



Financial Statements

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

March 31, 2019

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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.

Opinion

We have audited the financial statements of United Way/Centraide (Central N.B./Région du Centre du N.B.) Inc. ("the organization"), which comprise the statement of financial position as at March 31, 2019, and the statement of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial position of United Way/Centraide (Central N.B./Région du Centre du N.B.) Inc. as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for qualified opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1, 2018 and 2017 and March 31, 2019 and 2018. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Fredericton, Canada
June 19, 2019

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 **2019** **2018**

Revenue		
Donations processed and fundraising events	\$1,194,907	\$ 986,208
Funds transferred from other United Ways-Centraides	258,560	308,812
Funds collected on behalf of other United Ways-Centraides	<u>4,875</u>	<u>1,692</u>
	1,458,342	1,296,712
Less: provision for uncollectable pledges	<u>(42,661)</u>	<u>(40,862)</u>
Net campaign revenue	1,415,681	1,255,850
Sponsorship	26,500	10,000
Other revenue	2,400	2,400
Investment revenue	1,898	1,255
Grant revenue	<u>39,207</u>	<u>22,599</u>
	1,485,686	1,292,104
Campaign expenses (page 14, note 10)	<u>237,983</u>	<u>217,392</u>
Net amount available for community investments and programs	1,247,703	1,074,712
Community investments and program expenses (page 15)	<u>1,117,070</u>	<u>1,109,354</u>
Excess (deficiency) of revenue over expenses	<u>\$ 130,633</u>	<u>\$ (34,642)</u>

	Investment in equipment	Unrestricted	Restricted	2019 Total	2018 Total
Fund balance, beginning of year	\$ 12,028	\$ 269,899	\$ 7,000	\$ 288,927	\$ 323,569
Excess (deficiency) of revenue over expenses	(6,138)	136,771	-	130,633	(34,642)
Investment in equipment	<u>1,396</u>	<u>(1,396)</u>	-	-	-
Fund balance, end of year	<u>\$ 7,286</u>	<u>\$ 405,274</u>	<u>\$ 7,000</u>	<u>\$ 419,560</u>	<u>\$ 288,927</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	2019	2018
Assets		
Cash and cash equivalents	\$ 631,876	\$ 508,668
Receivables	18,447	8,268
Prepaid expenses	<u>14,653</u>	<u>10,580</u>
	664,976	527,516
Other receivables	-	5,000
Pledges receivable – current year campaign	669,331	617,899
Pledges receivable – prior year campaign	21,169	68,262
Less: allowance for uncollectible pledges	<u>(40,000)</u>	<u>(40,000)</u>
	650,500	651,161
Capital assets (note 3)	<u>7,287</u>	<u>12,028</u>
	<u>\$1,322,763</u>	<u>\$1,190,705</u>
Liabilities		
Payables and accruals		
Trade	\$ 24,659	\$ 13,564
Government remittances	2,545	12,530
Deferred revenue	67,254	53,573
Due to Food For All NB (note 4)	110,819	112,026
Accrued allocations	<u>697,926</u>	<u>710,085</u>
	903,203	901,778
Fund balances		
Invested in equipment	7,286	12,028
Unrestricted	405,274	269,899
Restricted	<u>7,000</u>	<u>7,000</u>
	419,560	288,927
	<u>\$1,322,763</u>	<u>\$1,190,705</u>

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

2019

2018

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenue over expenses	\$ 130,633	\$ (34,642)
Amortization of capital assets	6,138	5,467
Loss on disposal of capital assets	-	1,006
Net change in non-cash working capital	<u>(12,167)</u>	<u>17,308</u>

124,604 (10,861)

Financing and investing

Purchase of capital assets	<u>(1,396)</u>	<u>(4,253)</u>
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Net increase (decrease) in cash and cash equivalents **123,208** (15,114)

Cash and cash equivalents, beginning of year 508,668 523,782

Cash and cash equivalents, end of year \$ 631,876 \$ 508,668

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, 2019

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 and only recognized once the allocation of the funds have been approved by the board. 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, 2019

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
- other receivables
- 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, other 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>2019 Net Book Value</u>	<u>2018 Net Book Value</u>
Computer and office equipment	<u>\$ 39,564</u>	<u>\$ 32,277</u>	<u>\$ 7,287</u>	<u>\$12,028</u>

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2019

4. Due to Food For All NB

In January 2014, the Organization entered into an arrangement whereby United Way will provide financial administration of funds issued to Food For All NB 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 and programs. General costs which do not pertain specifically to any function are considered administrative and are allocated. Administrative costs, summarized on page 11, have been allocated as follows:

Campaign expenses	46%
Program expenses	54%

6. Commitments

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

2020	\$18,471
2021	\$15,393

7. Bank indebtedness

The Organization has an operating line of credit of \$50,000 of which none was utilized at March 31, 2019.

