



Grant Thornton

Financial Statements

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

March 31, 2010

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Grant Thornton

Auditors' 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 statement of financial position of United Way/Centraide (Central N.B./Région du Centre du N.B.) Inc. as at March 31, 2010 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, United Way/Centraide (Central N.B./Région du Centre du N.B.) Inc. derives its revenue from public donations. These revenues by their nature are not susceptible to complete verification by audit procedures. 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 donation revenues, excess of revenue over expenditures, assets and fund balances.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the United Way/ Centraide (Central N.B./Région du Centre du N.B.) Inc. as at March 31, 2010 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 12, 2010

Chartered Accountants

**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,	2010	2009
Revenue		
Donations processed and fundraising events	\$ 1,213,764	\$ 1,240,506
Funds transferred from other United Ways-Centraides	<u>29,413</u>	<u>39,148</u>
Gross campaign revenue available for the community	1,243,177	1,279,654
Less: Provision for uncollectable pledges	<u>(46,887)</u>	<u>(34,096)</u>
Net campaign revenue	1,196,290	1,245,558
Sponsorship	10,750	13,140
Gifts in kind	4,144	3,106
Bequests	30,000	-
Investment revenue	1,892	12,184
Recovery from class action settlement	<u>98,748</u>	<u>-</u>
	<u>1,341,824</u>	<u>1,273,988</u>
Expenditures		
Campaign expenses (Page 12)	241,684	246,507
Amortization	<u>1,208</u>	<u>1,821</u>
	<u>242,892</u>	<u>248,328</u>
Net amount available for allocations and programs	<u>1,098,932</u>	<u>1,025,660</u>
Program expenses (Page 11)	<u>953,127</u>	<u>938,560</u>
Excess of revenue over expenditures	<u>\$ 145,805</u>	<u>\$ 87,100</u>

	Investment in Equipment	Unrestricted	Restricted	2010 Total	2009 Total
Fund balance, beginning of year					
As previously reported	\$ 3,095	\$ 260,934	\$ 8,800	\$272,829	\$ 230,349
Restatement of prior periods (Note 2)	<u>-</u>	<u>173,258</u>	<u>-</u>	<u>173,258</u>	<u>128,638</u>
As restated	\$ 3,095	\$ 434,192	\$ 8,800	\$ 446,087	358,987
Excess of revenue over expenditures	<u>123</u>	<u>145,682</u>	<u>-</u>	<u>145,805</u>	<u>87,100</u>
Fund balance, end of year	<u>\$ 3,218</u>	<u>\$ 579,874</u>	<u>\$ 8,800</u>	<u>\$591,892</u>	<u>\$ 446,087</u>

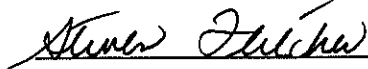
See accompanying notes to the financial statements.

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

March 31,	2010	2009
Assets		
Cash	\$ 603,910	\$ 444,824
Term deposits	200,118	197,890
Receivables	7,471	6,826
Prepaid expenses	<u>6,006</u>	<u>13,375</u>
	<u>817,505</u>	<u>662,915</u>
Pledges receivable – current year campaign	627,764	640,969
Less: allowance for uncollectible pledges	<u>(54,551)</u>	<u>(54,551)</u>
	<u>573,213</u>	<u>586,418</u>
Pledges receivable – prior year campaign	<u>24,350</u>	<u>63,543</u>
Computer software and hardware (Note 3)	<u>3,218</u>	<u>3,095</u>
	<u>\$ 1,418,286</u>	<u>\$ 1,315,971</u>
Liabilities		
Payables and accruals		
Trade	\$ 22,570	\$ 65,168
Accrued allocations	<u>803,824</u>	<u>804,716</u>
	<u>826,394</u>	<u>869,884</u>
Fund balances		
Invested in equipment	3,218	3,095
Unrestricted	579,874	434,192
Restricted	<u>8,800</u>	<u>8,800</u>
	<u>591,892</u>	<u>446,087</u>
	<u>\$ 1,418,286</u>	<u>\$ 1,315,971</u>

