



## Financial Statements

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

March 31, 2012

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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, 2012, 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.

## 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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fredericton, NB  
May 17, 2012

*Grant Thornton LLP*

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,	2012	2011
Revenue		
Donations processed and fundraising events	\$ 1,297,391	\$ 1,244,878
Funds transferred from other United Ways-Centraides	<u>55,731</u>	<u>81,268</u>
Gross campaign revenue available for the community	1,353,122	1,326,146
Less: Provision for uncollectable pledges	<u>(42,304)</u>	<u>(33,024)</u>
Net campaign revenue	1,310,818	1,293,122
Sponsorship	5,000	12,500
Gifts in kind	600	2,147
Bequests	160,845	9,794
Investment revenue	<u>4,478</u>	<u>2,355</u>
	<u>1,481,741</u>	<u>1,319,918</u>
Campaign expenses (Page 12)	<u>210,931</u>	<u>264,745</u>
Net amount available for allocations and programs	<u>1,270,810</u>	<u>1,055,173</u>
Allocations and program expenses (Page 11)	<u>1,424,085</u>	<u>1,265,984</u>
Excess of expenditures over revenue	<u>\$ (153,275)</u>	<u>\$ (210,811)</u>

	Investment in Equipment	Unrestricted	Restricted	2012 Total	2011 Total
Fund balance, beginning of year	\$ 3,849	\$ 368,432	\$ 8,800	\$381,081	\$ 591,892
Excess of (expenditures over revenue) revenue over expenditures	<u>5,505</u>	<u>(151,248)</u>	<u>(7,532)</u>	<u>(153,275)</u>	<u>(210,811)</u>
Fund balance, end of year	<u>\$ 9,354</u>	<u>\$ 217,184</u>	<u>\$ 1,268</u>	<u>\$227,806</u>	<u>\$ 381,081</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,	2012	2011
<b>Assets</b>		
Cash (including restricted cash of \$1,268, 2011 - \$8,800)	\$ 592,381	\$ 556,123
Term deposits	-	201,022
Receivables	7,437	9,158
Prepaid expenses	<u>4,270</u>	<u>9,109</u>
	<u>604,088</u>	<u>775,412</u>
Pledges receivable – current year campaign	649,592	618,500
Pledges receivable – prior year campaign	14,448	49,163
Less: allowance for uncollectible pledges	<u>(60,000)</u>	<u>(53,500)</u>
	<u>604,040</u>	<u>614,163</u>
Computer and office equipment (Note 3)	<u>9,354</u>	<u>3,849</u>
	<u>\$ 1,217,482</u>	<u>\$ 1,393,424</u>
<b>Liabilities</b>		
Payables and accruals		
Trade	\$ 26,097	\$ 21,030
Accrued allocations	<u>963,579</u>	<u>991,313</u>
	<u>989,676</u>	<u>1,012,343</u>
<b>Fund balances</b>		
Invested in equipment	9,354	3,849
Unrestricted	217,184	368,432
Restricted	<u>1,268</u>	<u>8,800</u>
	<u>227,806</u>	<u>381,081</u>
	<u>\$ 1,217,482</u>	<u>\$ 1,393,424</u>

Commitments (Note 5)

ON BEHALF OF THE BOARD

 President

 Treasurer

See accompanying notes to the financial statements.

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

Year Ended March 31,	2012	2011
(Decrease) increase in cash and cash equivalents		
<b>Operating</b>		
Excess of expenditures over revenue	\$ (153,275)	\$ (210,811)
Amortization of capital assets	2,027	1,597
Net change in non-cash working capital	<u>(5,984)</u>	<u>164,558</u>
	<u>(157,232)</u>	<u>(44,656)</u>
<b>Financing and investing</b>		
Purchase of capital assets	<u>(7,532)</u>	<u>(2,227)</u>
Net decrease in cash and cash equivalents	(164,764)	(46,883)
Cash and cash equivalents, beginning of year	<u>757,145</u>	<u>804,028</u>
Cash and cash equivalents, end of year	<u>\$ 592,381</u>	<u>\$ 757,145</u>

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See accompanying notes to the financial statements.

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

## **Notes to the Financial Statements**

**March 31, 2012**

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### **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.

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### **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.

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 and office equipment**

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



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**United Way/Centraide (Central N.B./  
Région du Centre du N.B.) Inc.**  
**Notes to the Financial Statements**  
March 31, 2012

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**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, \$7,532 was used in the current year for the purchase of computer and office equipment. In 2010, \$1,000 was donated specifically for flood relief (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.

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**3. Computer and office equipment**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2012 Net Book Value</u>	<u>2011 Net Book Value</u>
Computer and office equipment	<u>\$ 36,965</u>	<u>\$ 27,611</u>	<u>\$ 9,354</u>	<u>\$ 3,849</u>

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**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>2012</u>	<u>2011</u>
Campaign expenses	40%	64%
Program expenses	60%	36%

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**United Way/Centraide (Central N.B./  
Région du Centre du N.B.) Inc.**  
**Notes to the Financial Statements**  
**March 31, 2012**

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**5. Commitments**

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

2013	\$ 37,454
2014	\$ 33,668
2015	\$ 2,448
2016	\$ 2,448
2017	\$ 408

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**6. Bank indebtedness**

The organization has an operating line of credit of \$50,000 of which none was utilized at March 31, 2012.

