



## Financial Statements

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

March 31, 2015

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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, 2015, 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.

### **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 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.). 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, 2014 and 2015, current assets as at March 31, 2014 and 2015, and net assets as at April 1, 2014 and 2015 and March 31, 2014 and 2015. Our audit opinion on the financial statements for the year ended March 31 2015 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, 2015, 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 17, 2015

*Grant Thornton LLP*

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, 2015 2014

Revenue		
Donations processed and fundraising events	<b>\$ 1,279,020</b>	\$ 1,173,796
Funds transferred from other United Ways-Centraides	<u>100,238</u>	<u>97,945</u>
Gross campaign revenue available for the community	<b>1,379,258</b>	1,271,741
Less: Provision for uncollectable pledges	<u>(17,789)</u>	<u>(16,393)</u>
Net campaign revenue	<b>1,361,469</b>	1,255,348
Sponsorship	<b>6,000</b>	1,000
Bequests	<b>5,000</b>	-
Other revenue	<b>1,465</b>	1,214
Investment revenue	<b>1,078</b>	1,190
Gifts in kind	<u>-</u>	<u>1,184</u>
	<u><b>1,375,012</b></u>	<u>1,259,936</u>
Campaign expenses (page 12)	<u><b>188,094</b></u>	<u>191,662</u>
Net amount available for community investments and programs	<u><b>1,186,918</b></u>	<u>1,068,274</u>
Community investments and program expenses (page 13)	<b>1,084,864</b>	1,075,258
GCWCC expenses (page 14)	<u><b>9,357</b></u>	<u>22,903</u>
Excess (deficiency) of revenue over expenses	<u><b>\$ 92,697</b></u>	<u>\$ (29,887)</u>

	Investment in equipment	Unrestricted	Restricted	<b>2015 Total</b>	2014 Total
Fund balance, beginning of year	\$ 5,741	\$ 67,491	\$ 800	<b>\$ 74,032</b>	\$ 103,919
Excess (deficiency) of revenue over expenses	<u>7,108</u>	<u>86,389</u>	<u>(800)</u>	<u><b>92,697</b></u>	<u>(29,887)</u>
Fund balance, end of year	<u><b>\$ 12,849</b></u>	<u><b>\$ 153,880</b></u>	<u><b>\$ -</b></u>	<u><b>\$166,729</b></u>	<u><b>\$ 74,032</b></u>

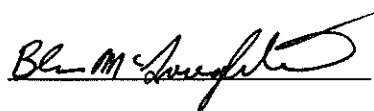
See accompanying notes to the financial statements.


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

March 31,	2015	2014
<b>Assets</b>		
Cash	\$ 477,828	\$ 326,466
Receivables	6,766	7,326
Prepaid expenses	<u>9,106</u>	<u>6,289</u>
	<u>493,700</u>	<u>340,081</u>
Pledges receivable – current year campaign	577,170	574,693
Pledges receivable – prior year campaign	25,959	24,622
Less: allowance for uncollectible pledges	<u>(40,000)</u>	<u>(67,000)</u>
	<u>563,129</u>	<u>532,315</u>
Computer and office equipment (note 3)	<u>12,849</u>	<u>5,741</u>
	<u>\$1,069,678</u>	<u>\$ 878,137</u>
<b>Liabilities</b>		
Payables and accruals		
Trade	\$ 26,600	\$ 21,219
Government remittances	5,830	5,679
Due to New Brunswick Food Security Action Network (note 4)	106,881	22,539
Due to Community Food Smart Organization	874	-
Accrued allocations	<u>762,764</u>	<u>754,668</u>
	<u>902,949</u>	<u>804,105</u>
<b>Fund balances</b>		
Invested in equipment	12,849	5,741
Unrestricted	153,880	67,491
Restricted	<u>-</u>	<u>800</u>
	<u>166,729</u>	<u>74,032</u>
	<u>\$1,069,678</u>	<u>\$ 878,137</u>

Commitments (note 6)

