



Financial Statements

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

March 31, 2016

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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, 2016, 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, 2015 and 2016, current assets as at March 31, 2015 and 2016, and net assets as at April 1, 2015 and 2016 and March 31, 2015 and 2016. Our audit opinion on the financial statements for the year ended March 31, 2016 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, 2016, 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 27, 2016

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, 2016 2016 2015

Revenue			
Donations processed and fundraising events	\$ 1,270,556	\$1,279,020	
Funds transferred from other United Ways-Centraides	<u>101,840</u>	<u>100,238</u>	
Gross campaign revenue available for the community	1,372,396	1,379,258	
Less: Provision for uncollectable pledges	<u>(23,550)</u>	<u>(17,789)</u>	
 Net campaign revenue	 1,348,846	 1,361,469	
Sponsorship	9,875	6,000	
Bequests	-	5,000	
Other revenue	4,215	1,465	
Investment revenue	<u>948</u>	<u>1,078</u>	
	 <u>1,363,884</u>	 1,375,012	
 Campaign expenses (page 12)	 <u>205,220</u>	 188,094	
 Net amount available for community investments and programs	 <u>1,158,664</u>	 1,186,918	
 Community investments and program expenses (page 13)	 999,988	 1,084,864	
 GCWCC expenses (page 14)	 <u>32,038</u>	 9,357	
 Excess (deficiency) of revenue over expenses	 <u>\$ 126,638</u>	 <u>\$ 92,697</u>	

	Investment in equipment	Unrestricted	Restricted	2016 <u>Total</u>	2015 <u>Total</u>
Fund balance, beginning of year	\$ 12,849	\$ 153,880	\$ -	\$166,729	\$ 74,032
Excess (deficiency) of revenue over expenses	(5,918)	132,556	-	126,638	92,697
Fund transfers	<u>12,212</u>	<u>(12,212)</u>	-	-	-
Fund balance, end of year	<u>\$ 19,143</u>	<u>\$ 274,224</u>	<u>\$ -</u>	<u>\$293,367</u>	<u>\$ 166,729</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, 2016

2016

2015

Assets

Cash	\$ 509,020	\$ 477,828
Receivables	8,300	6,766
Prepaid expenses	<u>7,730</u>	<u>9,106</u>

	<u>525,050</u>	<u>493,700</u>
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Pledges receivable – current year campaign	623,916	577,170
Pledges receivable – prior year campaign	16,211	25,959
Less: allowance for uncollectible pledges	<u>(40,000)</u>	<u>(40,000)</u>

	<u>600,127</u>	<u>563,129</u>
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Capital assets (note 3)

	<u>19,143</u>	<u>12,849</u>
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	<u>\$1,144,320</u>	<u>\$1,069,678</u>
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Liabilities

Payables and accruals

Trade	\$ 20,296	\$ 26,600
Government remittances	8,825	5,830
Due to New Brunswick Food Security Action Network (note 4)	119,191	106,881
Due to Community Food Smart Organization	753	874
Due to other United Ways and Agencies	1,298	-
Accrued allocations	<u>700,590</u>	<u>762,764</u>

	<u>850,953</u>	<u>902,949</u>
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Fund balances

Invested in equipment	19,143	12,849
Unrestricted	274,224	153,880
Restricted	<u>-</u>	<u>-</u>

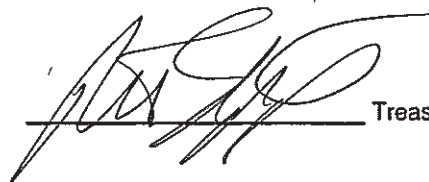
	<u>293,367</u>	<u>166,729</u>
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	<u>\$1,144,320</u>	<u>\$1,069,678</u>
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Commitments (note 6)

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, 2016

2016

2015

Increase (decrease) in cash and cash equivalents

Operating

Deficiency of revenue over expenses

\$ 126,638 \$ 92,697

Amortization of capital assets

5,918 3,704

Net change in non-cash working capital

(89,152) 65,773

43,404 162,174

Financing and investing

Purchase of capital assets

(12,212) (10,812)

Net increase (decrease) in cash and cash equivalents

31,192 151,362

Cash and cash equivalents, beginning of year

477,828 326,466

Cash and cash equivalents, end of year

\$ 509,020 \$ 477,828

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, 2016

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 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, 2016

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
- 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>	2016 Net Book Value	2015 Net Book Value
Computer and office equipment	\$ 39,877	\$ 20,734	\$ 19,143	\$12,849

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2016

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. 14% of administrative costs are allocated to GCWCC and the remaining balances, summarized on page 10 have been allocated as follows:

	<u>2016</u>	<u>2015</u>
Campaign expenses	50%	40%
Program expenses	50%	60%

6. Commitments

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

2017	\$ 20,219
2018	20,219
2019	20,219
2020	20,219
2021	20,219

7. Bank indebtedness

The organization has an operating line of credit of \$50,000 of which none was utilized at March 31, 2016.

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2016

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, 2016:

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.