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**7. Financial instruments**

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

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.

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**8. 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.

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**United Way/Centraide (Central N.B./  
Région du Centre du N.B.) Inc.**  
**Schedule of Administrative Expenses**  
**Year Ended March 31, 2012**

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	<u>2012</u>	<u>2011</u>
Amortization	\$ 2,027	\$ 1,597
Audit and accounting	10,679	12,021
Employee benefits	3,145	3,127
Insurance	641	658
Miscellaneous	9,297	5,850
Occupancy	34,128	30,812
Office and printing	10,541	4,080
Postage	710	312
Salaries and wages	18,070	26,845
Service contracts	4,535	5,358
Telephone	<u>8,337</u>	<u>8,915</u>
	<u>\$ 102,110</u>	<u>\$ 99,575</u>
Allocation to campaign expenses (Note 4)	<u>\$ 40,844</u>	<u>\$ 63,729</u>
Allocation to program expenses (Note 4)	<u>\$ 61,266</u>	<u>\$ 35,846</u>

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

<b>Year Ended March 31,</b>	<b>2012</b>	<b>2011</b>
Agency Allocations		
Ability New Brunswick Inc.	\$ 57,562	\$ 57,197
Big Brothers-Big Sisters Association Inc.	37,783	40,643
Canadian Mental Health Association	29,677	24,036
Canadian National Institute for the Blind	38,374	37,871
CHIMO Helpline	12,234	-
CFB Gagetown Emergency Benevolent Fund	-	2,220
Community Health Clinic	10,404	14,370
Easter Seals New Brunswick	32,285	30,871
Family Enrichment and Counselling Services	63,507	61,054
Fredericton Association for Community Living	180	232
Fredericton Boys and Girls Club	47,961	70,335
Fredericton Community Kitchen	37,728	41,662
Fredericton Community Services	20,726	24,585
Fredericton Emergency Shelter	43,643	46,128
Fredericton Sexual Assault Crisis Centre	38,253	39,708
Geary Headstart	1,993	2,264
Hospice Fredericton	15,616	15,000
Jobs Unlimited	32,344	34,361
John Howard Society	34,424	32,055
Laubach Literacy	4,402	6,162
Liberty Lane	23,683	24,847
Meals on Wheels	31,806	25,989
Military Police Fund for Blind Children	120	190
New Brunswick Association for Community Living	19,617	20,008
Opal Family Services	52,938	63,460
Oromocto Community Residences	234	379
Oromocto Food Bank	22,308	23,331
Scouts Canada	6,845	8,841
Society for the Prevention of Cruelty to Animals-Fredericton	20,910	23,250
Society for the Prevention of Cruelty to Animals-Oromocto	10,242	9,295
Sunbury West Headstart	1,456	1,439
Victorian Order of Nurses – Fredericton	48,692	48,295
Victorian Order of Nurses – Oromocto	31,015	30,561
Victorian Order of Nurses – Woodstock	22,017	21,376
YMCA - YWCA	35,183	36,010
Youth in Transition	15,357	16,880
	<u>\$ 901,519</u>	<u>\$ 934,905</u>

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

<b>Year Ended March 31,</b>	<b>2012</b>	<b>2011</b>
Allocation and Designations		
Allocations to member agencies (Page 10)	<b>\$ 901,519</b>	\$ 934,905
Allocations to non-member agencies	<b>280,185</b>	113,651
Donor options paid by other United Ways-Centraides	<b><u>55,731</u></b>	<u>81,268</u>
	<b>1,237,435</b>	1,129,824
Program Expenses		
Employee benefits	<b>8,181</b>	7,143
Miscellaneous	<b>7,039</b>	2,668
National Agency expenditures - United Way Canada	<b>8,247</b>	7,535
Office and printing	<b>1,809</b>	2,862
Publicity	<b>9,661</b>	7,532
Salaries and wages	<b>78,705</b>	66,761
Travel and conferences	<b><u>11,742</u></b>	<u>5,813</u>
	<b><u>1,362,819</u></b>	<u>1,230,138</u>
Allocation of administrative expenses (Page 9)	<b><u>61,266</u></b>	<u>35,846</u>
Total program expenses	<b><u>\$ 1,424,085</u></b>	<b><u>\$ 1,265,984</u></b>

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

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	<u>2012</u>	<u>2011</u>
Campaign expense and supplies	\$ 3,448	\$ 12,605
Employee benefits	9,022	7,971
Golf tournament	5,865	5,317
Miscellaneous	39,054	37,251
Office and printing	3,663	13,241
Postage	2,568	3,810
Publicity	8,178	13,509
Salaries and wages	90,250	104,197
Training	2,057	1,409
Travel and conferences	<u>5,982</u>	<u>1,706</u>
	<u>170,087</u>	<u>201,016</u>
Allocation of administrative expenses (Page 9)	<u>40,844</u>	<u>63,729</u>
Total campaign expenses	<u>\$ 210,931</u>	<u>\$ 264,745</u>