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, 2015 2014

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Increase (decrease) in cash and cash equivalents

<b>Operating</b>		
Deficiency of revenue over expenses	\$ 92,697	\$ (29,887)
Amortization of capital assets	3,704	2,623
Net change in non-cash working capital	<u>65,773</u>	<u>(52,222)</u>
	<u>162,174</u>	<u>(79,486)</u>
<b>Financing and investing</b>		
Purchase of office equipment	<u>(10,812)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	151,362	(79,486)
Cash and cash equivalents, beginning of year	<u>326,466</u>	<u>405,952</u>
Cash and cash equivalents, end of year	<u>\$ 477,828</u>	<u>\$ 326,466</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, 2015

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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**

**Basis of presentation**

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

**Revenues and Expenses**

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 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 two 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.

**Computer and office equipment**

Expenses 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, 2015

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**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 Foundation accounts for the following as financial instruments:

- cash and cash equivalents
- accounts receivable and pledges receivable
- payables and accruals

A financial assets 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 include cash and cash equivalents and accounts and pledges receivable. Financial liabilities measured at amortized cost include accounts payable 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.

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**3. Computer and office equipment**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<b>2015 <u>Net Book Value</u></b>	2014 <u>Net Book Value</u>
Computer and office equipment	\$ 27,666	\$ 14,817	<b>\$ 12,849</b>	\$ 5,741

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**United Way/Centraide (Central N.B./  
Région du Centre du N.B.) Inc.**  
**Notes to the financial statements**  
March 31, 2015

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**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.

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**5. Expense allocation**

The organization allocates its administrative costs to the other two functional areas: campaign and programs. General costs which do not pertain specifically to either function, or to the GCWCC program, 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 10 and have been allocated as follows:

	<u>2015</u>	<u>2014</u>
Campaign expenses	40%	40%
Program expenses	60%	60%

Government of Canada Workplace Charitable Campaign (GCWCC) expenses are the actual expenses incurred during the year. In addition, certain expenses are allocated based on the ratio of federal government campaign revenues over total campaign revenues. See page 14.

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**6. Commitments**

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

2016	\$ 20,919
2017	\$ 18,879
2018	\$ 18,471
2019	\$ 18,471

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**7. Bank indebtedness**

The organization has an operating line of credit of \$50,000 of which none was utilized at March 31, 2015.

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**United Way/Centraide (Central N.B./  
Région du Centre du N.B.) Inc.**  
**Notes to the financial statements**  
**March 31, 2015**

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**8. Financial instruments**

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposures and concentrations at March 31, 2015:

**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.

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**9. Comparative Figures**

Comparative figures have been reclassified to conform with changes in the current year presentation. The changes had no impact on the prior year deficiency of revenue over expenses.

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

<b>Year Ended March 31, 2015</b>	<b>2015</b>	<b>2014</b>
Amortization	\$ 3,704	\$ 2,623
Audit and accounting	8,797	9,345
Computer services	2,350	5,073
Dues and fees	752	209
Employee benefits	2,919	2,598
Insurance	1,934	1,880
Interest and bank charges	2,746	2,371
Miscellaneous	238	1,865
Occupancy	29,362	40,306
Office and printing	10,360	7,665
Postage	-	1,251
Salaries and wages	14,790	24,098
Service contracts	7,618	6,729
Telephone	6,370	8,090
Travel	573	1,920
	<u>\$ 92,513</u>	<u>\$ 116,023</u>
Allocation to campaign expenses (note 5)	<u>\$ 37,005</u>	<u>\$ 46,409</u>
Allocation to program expenses (note 5)	<u>\$ 55,508</u>	<u>\$ 69,614</u>

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

**Year Ended March 31, 2015**

**2015**

**2014**

Community investments (allocations)

