



Financial statements

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

March 31, 2014

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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, 2014, 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 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

**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 expenses over revenues, assets and fund balances.

**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, 2014, 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  
May 22, 2014

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,** **2014** **2013**

Revenue					
Donations processed and fundraising events	\$ 1,173,796			\$ 1,241,573	
Funds transferred from other United Ways-Centraides	<u>97,945</u>			<u>65,812</u>	
Gross campaign revenue available for the community	<b>1,271,741</b>			1,307,385	
Less: Provision for uncollectable pledges	<u>(16,393)</u>			<u>(39,285)</u>	
Net campaign revenue	<b>1,255,348</b>			1,268,100	
Sponsorship	<b>1,000</b>			6,500	
Gifts in kind	<b>1,184</b>			1,465	
Bequests	-			19,145	
Investment revenue	<b>1,190</b>			2,949	
Other revenue	<u>1,214</u>			<u>-</u>	
	<b><u>1,259,936</u></b>			<u>1,298,159</u>	
Campaign expenses (page 12)	<u>191,662</u>			<u>180,500</u>	
Net amount available for community investments and programs	<b><u>1,068,274</u></b>			<u>1,117,659</u>	
Community investments and program expenses (page 11)	<b>1,075,258</b>			1,217,964	
GCWCC expenses (page 13)	<u>22,903</u>			<u>23,582</u>	
Deficiency of revenue over expenses	<b><u>\$ (29,887)</u></b>			<b><u>\$ (123,887)</u></b>	
	Investment in Equipment	Unrestricted	Restricted	<b>2014 Total</b>	2013 Total
Fund balance, beginning of year	\$ 8,364	\$ 94,755	\$ 800	<b>\$103,919</b>	\$ 227,806
Deficiency of revenue over expenses	<u>(2,623)</u>	<u>(27,264)</u>	<u>-</u>	<b><u>(29,887)</u></b>	<u>(123,887)</u>
Fund balance, end of year	<b><u>\$ 5,741</u></b>	<b><u>\$ 67,491</u></b>	<b><u>\$ 800</u></b>	<b><u>\$ 74,032</u></b>	<b><u>\$ 103,919</u></b>

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,	2014	2013
<b>Assets</b>		
Cash (including restricted cash of \$800, 2013 - \$1,268)	\$ 326,466	\$ 405,952
Receivables	7,326	9,950
Prepaid expenses	<u>6,289</u>	<u>6,522</u>
	<u>340,081</u>	<u>422,424</u>
Pledges receivable – current year campaign	574,693	588,848
Pledges receivable – prior year campaign	24,622	17,204
Less: allowance for uncollectible pledges	<u>(67,000)</u>	<u>(60,000)</u>
	<u>532,315</u>	<u>546,052</u>
Computer and office equipment (note 3)	<u>5,741</u>	<u>8,364</u>
	<u>\$ 878,137</u>	<u>\$ 976,840</u>
<b>Liabilities</b>		
Payables and accruals		
Trade	\$ 43,758	\$ 23,517
Government remittances	5,679	4,319
Accrued allocations	<u>754,668</u>	<u>845,085</u>
	<u>804,105</u>	<u>872,921</u>
<b>Fund balances</b>		
Invested in equipment	5,741	8,364
Unrestricted	67,491	94,755
Restricted	<u>800</u>	<u>800</u>
	<u>74,032</u>	<u>103,919</u>
	<u>\$ 878,137</u>	<u>\$ 976,840</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**

<b>Year Ended March 31,</b>	<b>2014</b>	<b>2013</b>
(Decrease) increase in cash and cash equivalents		
<b>Operating</b>		
Deficiency of revenue over expenses	\$ (29,887)	\$ (123,887)
Amortization of capital assets	2,623	3,218
Loss on disposal of capital assets		270
Net change in non-cash working capital	<u>(52,222)</u>	<u>(63,532)</u>
	<u>(79,486)</u>	<u>(183,931)</u>
<b>Financing and investing</b>		
Purchase of capital assets	<u>-</u>	<u>(2,498)</u>
Net decrease in cash and cash equivalents	(79,486)	(186,429)
Cash and cash equivalents, beginning of year	<u>405,952</u>	<u>592,381</u>
Cash and cash equivalents, end of year	<u>\$ 326,466</u>	<u>\$ 405,952</u>

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, 2014**

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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 4 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, 2014**

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**2. Summary of significant accounting policies (continued)**

**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.

**Restricted Fund Balance**

The purpose of the restricted fund is to record the receipt and use of resources that are subject to restrictions. In 2009, \$1,000 was donated specifically for flood relief (2009 - \$200 was used for flood relief purposes).

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**3. Computer and office equipment**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2014 Net Book Value</u>	<u>2013 Net Book Value</u>
Computer and office equipment	<u>\$ 33,381</u>	<u>\$ 27,640</u>	<u>\$ 5,741</u>	<u>\$ 8,364</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, 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 9 and have been allocated as follows:

	<u>2014</u>	<u>2013</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 13.

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**United Way/Centraide (Central N.B./  
Région du Centre du N.B.) Inc.**  
**Notes to the financial statements**  
**March 31, 2014**

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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:

2015	\$ 20,919
2016	\$ 20,919
2017	\$ 18,879
2018	\$ 18,471
2019	\$ 18,471

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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, 2014.

