Grant Thornton

Financial Statements

United Way/Centraide (Central N.B./Région du Centre du N.B.) Inc.

March 31, 2011

Contents

	Page
Independent Auditors' Report	1 - 2
Statements of Operations and Changes in Fund Balances	3
Statement of Financial Position - General Fund	4
Statement of Cash Flows - General Fund	5
Notes to the Financial Statements	6 - 8
Schedule of Administrative Expenses	9
Schedule of Agency Allocations	10
Schedule of Program Expenses	11
Schedule of Campaign Expenses	12

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Independent auditor's report

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To the Members of
United Way/Centraide (Central N.B./Région du Centre du N.B.) Inc.

We have audited the accompanying financial statements of United Way/Centraide (Central N.B./Région du Centre du N.B.) Inc. which comprise the statement of financial position as at March 31, 2011, and the statement of operations and changes in fund balances and cash flows for the year then ended.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Independent auditor's report (Cont'd)

Basis for qualified opinion

In common with many non-profit organizations, United Way/Centraide (Central N.B./Région du Centre du N.B.) Inc. derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of expenditures over revenues, assets and net assets.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of United Way/Centraide (Central N.B./Région du Centre du N.B.) Inc. as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Fredericton, NB
May 19, 2011

Chartered accountants

Audit • Tax • Advisory
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United Way/Centraide (Central N.B./ Région du Centre du N.B.) Inc. Statements of Operations and Changes in Fund Balances

Year Ended March 31,	2011	2010
Revenue		
Donations processed and fundraising events	$ 1,244,878	$ 1,213,764
Funds transferred from other United Ways-Centraides	81,268	29,413
Gross campaign revenue available for the community	1,326,146	1,243,177
Less: Provision for uncollectable pledges	(33,024)	(46,887)
Net campaign revenue	1,293,122	1,196,290
Sponsorship	12,500	10,750
Gifts in kind	2,147	4,144
Bequests	9,794	30,000
Investment revenue	2,355	1,892
Recovery from class action settlement	-	98,748
	1,319,918	1,341,824
Campaign expenses (Page 12)	264,745	242,458
Net amount available for allocations and programs	1,055,173	1,099,366
Allocations and program expenses (Page 11)	1,265,984	953,561
Excess of (expenditures over revenue) revenue over expenditures	$ (210,811)	$ 145,805

	Investment in Equipment	Unrestricted	Restricted	2011 Total	2010 Total
Fund balance, beginning of year	$ 3,218	$ 579,874	$ 8,800	$ 591,892	$ 446,087
Excess of (expenditures over revenue) revenue over expenditures	631	(211,442)	-	(210,811)	145,805
Fund balance, end of year	$ 3,849	$ 368,432	$ 8,800	$381,081	$ 591,892

See accompanying notes to the financial statements.

United Way/Centraide (Central N.B./ Région du Centre du N.B.) Inc.
Statement of Financial Position
General Fund

March 31,	2011	2010
Assets		
Cash	$ 556,123	$ 603,910
Term deposits	201,022	200,118
Receivables	9,158	7,471
Prepaid expenses	9,109	6,006
	775,412	817,505
Pledges receivable – current year campaign	618,500	627,764
Less: allowance for uncollectible pledges	(53,500)	(54,551)
	565,000	573,213
Pledges receivable – prior year campaign	49,163	24,350
Computer software and hardware (Note 3)	3,849	3,218
	$ 1,393,424	$ 1,418,286
Liabilities		
Payables and accruals		
Trade	$ 21,030	$ 22,570
Accrued allocations	991,313	803,824
	1,012,343	826,394
Fund balances		
Invested in equipment	3,849	3,218
Unrestricted	368,432	579,874
Restricted	8,800	8,800
	381,081	591,892
	$ 1,393,424	$ 1,418,286

Commitments (Note 5)

ON BEHALF OF THE BOARD

President

Treasurer

See accompanying notes to the financial statements.

United Way/Centraide (Central N.B./ Région du Centre du N.B.) Inc.
Statement of Cash Flows
General Fund

Year Ended March 31,	2011	2010
(Decrease) increase in cash and cash equivalents		
Operating		
Excess of (expenditures over revenue) revenue over expenditures	$ (210,811)	$ 145,805
Amortization of capital assets	1,597	1,208
Net change in non-cash working capital	164,558	15,632
	(44,656)	162,645
Financing and investing		
Purchase of capital assets	(2,227)	(1,331)
Net (decrease) increase in cash and cash equivalents	(46,883)	161,314
Cash and cash equivalents, beginning of year	804,028	642,714
Cash and cash equivalents, end of year	$ 757,145	$ 804,028

See accompanying notes to the financial statements.