Ability New Brunswick Inc.	\$ 45,002	\$ 43,817
Big Brothers-Big Sisters Association Inc.	30,006	28,705
Canadian National Institute for the Blind	25,206	25,134
Capital Region Mental Health and Addictions Association	15,004	14,862
CHIMO Helpline	9,650	9,459
Community Health Clinic	6,652	6,147
Easter Seals New Brunswick	24,803	24,755
Family Enrichment and Counselling Services	43,860	43,006
Fredericton Boys and Girls Club	34,946	34,280
Fredericton Community Kitchen	11,753	8,582
Fredericton Community Services	8,107	8,102
Fredericton Homeless Shelters	25,441	25,435
Fredericton Sexual Assault Crisis Centre	29,110	28,173
Hospice Fredericton	13,294	13,040
Jobs Unlimited	20,053	20,037
John Howard Society	25,000	23,731
Laubach Literacy	6,149	3,077
Liberty Lane	19,405	18,605
Meals on Wheels	18,599	18,580
New Brunswick Association for Community Living	14,704	14,640
Opal Family Services	36,152	36,153
Oromocto Community Residences	-	143
Oromocto Helpline/Food Bank	12,501	12,034
Scouts Canada	5,012	4,865
Sunbury West Headstart	-	1,228
Victorian Order of Nurses – Fredericton	33,299	33,294
Victorian Order of Nurses – Oromocto	22,097	22,095
Victorian Order of Nurses – Woodstock	16,002	15,974
YMCA - YWCA	-	20,942
Youth in Transition	15,354	12,228
	<u>\$ 567,161</u>	<u>\$ 571,123</u>
Donor options	<u>83,992</u>	<u>80,291</u>
<b>Total</b>	<u>\$ 651,153</u>	<u>\$ 651,414</u>

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

<b>Year Ended March 31, 2015</b>	<b>2015</b>	<b>2014</b>
Campaign expense and supplies	\$ 26,723	\$ 25,903
Employee benefits	9,815	9,449
Interest and bank	1,659	1,285
Office and printing	14,014	15,186
Postage	2,713	5,305
Publicity	4,946	597
Salaries and wages	87,835	81,393
Training	374	609
Translation	713	771
Travel and conferences	<u>2,297</u>	<u>4,755</u>
	<u>151,089</u>	<u>145,253</u>
Allocation of administrative expenses (page 10)	<u>37,005</u>	<u>46,409</u>
Total campaign expenses	<u>\$ 188,094</u>	<u>\$ 191,662</u>

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

**Year Ended March 31, 2015** **2015** **2014**

Allocation and Designations		
Allocations to member agencies		
(communities investments) (page 11)	<b>\$ 651,153</b>	\$ 651,414
Allocations to non-member agencies	<b>149,415</b>	99,789
Volunteer Centre	-	17,004
Donor options paid by other United Ways-Centraides	<b><u>100,238</u></b>	<u>97,945</u>
	<b>900,806</b>	866,152
Program Expenses		
Employee benefits	<b>9,562</b>	10,951
National Agency Expenses - United Way Canada	<b>7,236</b>	6,775
Office and printing	<b>1,477</b>	2,856
Program funding and Community Food Smart	<b>14,024</b>	16,227
Publicity	<b>590</b>	711
Salaries and wages	<b>89,499</b>	96,246
Supplies	<b>1,481</b>	2,081
Translation	-	528
Travel and conferences	<b><u>4,681</u></b>	<u>3,117</u>
	<b><u>1,029,356</u></b>	<u>1,005,644</u>
Allocation of administrative expenses (page 10)	<b><u>55,508</u></b>	<u>69,614</u>
Total program expenses	<b><u>\$ 1,084,864</u></b>	<b><u>\$ 1,075,258</u></b>

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

<b>Year Ended March 31, 2015</b>	<b>2015</b>	<b>2014</b>
Employee benefits	\$ 292	\$ 1,022
Interest and bank charges	247	219
Printing	1,090	1,309
Service charges	4,599	6,194
Salaries and wages	3,112	13,848
Travel and conferences	<u>17</u>	<u>311</u>
Total campaign expenses	<u>\$ 9,357</u>	<u>\$ 22,903</u>