587	12,740,631
Deficiency of revenue over expenses for the year	(506,902)	(373,199)	-	(880,101)
Purchase of capital assets	(60,142)	60,142	-	-
Balance at March 31, 2026	\$ 3,590,708	\$ 3,146,235	\$ 5,123,587	\$11,860,530

United Way of the Alberta Capital Region

Statement of Cash Flows

For the year ended March 31, 2026

	2026	2025
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses for the year	\$ (880,101)	\$ (2,175,317)
Amortization expense	373,199	342,415
Net change in non-cash working capital		
Accounts receivable	690,925	(1,925,874)
Prepaid expenses and other	(57,044)	857,168
Accounts payable and accrued liabilities	(886,171)	301,040
Deferred contributions	(1,666,405)	(1,701,652)
Total cash used in operating activities	<u>(2,425,597)</u>	<u>(4,302,219)</u>
Investing activities		
Purchase of capital assets	(60,142)	(315,197)
Proceeds (purchase) of short-term investments	-	3,104,000
Proceeds on long-term investments	10	-
Total cash (used in) provided by investing activities	<u>(60,132)</u>	<u>2,788,803</u>
Financing activities		
Repayment of mortgage	-	(181,813)
Total cash used in financing activities	<u>-</u>	<u>(181,813)</u>
Change in cash and cash equivalents and restricted cash, during the year		
	<u>(2,485,729)</u>	<u>(1,695,229)</u>
Cash and cash equivalents and restricted cash, beginning of the year	<u>8,403,443</u>	<u>10,098,672</u>
Cash and cash equivalents and restricted cash, end of the year	<u>\$ 5,917,714</u>	<u>\$ 8,403,443</u>
Cash and cash equivalents	5,422,898	7,333,174
Restricted cash	494,816	1,070,269
	<u>\$ 5,917,714</u>	<u>\$ 8,403,443</u>

United Way of the Alberta Capital Region

Notes to the Financial Statements

March 31, 2026

1. Organization

The mission of United Way of the Alberta Capital Region (the “United Way”) is to build resilient, connected, and thriving communities where no one is left behind.

United Way is a registered charitable organization and a public charitable foundation incorporated under the Charities Act in the Province of Alberta and, as such, is exempt from tax under the Income Tax Act (Canada).

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The preparation of these financial statements requires management to make estimates and assumptions. Actual results could differ from those estimates. Significant estimates and judgments include the provision for uncollectible pledges, useful lives of capital assets, and allocation of costs. These financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Revenue recognition

These financial statements have been prepared using the deferral method of accounting for revenue, the key elements of which are:

Contributions and pledges

Contributions and pledges relate to campaigns and events conducted by corporations, employee groups, employee funds, individuals and foundations during the year to raise support for projects, services provided by funded partner agencies, funded non-partner agencies, partnerships addressing new and emerging needs and other registered Canadian charities.

These contributions and pledges are recognized as revenue in the year in which they are gifted or pledged, with the exception of donor restricted funds. All contributions and pledges that are restricted by donors are initially recorded as deferred contributions and then recognized as revenue in the year in which the related expenses are incurred.

Contributions and pledges also include bequests. Unrestricted bequests are recognized as revenue in the year in which they are gifted. Restricted bequests are initially deferred and recognized as revenue in the year in which the related expenses are incurred.

Government grants

Government grants represent funds received from the Federal, Provincial, and Municipal governments. Government grants are recorded as deferred contributions and are recognized as revenue in the year the related expenses are incurred.

United Way of the Alberta Capital Region

Notes to the Financial Statements

March 31, 2026

Investment income

Investment income is comprised of interest income, is unrestricted and recognized as revenue in the year it is earned.

Capital contributions

Restricted contributions for the purchase of capital assets subject to amortization will be deferred and recognized as revenue on the same basis as the amortization expense related to the acquired asset.

Restricted contributions for the purchase of capital assets not subject to amortization will be recognized as a direct increase in net assets invested in capital assets.

Donated goods and services

Goods and services are donated in-kind by the community to the United Way to be consumed in operations are not recorded as revenue due to difficulties in determining fair value of such goods and services.

A substantial number of volunteers contribute a significant amount of their time to United Way each year. Due to the difficulties in determining fair value of these contributed services, they are not recognized in these financial statements.