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

Year Ended March 31,	2010	2009
Increase (decrease) in cash and cash equivalents		
Operating		
Excess of revenue over expenditures	\$ 145,805	\$ 87,100
Amortization of capital assets	1,208	1,821
Net change in non-cash working capital	<u>15,632</u>	<u>(88,836)</u>
	<u>162,645</u>	<u>85</u>
Financing and investing		
Purchase of capital assets	<u>(1,331)</u>	<u>(2,101)</u>
Net increase (decrease) in cash and cash equivalents	161,314	(2,016)
Cash and cash equivalents, beginning of year	<u>642,714</u>	<u>644,730</u>
Cash and cash equivalents, end of year	<u>\$ 804,028</u>	<u>\$ 642,714</u>

See accompanying notes to the financial statements.

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the Financial Statements
March 31, 2010

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.

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the Financial Statements
March 31, 2010

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 2009, \$1,000 was donated specifically for flood relief. None of these funds were used in the current year (2009 - \$200 was used for flood relief purposes).

New accounting standards

a) Effective April 1, 2009, the entity adopted *Section 4470 – Disclosure of Allocated Expenses* by Not for Profit Organizations. This section requires the entity to disclose information regarding the method of allocating expenses by function to which the expenses relate. As a consequence, the entity has included note 4 to the financial statements.

b) Adoption of Accounting Changes - Restatement

The CICA amended Section 1000 to delete paragraph 1000.25 and amend paragraph 1000.46 to remove the reference to recognition of items as assets and liabilities solely on the basis of matching of net income elements. These changes are effective for the entity's year ended March 31, 2010 and their effects have been recorded retrospectively in accordance with the requirements for a change in accounting policy.

The United Way runs a campaign annually to raise funds to provide program funding and allocations to member agencies. Historically the United Way deferred recognition of its annual campaign revenue to the subsequent year to match the timing of revenue recognition with the distributions made from the proceeds of the campaign. Fundraising expenses related to the campaign were also deferred and recognized in the same fiscal year to match the recognition of the revenue.

With the adoption of the above noted changes to Section 1000, the campaign revenue to be reported annually will be amounts received or receivable in connection with the current year campaign to the extent that these amounts are unrestricted. Designated contribution revenue, which is restricted by the donor, will continue to be deferred until the related restrictions are satisfied. Fund raising costs will be expensed when incurred.

Community investments are allocated funds that are committed to funded community organizations effective April 1 each year for the subsequent twelve months, funded from the most recently completed campaign. The allocations to community agencies will be recognized when the Board has authorized the allocations; creating a liability to the respective agencies.

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the Financial Statements
March 31, 2010

2. Summary of significant accounting policies (continued)

New accounting standards (continued)

The comparative figures for 2009 have been restated to effect these changes. The restatement resulted in:

	<u>Increase</u>	<u>Decrease</u>
Deferred campaign expenses		222,928
Accrued allocations	804,716	
Deferred campaign contributions		1,200,903
Fund balance, beginning of year	128,638	
Revenue over expenditures for the year	44,620	

Future accounting changes

The Accounting Standards Board have issued an exposure draft proposing accounting standards for not for profit organizations. The Accounting Standards Board expects the final standards to be issued late in 2010.

3. Computer software and hardware

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2010 Net Book Value</u>	<u>2009 Net Book Value</u>
Computer software and hardware	\$ 36,079	\$ 32,861	\$ 3,218	\$ 3,095

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:

	<u>2010</u>	<u>2009</u>
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:

2011	\$ 33,602
2012	\$ 36,143
2013	\$ 35,504
2014	\$ 31,220

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the Financial Statements
March 31, 2010

6. Bank indebtedness

The organization has an operating line of credit of \$50,000 of which none was utilized at March 31, 2010.

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, 2010.

During the year, the organization changed the presentation of revenues and expenditures in the statement of operations to United Way Canada's preferred classifications and groupings. The reclassification of comparative figures had no effect on the opening fund balance.

