



Financial Statements

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

March 31, 2017

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Independent 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 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, 2017, and the statement of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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.

Auditors' 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 auditors' 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 in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion.



Basis for qualified opinion

In common with many not-for-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, verification of these revenues was limited to the amounts recorded in the records of United Way/Centraide (Central N.B./Région du Centre du N.B.) Inc. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2016 and 2017, current assets as at March 31, 2016 and 2017, and net assets as at April 1, 2016 and 2017 and March 31, 2016 and 2017. Our audit opinion on the financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

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, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Fredericton, NB
June 7, 2017

Grant Thornton LLP

Grant Thornton LLP
Chartered Professional 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, 2017 2017 2016

Revenue			
Donations processed and fundraising events	\$ 934,063	\$ 980,745	
Funds transferred from other United Ways-Centraides	372,388	391,651	
Funds collected on behalf of other United Ways-Centraides	<u>(3,832)</u>	<u>-</u>	
Gross campaign revenue available for the community	1,302,619	1,372,396	
Less: provision for uncollectable pledges	<u>(18,700)</u>	<u>(23,550)</u>	
Net campaign revenue	1,283,919	1,348,846	
Sponsorship	4,300	9,875	
Other revenue	2,816	4,215	
Investment revenue	641	948	
Grant revenue	<u>10,000</u>	<u>-</u>	
	<u>1,301,676</u>	<u>1,363,884</u>	
Campaign expenses (page 12)	<u>210,586</u>	<u>205,220</u>	
Net amount available for community investments and programs	<u>1,091,090</u>	<u>1,158,664</u>	
Community investments and program expenses (page 13)	1,029,527	999,988	
GCWCC expenses (page 14)	<u>31,361</u>	<u>32,038</u>	
Excess (deficiency) of revenue over expenses	<u>\$ 30,202</u>	<u>\$ 126,638</u>	

	Investment in equipment	Unrestricted	Restricted	2017 Total	2016 Total
Fund balance, beginning of year	\$ 19,143	\$ 274,224	\$ -	\$ 293,367	\$ 166,729
Excess (deficiency) of revenue over expenses	(5,837)	36,039	-	30,202	126,638
Fund transfers	<u>942</u>	<u>(942)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 14,248</u>	<u>\$ 309,321</u>	<u>\$ -</u>	<u>\$ 323,569</u>	<u>\$ 293,367</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, 2017

2017

2016

Assets

Cash	\$ 523,782	\$ 509,020
Receivables	20,875	8,300
Prepaid expenses	9,724	7,730
Due from other United Ways and Agencies	<u>10,000</u>	<u>-</u>

564,381 525,050

Pledges receivable – current year campaign	580,875	623,916
Pledges receivable – prior year campaign	41,263	16,211
Less: allowance for uncollectible pledges	<u>(40,000)</u>	<u>(40,000)</u>

582,138 600,127

Capital assets (note 3)	<u>14,248</u>	<u>19,143</u>
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\$1,160,767 \$1,144,320

Liabilities

Payables and accruals

Trade	\$ 32,619	\$ 20,296
Government remittances	10,843	8,825
Due to New Brunswick Food Security Action Network (note 4)	122,380	119,191
Due to Community Food Smart Organization	-	753
Due to other United Ways and Agencies	-	1,298
Accrued allocations	<u>671,356</u>	<u>700,590</u>

837,198 850,953

Fund balances

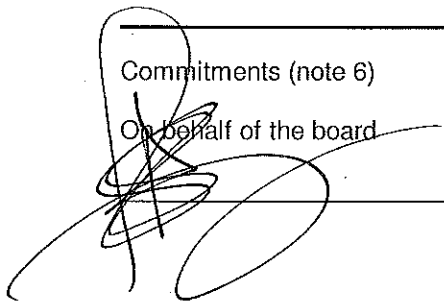
Invested in equipment	14,248	19,143
Unrestricted	309,321	274,224
Restricted	<u>-</u>	<u>-</u>

323,569 293,367

\$1,160,767 \$1,144,320

Commitments (note 6)

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, 2017

2017

2016

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenue over expenses	\$ 30,202	\$ 126,638
Amortization of capital assets	5,837	5,918
Net change in non-cash working capital	<u>(20,335)</u>	<u>(89,152)</u>

	<u>15,704</u>	<u>43,404</u>
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Financing and investing