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

Year Ended March 31, 2016

2016

2015

Amortization	\$ 5,918	\$ 3,704
Audit and accounting	9,212	8,797
Computer services	2,974	2,350
Dues and fees	658	752
Employee benefits	2,719	2,919
Insurance	1,768	1,934
Interest and bank charges	1,916	2,746
Miscellaneous	170	238
Occupancy	24,000	29,362
Office and printing	9,729	10,360
Salaries and wages	9,027	14,790
Service contracts	2,509	7,618
Telephone and utilities	9,671	6,370
Travel and conferences	<u>4,522</u>	<u>573</u>
	<u>\$ 84,793</u>	<u>\$ 92,513</u>
Allocation to campaign expenses (note 5)	<u>\$ 42,396</u>	<u>\$ 37,005</u>
Allocation to program expenses (note 5)	<u>\$ 42,397</u>	<u>\$ 55,508</u>

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

Year Ended March 31, 2016

2016

2015

Community investments (allocations)

Ability New Brunswick Inc.	\$ 45,006	\$ 45,002
Adult Literacy Fredericton	6,156	6,149
Big Brothers-Big Sisters Association Inc.	32,405	30,006
Canadian National Institute for the Blind	25,196	25,206
Capital Region Mental Health and Addictions Association	32,290	15,004
CHIMO Helpline	9,643	9,650
Community Health Clinic	6,653	6,652
Easter Seals New Brunswick	24,800	24,803
Family Enrichment and Counselling Services	43,864	43,860
Fredericton Boys and Girls Club	34,946	34,946
Fredericton Community Kitchen	11,755	11,753
Fredericton Community Services	8,106	8,107
Fredericton Homeless Shelters	25,442	25,441
Fredericton Sexual Assault Crisis Centre	29,000	29,110
Hospice Fredericton	13,300	13,294
Jobs Unlimited	20,050	20,053
John Howard Society	25,000	25,000
Liberty Lane	19,400	19,405
Meals on Wheels	18,601	18,599
New Brunswick Association for Community Living	14,700	14,704
Opal Family Services	36,162	36,152
Oromocto Community Residences	300	-
Oromocto Helpline/Food Bank	12,504	12,501
Scouts Canada	5,006	5,012
Sunbury West Headstart	1,500	-
Victorian Order of Nurses – Fredericton	-	33,299
Victorian Order of Nurses – Oromocto	-	22,097
Victorian Order of Nurses – Woodstock	-	16,002
Youth in Transition	<u>15,350</u>	<u>15,354</u>
	517,135	567,161
Prior year allocations recovered		
Victorian Order of Nurses – Fredericton	(11,618)	-
Victorian Order of Nurses – Oromocto	(7,705)	-
Victorian Order of Nurses – Woodstock	<u>(5,336)</u>	<u>-</u>
	(24,659)	-
Donor options	<u>77,478</u>	<u>83,992</u>
Total	<u>\$ 569,954</u>	<u>\$ 651,153</u>

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

Year Ended March 31, 2016	2016	2015
Campaign expense and supplies	\$ 28,546	\$ 26,723
Employee benefits	8,661	9,815
Interest and bank	1,517	1,659
Centrally coordinated campaign processing fees	12,684	-
Office and printing	10,047	14,014
Postage	1,991	2,713
Publicity	10,744	4,946
Salaries and wages	85,448	87,835
Telephone and utilities	766	-
Training	1,205	374
Translation	99	713
Travel and conferences	<u>1,116</u>	<u>2,297</u>
	<u>162,824</u>	<u>151,088</u>
Allocation of administrative expenses (page 10)	<u>42,396</u>	<u>37,005</u>
Total campaign expenses	<u>\$ 205,220</u>	<u>\$ 188,093</u>

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

Year Ended March 31, 2016

2016

2015

Allocation and Designations

Allocations to member agencies (community investments) (page 11)	\$ 569,954	\$ 651,153
Allocations to non-member agencies	136,769	99,789
Donor options paid by other United Ways-Centraides	<u>101,840</u>	<u>100,238</u>
	808,563	900,806
Program Expenses		
Computer services	92	-
Employee benefits	11,207	9,562
National agency expenses - United Way Canada	9,367	7,236
Office and printing	458	1,477
Program funding and Community Food Smart	14,912	16,227
Publicity	1,139	590
Salaries and wages	105,761	89,499
Supplies	-	2,081
Telephone and utilities	950	-
Translation	-	528
Travel and conferences	<u>5,142</u>	<u>4,681</u>
	<u>957,591</u>	<u>1,029,356</u>
Allocation of administrative expenses (page 10)	<u>42,397</u>	<u>55,508</u>
Total program expenses	<u>\$ 999,988</u>	<u>\$ 1,084,864</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, 2016	2016	2015
Audit and accounting	\$ 1,500	\$ -
Campaign expenses and supplies	204	-
Computer services	484	-
Dues and fees	107	-
Employee benefits	1,824	292
Insurance	288	-
Interest and bank charges	559	247
Occupancy	3,907	-
Office and printing	3,353	1,090
Publicity	1,777	-
Service contracts	408	4,599
Salaries and wages	15,407	3,112
Telephone and utilities	1,699	-
Training	196	-
Travel and conferences	<u>325</u>	<u>17</u>
Total campaign expenses	<u>\$ 32,038</u>	<u>\$ 9,357</u>