1. Purpose of the Organization

The purpose of the organization is to provide funding to various non-profit operations based upon monies raised from fundraising activities. The company is incorporated under the New Brunswick Companies Act as a not-for-profit organization and is exempt from tax under paragraph 149(1)(1) of the Income Tax Act.

2. Summary of significant accounting policies

Revenues and expenditures

Revenues
Revenue from campaign donations is recorded on an accrual basis. Revenue is recognized for amounts pledged but not received in the period the pledges are made. Revenue from external program support is recorded using the deferral method. Investment income is recognized on an accrual basis, as it is earned.

The organization records revenue from bequests when the proceeds are received and it has been determined that any conditions attached to the bequests are acceptable to the organization.

Expenditures
Expenditures are recorded on an accrual basis and are charged to three functional areas of the organization: administrative, campaign and community programs.

Administrative expenditures are incurred to operate the organization and its programs in a cost-effective manner while maximizing all opportunities to further the organization's purpose. The organization allocates all of its administrative expenditures to the other two areas using the method disclosed in note 4 to the financial statements. Amortization expense is not allocated.

Allocations to member and non member agencies, as well as donor options paid by other United Ways are charged directly to community programs, and are recognized when the Board has authorized the allocations recommended by the Allocation Committee.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and short term deposits with original maturities of twelve months or less.

Computer software and hardware

Expenditures for computer software and hardware are amortized on a straight line basis over five years. One half of the rate of depreciation is used in the year of acquisition.

2. Summary of significant accounting policies (continued)

Use of estimates
Under Canadian Generally Accepted Accounting Principles management is required to make estimates and assumptions to prepare financial statements. These estimates are based on management's best knowledge of current events and actions that the organization may undertake in the future. These estimates and assumptions affect the amount of assets and liabilities presented as at the reporting date and the reported amount of revenue and expenses during the fiscal period. Significant estimates in the financial statements include collection estimates pertaining to pledges receivable and resource deployment estimates to assist in allocating administrative expenses. Actual results may be different from the estimates and assumptions used.

Restricted Fund Balance
The purpose of the restricted fund is to record the receipt and use of resources that are subject to restrictions. In 2001, $8,000 was transferred from the Endowment Fund with the specific purpose of purchasing capital assets. In 2010, $1,000 was donated specifically for flood relief. None of these funds were used in the current year (2010 - $200 was used for flood relief purposes).

Future accounting changes
The Accounting Standards Board of Canada has issued *Part III* of the *CICA Handbook – Accounting Standards for Not-for-Profit Organizations.* These standards are effective for years beginning on or after January 1, 2012.

The Organization will be reviewing these new standards to determine what impact, if any, they will have on future reporting periods.

3. Computer software and hardware

	Cost	Accumulated Amortization	**2011 Net Book Value**	2010 Net Book Value
Computer software and hardware	$ 38,307	$ 34,458	**$ 3,849**	$ 3,218

4. Expense allocation

The entity allocates its costs to two functional areas: campaign and programs. General costs which do not pertain specifically to either function are considered administrative and are allocated to the functional areas based on management's estimates of resource deployment in the year. Administrative costs are summarized on page 9 and have been allocated as follows:

	2011	2010
Campaign expenses	**64%**	64%
Program expenses	**36%**	36%

5. Commitments

The organization has entered into agreements to lease its premises and office equipment at minimum lease payments as follows:

2012	$ 35,034
2013	$ 37,454
2014	$ 33,668
2015	$ 2,448
2016	$ 2,448

6. Bank indebtedness

The organization has an operating line of credit of $50,000 of which none was utilized at March 31, 2011.

7. Financial instruments

The organizations financial instruments consist of cash, term deposits, receivables and payables and accruals.

The term deposits have been designated as held-to-maturity and are recorded at cost. Income is recognized in the period earned.

The fair value of the entity's cash, receivables and payables and accruals approximate their market value due to the relatively short period to maturity of the instruments.

It is management's opinion that the entity is not subject to significant amounts of currency or credit risk arising from these instruments.

The entity's exposure to interest rate risk is not significant as the term deposits are subject to fixed rates.

8. Comparative figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the year ended March 31, 2011.

9. Capital management

Management considers capital to be fund balances. The entity's objective when managing capital is to maintain financial strength to sustain long term delivery of its core activities.