Allocation of costs

United Way allocates operational expenses between fundraising expenses and community services and program support based on headcount-driven allocation between the fundraising team and the community investment and program team.

Cash and cash equivalents and restricted cash

Cash and cash equivalents consist of cash on deposit and short-term investments with maturity periods of less than three months or redeemable on demand. Restricted cash is held in separate bank accounts and is used for the purposes of carrying out program delivery.

Campaign pledges receivable

Pledges are recorded as revenue and are receivable when signed pledge documents are received or other documents are available to provide reasonable evidence of a valid pledge. An allowance for doubtful pledges is provided for based on management's best estimate of doubtful amounts. The provision is based on historical pledge collection rates while applying judgment over outstanding balances, taking into consideration individual circumstances to pledges receivable.

Included in campaign pledges receivable is an amount related to United Way's service as a host for certain centrally coordinated campaign initiatives, whereby pledges and associated pledged funds

United Way of the Alberta Capital Region

Notes to the Financial Statements

March 31, 2026

are accumulated on behalf of other organizations. Payments to be made to other organizations in this capacity are included in accounts payable and accrued liabilities.

Due to the non-binding nature of pledges receivable, it is reasonably possible that changes in future conditions in the near term could require a material change in the recognized amount.

Pledge loss arising from uncollectible pledges is netted against contributions and pledges revenue in the statement of operations. This presentation ensures that the net contributions and pledges reflect the impact of uncollectible pledges.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization commences when a capital asset is put into use. Amortization of capital assets is provided on a straight-line basis over the following terms:

Building	25 years
Computer equipment and software	3-5 years
Furniture and fixtures	10 years

Land is not subject to amortization.

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to United Way's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-downs of capital assets are recognized as expenses in the statement of operations. Write-downs are not subsequently reversed.

Internally restricted operating fund

United Way maintains a separate operating reserve fund, as allocated by the Board, to increase the long-term financial stability of United Way. The fund's primary purpose is to ensure that United Way has the necessary resources to either compensate for unforeseen shortfalls in future campaign revenue or to meet future extraordinary expenses.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. All financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The United Way has not elected to carry any such financial instruments at fair value.

All financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

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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, the 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 the 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.

3. Accounts receivable

	2026	2025
Campaign pledges receivable	\$ 5,496,748	\$ 5,881,843
Pledge loss provision	(701,395)	(490,000)
Government grants receivable	983,336	935,672
GST receivable	20,781	112,045
Other receivables	100,126	150,961
	\$ 5,899,596	\$ 6,590,521

4. Capital assets

	2026		
	Cost	Accumulated amortization	Net
Land	\$ 872,615	\$ -	\$ 872,615
Building	6,385,532	(4,300,819)	2,084,713
Computer equipment and software	2,564,050	(2,296,154)	267,896
Furniture and fixtures	763,715	(752,286)	11,429
	10,585,912	(7,349,259)	3,236,653
	2025		
	Cost	Accumulated amortization	Net
Land	872,615	-	872,615
Building	6,385,532	(4,045,398)	2,340,134
Computer equipment and software	2,503,909	(2,168,846)	335,063
Furniture and fixtures	820,289	(806,769)	13,520
	\$ 10,582,345	\$ (7,021,013)	\$ 3,561,332

United Way of the Alberta Capital Region

Notes to the Financial Statements

March 31, 2026

5. Deferred contributions

	2026	2025
Deferred contributions, beginning of the year	\$ 4,000,626	\$ 5,702,278
Contributions received	11,323,130	8,127,839
Contributions recognized as revenue	(12,989,535)	(9,829,491)
Deferred contributions, end of the year	<u>\$ 2,334,221</u>	<u>\$ 4,000,626</u>

6. Deferred capital contributions

	2026	2025
Deferred capital contributions, beginning of the year	\$ 102,041	\$ 113,662
Contributions recognized as revenue	(11,622)	(11,622)
Deferred capital contributions, end of the year	<u>\$ 90,420</u>	<u>\$ 102,041</u>