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,

	2010 <u>Actual</u>	2009 <u>Actual</u>
Audit and accounting	\$ 9,610	\$ 10,118
Employee benefits	2,717	3,449
Insurance	1,775	1,706
Interest	-	792
Miscellaneous	2,800	511
Occupancy	26,997	21,077
Office and printing	2,929	4,143
Postage	666	315
Publicity	1,221	72
Salaries and wages	21,174	25,703
Service contracts	5,655	7,361
Telephone	<u>8,880</u>	<u>7,702</u>
	<u>\$ 84,424</u>	<u>\$ 82,949</u>
Allocation to campaign expenses (Note 4)	<u>\$ 54,031</u>	<u>\$ 53,087</u>
Allocation to program expenses (Note 4)	<u>\$ 30,393</u>	<u>\$ 29,862</u>

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

Year Ended March 31,	2010	2009
Agency Allocations		
Big Brothers-Big Sisters Association Inc.	\$ 35,527	\$ 31,557
Canadian Mental Health Association	17,094	23,040
Canadian National Institute for the Blind	36,423	28,428
Canadian Paraplegic Association	55,413	43,517
CFB Gagetown Emergency Benevolent Fund	858	754
Chimo Helpline	-	8,150
Community Health Clinic	7,066	7,730
Easter Seals New Brunswick	29,481	31,701
Family Enrichment and Counselling Services	59,486	56,277
Fredericton Association for Community Living	330	100
Fredericton Boys and Girls Club	24,444	25,649
Fredericton Community Kitchen	22,387	49,198
Fredericton Community Services	9,328	1,968
Fredericton Emergency Shelter	34,273	48,555
Fredericton Residence Youth Service	408	52
Fredericton Sexual Assault Crisis Centre	34,913	38,366
Geary Headstart	1,470	2,115
Jobs Unlimited	25,055	28,950
John Howard Society	29,875	29,071
Laubach Literacy	3,533	6,057
Liberty Lane	22,907	22,606
Meals on Wheels	22,877	26,742
New Brunswick Association for Community Living	18,844	385
Opal Family Services	39,360	51,464
Oromocto Community Residences	325	349
Oromocto Food Bank	18,844	11,555
Scouts Canada	5,597	4,143
Society for the Prevention of Cruelty to Animals-Fredericton	21,804	23,524
Society for the Prevention of Cruelty to Animals-Oromocto	10,342	12,341
Sunbury West Headstart	1,413	859
Victorian Order of Nurses – Fredericton	45,805	51,267
Victorian Order of Nurses – Oromocto	29,514	31,304
Victorian Order of Nurses – Woodstock	21,376	12,912
YMCA - YWCA	31,603	21,326
Youth in Transition	14,062	8,802
	<u>\$ 732,037</u>	<u>\$ 740,814</u>

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

Year Ended March 31,	2010	2009
Allocation and Designations		
Allocations to member agencies (Page 10)	\$ 732,037	\$ 740,814
Allocations to non-member agencies	89,259	83,552
Donor options paid by other United Ways-Centraides	<u>29,413</u>	<u>39,148</u>
	850,709	863,514
Program Expenses		
Employee benefits	5,059	2,474
Miscellaneous	684	667
National Agency expenditures - United Way Canada	8,611	8,719
Office and printing	3,894	3,995
Publicity	5,058	2,364
Salaries and wages	44,621	21,496
Travel and conferences	<u>4,098</u>	<u>5,469</u>
	<u>\$ 922,734</u>	<u>\$ 908,698</u>
Allocation of administrative expenses (Page 9)	<u>30,393</u>	<u>29,862</u>
Total program expenses	<u>\$ 953,127</u>	<u>\$ 938,560</u>

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

	2010 <u>Actual</u>	2009 <u>Actual</u>
Campaign expense and supplies	\$ 14,138	\$ 10,760
Employee benefits	9,701	12,142
Golf tournament	5,361	4,203
Miscellaneous	38,978	31,530
Office and printing	8,677	14,220
Postage	4,110	4,377
Publicity	7,699	6,338
Salaries and wages	90,407	105,631
Training	1,884	1,414
Travel and conferences	<u>6,698</u>	<u>2,805</u>
	<u>\$ 187,653</u>	<u>\$ 193,420</u>
Allocation of administrative expenses (Page 9)	<u>54,031</u>	<u>53,087</u>
Total campaign expenses	<u>\$ 241,684</u>	<u>\$ 246,507</u>