United Way/Centraide (Central N.B./ Région du Centre du N.B.) Inc.
Schedule of Administrative Expenses
Year Ended March 31, 2011

	2011	2010
Amortization	$ 1,597	$ 1,208
Audit and accounting	12,021	9,610
Employee benefits	3,127	2,717
Insurance	658	1,775
Interest	-	-
Miscellaneous	5,850	2,800
Occupancy	30,812	26,997
Office and printing	4,080	2,929
Postage	312	666
Publicity	-	1,221
Salaries and wages	26,845	21,174
Service contracts	5,358	5,655
Telephone	8,915	8,880
	$ 99,575	$ 85,632
Allocation to campaign expenses (Note 4)	$ 63,729	$ 54,805
Allocation to program expenses (Note 4)	$ 35,846	$ 30,827

United Way/Centraide (Central N.B./ Région du Centre du N.B.) Inc.
Schedule of Agency Allocations

Year Ended March 31,	2011	2010
Agency Allocations		
Ability New Brunswick Inc.	$ 57,197	$ 55,413
Big Brothers-Big Sisters Association Inc.	40,643	35,527
Canadian Mental Health Association	24,036	17,094
Canadian National Institute for the Blind	37,871	36,423
CFB Gagetown Emergency Benevolent Fund	2,220	858
Community Health Clinic	14,370	7,066
Easter Seals New Brunswick	30,871	29,481
Family Enrichment and Counselling Services	61,054	59,486
Fredericton Association for Community Living	232	330
Fredericton Boys and Girls Club	70,335	24,444
Fredericton Community Kitchen	41,662	22,387
Fredericton Community Services	24,585	9,328
Fredericton Emergency Shelter	46,128	34,273
Fredericton Residence Youth Service	-	408
Fredericton Sexual Assault Crisis Centre	39,708	34,913
Geary Headstart	2,264	1,470
Hospice Fredericton	15,000	-
Jobs Unlimited	34,361	25,055
John Howard Society	32,055	29,875
Laubach Literacy	6,162	3,533
Liberty Lane	24,847	22,907
Meals on Wheels	25,989	22,877
Military Police Fund for Blind Children	190	-
New Brunswick Association for Community Living	20,008	18,844
Opal Family Services	63,460	39,360
Oromocto Community Residences	379	325
Oromocto Food Bank	23,331	18,844
Scouts Canada	8,841	5,597
Society for the Prevention of Cruelty to Animals-Fredericton	23,250	21,804
Society for the Prevention of Cruelty to Animals-Oromocto	9,295	10,342
Sunbury West Headstart	1,439	1,413
Victorian Order of Nurses – Fredericton	48,295	45,805
Victorian Order of Nurses – Oromocto	30,561	29,514
Victorian Order of Nurses – Woodstock	21,376	21,376
YMCA - YWCA	36,010	31,603
Youth in Transition	16,880	14,062
	$ 934,905	$ 732,037

United Way/Centraide (Central N.B./ Région du Centre du N.B.) Inc.
Schedule of Program Expenses

Year Ended March 31,	2011	2010
Allocation and Designations		
Allocations to member agencies (Page 10)	$ 934,905	$ 732,037
Allocations to non-member agencies	113,651	89,259
Donor options paid by other United Ways-Centraides	81,268	29,413
	1,129,824	850,709
Program Expenses		
Employee benefits	7,143	5,059
Miscellaneous	2,668	684
National Agency expenditures - United Way Canada	7,535	8,611
Office and printing	2,862	3,894
Publicity	7,532	5,058
Salaries and wages	66,761	44,621
Travel and conferences	5,813	4,098
	1,230,138	922,734
Allocation of administrative expenses (Page 9)	35,846	30,827
Total program expenses	$ 1,265,984	$ 953,561

United Way/Centraide (Central N.B./ Région du Centre du N.B.) Inc.
Schedule of Campaign Expenses
Year Ended March 31,

	2011	2010
Campaign expense and supplies	$ 12,605	$ 14,138
Employee benefits	7,971	9,701
Golf tournament	5,317	5,361
Miscellaneous	37,251	38,978
Office and printing	13,241	8,677
Postage	3,810	4,110
Publicity	13,509	7,699
Salaries and wages	104,197	90,407
Training	1,409	1,884
Travel and conferences	1,706	6,698
	201,016	187,653
Allocation of administrative expenses (Page 9)	63,729	54,805
Total campaign expenses	$ 264,745	$ 242,458