Purchase of capital assets	<u>(942)</u>	<u>(12,212)</u>
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Net increase (decrease) in cash and cash equivalents	14,762	31,192
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Cash and cash equivalents, beginning of year	<u>509,020</u>	<u>477,828</u>
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Cash and cash equivalents, end of year	<u>\$ 523,782</u>	<u>\$ 509,020</u>
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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, 2017

1. Purpose of the Organization

The purpose of the organization is to improve lives and build community by engaging individuals and mobilizing collective action. The organization raises funds which are provided to various registered Canadian charities based upon donor designation and needs identified by the community. The organization 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

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue and Expenses

Revenue

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 restricted fund 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.

Expenses

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

Administrative expenses 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 expenses to the other areas using the method disclosed in note 5 to the financial statements.

Community investments (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, balances with banks and short term deposits with original maturities of twelve months or less.

Capital assets

Capital assets are amortized on a straight line basis over five years. One half of the rate of amortization 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, 2017

2. Summary of significant accounting policies (continued)

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 and pledges receivable
- due from other United Ways and Agencies
- payables and accruals

A financial asset or liability is recognized when the organization becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Financing fees and transaction costs on financial instruments subsequently measured at fair value are expensed as incurred.

The organization subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

Financial assets measured at cost or amortized cost less any reduction for impairment includes cash and cash equivalents and receivables and pledges receivable. Financial liabilities measured at amortized cost include payables and accruals.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to the 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 may 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 differ from the estimates and assumptions used.

3. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2017 Net Book Value</u>	<u>2016 Net Book Value</u>
Computer and office equipment	<u>\$ 40,820</u>	<u>\$ 26,572</u>	<u>\$ 14,248</u>	<u>\$19,143</u>

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2017

4. Due to New Brunswick Food Security Action Network

In January 2014, the organization entered into an arrangement whereby United Way will provide financial administration of funds issued to the New Brunswick Food Security Action Network by the Department of Healthy and Inclusive Communities. Funding from the Department is deposited with United Way and held to cover expenses for activities in the area of promotion, research, education and community engagement of food security throughout New Brunswick.

5. Expense allocation

The organization allocates its administrative costs to other functional areas: campaign, programs and Government of Canada Workplace Charitable Campaign ("GCWCC"). General costs which do not pertain specifically to any function are considered administrative and are allocated. 13% (2016-14%) of administrative costs are allocated to GCWCC and the remaining balances, summarized on page 10 have been allocated as follows:

	<u>2017</u>	<u>2016</u>
Campaign expenses	50%	50%
Program expenses	50%	50%

6. Commitments

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

2017	\$ 21,242
2018	17,701

7. Bank indebtedness

The organization has an operating line of credit of \$50,000 of which none was utilized at March 31, 2017.

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2017

8. Financial instruments

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposures and concentrations at March 31, 2017:

Credit risk

The organization is subject to credit risk through its pledges receivable since failure of the parties to fulfil their pledges could result in significant financial losses for the organization. There has been no change to the risk exposure from prior year.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet a demand for cash or fund its obligations as they come due. The organization is exposed to this risk mainly in respect of its payables and accruals. The organization meets its liquidity requirements by preparing and monitoring forecasts of cash flows from operations, and maintaining an operating credit line of \$50,000. There has been no change to the risk exposure from prior year.

9. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2017 financial statements

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

Year Ended March 31, 2017

2017

2016

Amortization	\$ 5,837	\$ 5,918
Audit and accounting	10,488	9,212
Computer services	3,880	2,974
Dues and fees	711	658
Employee benefits	3,086	2,719
Insurance	1,775	1,768
Interest and bank charges	1,776	1,916
Miscellaneous	-	170
Occupancy	24,848	24,000
Office and printing	7,689	9,729
Postage	748	-
Publicity	545	-
Salaries and wages	13,799	9,027
Service contracts	4,238	2,509
Telephone and utilities	9,088	9,671
Travel and conferences	3,563	4,522
	<u>\$ 92,071</u>	<u>\$ 84,793</u>
Allocation to campaign expenses (note 5)	<u>\$ 46,035</u>	<u>\$ 42,396</u>
Allocation to program expenses (note 5)	<u>\$ 46,036</u>	<u>\$ 42,397</u>

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Schedule of community investments (allocations)

Year Ended March 31, 2017

2017

2016

Community investments (allocations)