7. Internally restricted operating fund

	Community investment reserve	Operating reserve	Innovation reserve	Building reserve	Total
Balance at April 1, 2024	\$ 2,859,953	\$ 1,042,655	\$ 584,649	\$ 636,330	\$ 5,123,587
Balance at March 31, 2025	<u>2,859,953</u>	<u>1,042,655</u>	<u>584,649</u>	<u>636,330</u>	<u>5,123,587</u>
Transfer to reserves	(2,859,953)	4,080,932	(584,649)	(636,330)	-
Balance at March 31, 2026	<u>\$ -</u>	<u>\$ 5,123,587</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,123,587</u>

On March 31, 2026, United Way consolidated its four internally restricted reserves into a single general operating reserve, as approved by our Board of Directors. This change was made to simplify financial reporting and improve flexibility in managing funds while maintaining appropriate oversight by the Board. The consolidation did not affect total net assets or externally imposed restrictions, and all funds remain subject to United Way's reserve policy and governance processes.

8. Contributions and pledges

	2026	2025
Annual campaign revenue	\$ 14,908,670	\$ 16,165,301
Change in provision for uncollectible pledges	(297,276)	(34,315)
Funds transferred from other United Way organizations	1,828,735	1,627,477
Funds transferred to other United Way organizations	(239,155)	(277,350)
	<u>\$ 16,200,974</u>	<u>\$ 17,481,113</u>

United Way of the Alberta Capital Region

Notes to the Financial Statements

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9. Community services and program support

Community services and program support the management, oversight and distribution of community investments via the United Way network of agencies, partners, and community services. It includes program administration for government funded programs, allocation of expenses (note 2) and United Way membership dues in accordance with United Way Centraide Canada's (UWCC) Transparency, Accountability and Financial Reporting (TAFR) policy.

10. Fundraising expenses

In accordance with UWCC TAFR policy, United Way uses the following method to calculate cost revenue ratios:

	2026	2025
Total revenue	\$ 26,402,509	\$ 25,505,040
Total fundraising expenses	5,616,081	5,833,023
Total fundraising expense as a percentage of revenue	21%	23%

As required under the Alberta Charitable Fundraising Regulation (108/2000), Section 7(2) the amounts paid as remuneration to employees whose principle duties involved fundraising was \$2,569,272 (\$2,251,939 – March 31, 2025).

11. Allocation of cost by function

	2026	2025
Salaries and benefits	\$ 3,053,049	\$ 4,006,619
Professional and consulting fees	337,173	856,123
Office supplies	659,533	609,797
Amortization expense	373,199	342,415
Occupancy costs	216,831	253,034
Advertising and promotion	418,347	616,379
Education, training and recognition	41,148	49,851
Other	13,133	16,251
	<u>\$ 5,112,413</u>	<u>\$ 6,750,469</u>
Allocated to:		
Fundraising expenses	2,901,640	3,537,873
United Way program and initiatives	2,210,773	3,212,596
	<u>\$ 5,112,413</u>	<u>\$ 6,750,469</u>

United Way of the Alberta Capital Region

Notes to the Financial Statements

March 31, 2026

12. Commitments

United Way has commitments under lease and service agreements extending to 2030. Future minimum annual payments are as follows:

2027	441,253
2028	164,444
2029	147,820
2030	36,955
	<u>\$ 790,472</u>

13. Financial risk management

Credit risk

United Way is subject to credit risk with respect to campaign pledges receivable. United Way is not exposed to any significant concentration of credit risk due to its large donor base. Management monitors these accounts regularly and is reasonably assured the United Way is not exposed to significant credit risk in excess of the pledge loss provision as at the statement of financial position date. Campaign pledges receivable are reported net of the pledge loss provision. Credit risk remains consistent with the prior year.

Liquidity risk

United Way's objective in managing capital is to ensure a sufficient liquidity position to finance its expenses, working capital and overall capital expenditures. Since inception, the United Way has primarily financed its liquidity through campaign revenue, grants and income from its investments and expects to continue to meet future requirements through these sources. Liquidity risk remains consistent with the prior year.

14. Comparative information

Certain comparative financial information has been reclassified to conform to the current year presentation.

15. Subsequent events

On April 7th, 2026, United Way entered into a new operating line of credit agreement with ATB Financial for a maximum borrowing amount of \$2,000,000. The line of credit bears interest at prime plus 0.5% and is secured by the building owned by the organization. The operating line of credit was acquired to support working capital requirements.