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**7. Financial instruments**

The organization's financial instruments consist of cash, receivables and payables and accruals.

The fair value of the entity's cash, receivables and payables and accruals approximate carrying value due to the short term nature of the financial instruments.

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

**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.

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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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**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,</b>	<b>2014</b>	<b>2013</b>
Amortization	\$ 2,623	\$ 3,218
Audit and accounting	9,345	8,946
Employee benefits	2,598	2,547
Insurance	1,880	950
Miscellaneous	11,438	3,322
Occupancy	40,306	39,063
Office and printing	7,665	10,828
Postage	1,251	463
Salaries and wages	24,098	13,364
Service contracts	6,729	4,498
Telephone	<u>8,090</u>	<u>8,787</u>
	<b>\$ 116,023</b>	<b>\$ 95,986</b>
Allocation to campaign expenses (note 4)	<u>\$ 46,409</u>	<u>\$ 38,394</u>
Allocation to program expenses (note 4)	<u>\$ 69,614</u>	<u>\$ 57,592</u>

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

<b>Year Ended March 31,</b>	<b>2014</b>	<b>2013</b>
Community Investments (Allocations)		
Ability New Brunswick Inc.	\$ 43,817	\$ 50,363
Big Brothers-Big Sisters Association Inc.	28,705	32,994
Canadian National Institute for the Blind	25,134	28,890
Capital Region Mental Health and Addictions Association	14,862	17,078
CHIMO Helpline	9,459	10,867
Community Health Clinic	6,147	7,060
Easter Seals New Brunswick	24,755	28,454
Family Enrichment and Counselling Services	43,006	49,432
Fredericton Boys and Girls Club	34,280	39,403
Fredericton Community Kitchen	8,582	9,866
Fredericton Community Services	8,102	44,319
Fredericton Homeless Shelters	25,435	29,241
Fredericton Sexual Assault Crisis Centre	28,173	32,381
Hospice Fredericton	13,040	14,986
Jobs Unlimited	20,037	23,032
John Howard Society	23,731	27,273
Laubach Literacy	3,077	3,530
Liberty Lane	18,605	21,386
Meals on Wheels	18,580	21,356
New Brunswick Association for Community Living	14,640	16,827
Opal Family Services	36,153	41,559
Oromocto Community Residences	143	164
Oromocto Helpline/Food Bank	12,034	13,827
Scouts Canada	4,865	5,591
Sunbury West Headstart	1,228	1,412
Victorian Order of Nurses – Fredericton	33,294	38,263
Victorian Order of Nurses – Oromocto	22,095	25,399
Victorian Order of Nurses – Woodstock	15,974	18,356
YMCA - YWCA	20,942	24,074
Youth in Transition	12,228	14,049
	<u>\$ 571,123</u>	<u>\$ 691,432</u>
Donor options	<u>80,291</u>	<u>79,221</u>
<b>Total</b>	<u><b>\$ 651,414</b></u>	<u><b>\$ 770,653</b></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>2014</b>	<b>2013</b>
Allocation and Designations		
Allocations to member agencies		
(communities investments) (page 10)	\$ 651,414	\$ 770,653
Allocations to non-member agencies	99,789	129,664
Volunteer Centre	17,004	62,501
Donor options paid by other United Ways-Centraides	<u>97,945</u>	<u>65,812</u>
	<b>866,152</b>	<b>1,028,630</b>
Program Expenses		
Employee benefits	10,951	8,731
Miscellaneous	16,755	7,645
National Agency Expenses - United Way Canada	6,775	7,376
Office and printing	2,856	568
Publicity	2,792	13,787
Salaries and wages	96,246	85,027
Travel and conferences	<u>3,117</u>	<u>8,608</u>
	<u><b>1,005,644</b></u>	<u><b>1,160,372</b></u>
Allocation of administrative expenses (page 9)	<u><b>69,614</b></u>	<u><b>57,592</b></u>
Total program expenses	<u><b>\$ 1,075,258</b></u>	<u><b>\$ 1,217,964</b></u>

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

<b>Year Ended March 31,</b>	<b>2014</b>	<b>2013</b>
Campaign expense and supplies	\$ 1,989	\$ 3,520
Employee benefits	9,449	7,857
Golf tournament	-	6,338
Miscellaneous	30,310	29,645
Office and printing	9,222	7,233
Postage	5,305	2,997
Publicity	2,959	10,933
Salaries and wages	81,393	70,968
Training	609	1,353
Travel and conferences	4,017	1,262
	<u>145,253</u>	<u>142,106</u>
Allocation of administrative expenses (page 9)	<u>46,409</u>	<u>38,394</u>
Total campaign expenses	<u>\$ 191,662</u>	<u>\$ 180,500</u>

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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**

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<b>Year Ended March 31,</b>	<b>2014</b>	<b>2013</b>
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Employee benefits	\$ 1,022	\$ 1,082
Interest and bank charges	219	443
Service charges	6,194	5,614
Printing	1,309	1,259
Salaries and wages	13,848	14,919
Travel and conferences	<u>311</u>	<u>265</u>
Total campaign expenses	<u>\$ 22,903</u>	<u>\$ 23,582</u>