Ability New Brunswick Inc.	\$ 45,005	\$ 45,006
Adult Literacy Fredericton	7,995	6,156
Big Brothers-Big Sisters Association Inc.	34,995	32,405
Canadian National Institute for the Blind	18,004	25,196
Capital Region Mental Health and Addictions Association	18,247	32,290
CHIMO Helpline	9,003	9,643
Community Health Clinic	7,506	6,653
Easter Seals New Brunswick	24,798	24,800
Family Enrichment and Counselling Services	42,006	43,864
Fredericton Boys and Girls Club	32,555	34,946
Fredericton Community Kitchen	7,003	11,755
Fredericton Community Services	10,003	8,106
Fredericton Homeless Shelters	25,996	25,442
Fredericton Sexual Assault Crisis Centre	35,605	29,000
Hospice Fredericton	-	13,300
Jobs Unlimited	20,056	20,050
John Howard Society	37,497	25,000
Liberty Lane	19,696	19,400
Meals on Wheels	18,418	18,601
Multicultural Association of Fredericton	17,500	-
New Brunswick Association for Community Living	25,002	14,700
Opal Family Services	18,056	36,162
Oromocto Community Residences	-	300
Oromocto Helpline/Food Bank	18,003	12,504
Scouts Canada	5,999	5,006
Sunbury West Headstart	1,500	1,500
Youth in Transition	20,002	15,350
	520,450	517,135
2015 allocations recovered		
Victorian Order of Nurses – Fredericton	-	(11,618)
Victorian Order of Nurses – Oromocto	-	(7,705)
Victorian Order of Nurses – Woodstock	-	(5,336)
	-	(24,659)
Donor options	79,233	77,478
Total	\$ 599,683	\$ 569,954

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

Year Ended March 31, 2017	2017	2016
Campaign expense and supplies	\$ 27,726	\$ 28,546
Employee benefits	9,164	8,661
Interest and bank	1,827	1,517
Centrally coordinated campaign processing fees	12,382	12,684
Office and printing	7,485	10,047
Postage	960	1,991
Publicity	11,887	10,744
Salaries and wages	91,083	85,448
Telephone and utilities	771	766
Training	182	1,205
Translation	-	99
Travel and conferences	<u>1,084</u>	<u>1,116</u>
	<u>164,551</u>	<u>162,824</u>
Allocation of administrative expenses (page 10)	<u>46,035</u>	<u>42,396</u>
Total campaign expenses	<u>\$ 210,586</u>	<u>\$ 205,220</u>

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Schedule of community investments and program expenses
Year Ended March 31, 2017 2017 2016

Allocation and Designations

Allocations to member agencies (community investments) (page 11)	\$ 599,683	\$ 569,954
Allocations to non-member agencies	100,255	136,769
Donor options paid by other United Ways-Centraides	<u>103,708</u>	<u>101,840</u>
	803,646	808,563
 Program expenses		
Computer services	3,570	92
Employee benefits	11,570	11,207
National agency expenses - United Way Canada	8,806	9,367
Office and printing	135	458
Postage	53	-
Program funding	33,393	14,912
Publicity	1,704	1,139
Salaries and wages	114,530	105,761
Supplies	282	-
Telephone and utilities	86	950
Training	13	-
Travel and conferences	<u>5,703</u>	<u>5,142</u>
	<u>983,491</u>	<u>957,591</u>
 Allocation of administrative expenses (page 10)	<u>46,036</u>	<u>42,397</u>
 Total program expenses	<u>\$ 1,029,527</u>	<u>\$ 999,988</u>

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.
Schedule of Government of Canada Workplace Charitable
Campaign expenses**

Year Ended March 31, 2017	2017	2016
Audit and accounting	\$ 1,568	\$ 1,500
Campaign expenses and supplies	239	204
Computer services	580	484
Dues and fees	106	107
Employee benefits	1,833	1,824
Insurance	266	288
Interest and bank charges	538	559
Occupancy	3,716	3,907
Office and printing	2,269	3,353
Postage	264	-
Publicity	1,860	1,777
Service contracts	634	408
Salaries and wages	15,685	15,407
Telephone and utilities	1,474	1,699
Training	27	196
Travel and conferences	<u>302</u>	<u>325</u>
Total GCWCC expenses	<u>\$ 31,361</u>	<u>\$ 32,038</u>