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2019

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, 2019:

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. Transparency, accountability and financial reporting

The Organization follows the reporting guidelines as outlined in its membership agreement with United Way of Canada – Centraide Canada. As part of these guidelines, each member calculates fundraising and allocation ratios. These ratios are summarized as follows:

	<u>2019</u>	<u>2018</u>
Campaign ratio		
Total revenue	\$ 1,485,686	\$ 1,292,104
Add: provision for uncollectible pledges	<u>42,661</u>	<u>40,862</u>
Total revenue for campaign	\$ 1,528,347	\$ 1,332,966
Direct campaign expenses (page 13)	\$ 188,492	\$ 175,244
Allocation of administrative expenses (page 11)	<u>49,491</u>	<u>42,148</u>
Total campaign expenses	\$ 237,983	\$ 217,392
Ratio	15.6%	16.3%

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2019

10. Government of Canada Workplace Charitable Campaign Expenses

Included within campaign expenses, detailed on page 14, are campaign expenses that relate directly to the Government of Canada Workplace Charitable Campaign Expenses. These directly attributable expenses are as follows:

	<u>2019</u>	<u>2018</u>
Audit and accounting	\$ 1,498	\$ 1,622
Campaign expenses and supplies	288	187
Computer services	1,208	1,134
Dues and fees	107	112
Insurance	289	299
Interest and bank charges	956	733
Occupancy	4,124	4,213
Office and printing	2,541	2,322
Postage	208	250
Publicity	1,325	1,451
Salaries and wages	18,499	18,955
Service contracts	590	618
Telephone and utilities	1,426	1,605
Training	-	226
Travel and conferences	203	573
	<u>\$ 33,262</u>	<u>\$ 34,300</u>

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

Year Ended March 31 **2019** **2018**

Amortization	\$ 6,138	\$ 5,467
Audit and accounting	10,697	11,071
Computer services	8,626	7,736
Dues and fees	767	767
Employee benefits	4,008	3,807
Insurance	2,065	2,041
Interest and bank charges	2,971	2,138
Loss on disposal of assets	-	1,006
Occupancy	29,456	28,748
Office and printing	7,581	6,715
Postage	840	307
Publicity	466	-
Salaries and wages	19,934	16,649
Service contracts	4,218	4,218
Telephone and utilities	9,300	10,065
Translation	-	310
Travel and conferences	522	1,755
	<u>\$ 107,589</u>	<u>\$ 102,800</u>
Allocation to campaign expenses (note 5)	<u>\$ 49,491</u>	<u>\$ 42,148</u>
Allocation to program expenses (note 5)	<u>\$ 58,098</u>	<u>\$ 60,652</u>

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

Year Ended March 31

2019

2018

Community investments (allocations)

Ability New Brunswick Inc.	\$ 43,000	\$ 48,500
Adult Literacy Fredericton	9,000	8,000
Big Brothers-Big Sisters Association Inc.	35,750	42,700
Canadian National Institute for the Blind	15,000	17,500
Capital Region Mental Health and Addictions Association	18,250	18,250
CHIMO Helpline	13,000	9,000
Chipman Youth Centre Inc.	11,800	-
Community Health Clinic	9,000	7,500
Easter Seals New Brunswick	10,000	24,800
Family Enrichment and Counselling Services	40,000	43,000
Fredericton Boys and Girls Club	34,500	37,000
Fredericton Community Kitchen	-	6,000
Fredericton Community Services	-	5,000
Fredericton Homeless Shelters	26,000	26,000
Fredericton Sexual Assault Crisis Centre	41,000	42,000
Habitat for Humanity Fredericton Area	7,570	-
Jobs Unlimited	25,000	17,000
John Howard Society	84,000	37,500
Liberty Lane	20,000	20,500
Meals on Wheels	21,500	21,500
Multicultural Association of Fredericton	24,000	25,000
Nackawic and Area Investment	11,000	-
New Brunswick Association for Community Living	25,000	25,000
New Brunswick Youth Orchestra	10,000	-
Opal Family Services	36,000	16,000
Oromocto Helpline/Food Bank	10,000	15,000
Scouts Canada	-	5,000
Sunbury West Headstart	3,000	1,000
Youth in Transition	29,000	24,000
	612,370	542,750
Donor options	57,874	70,973
Total	\$ 670,244	\$ 613,723

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

Year Ended March 31	2019	2018
Campaign expense and supplies	\$ 39,744	\$25,680
Centrally coordinated campaign processing fees	14,795	10,453
Employee benefits	10,935	10,347
Interest and bank charges	3,855	2,864
Office and printing	10,568	9,133
Postage	648	1,395
Publicity	8,278	9,899
Salaries and wages	97,136	98,542
Telephone and utilities	884	884
Training	-	1,544
Translation	718	2,345
Travel and conferences	931	2,158
	<u>188,492</u>	<u>175,244</u>
Allocation of administrative expenses (page 12)	<u>49,491</u>	<u>42,148</u>
Total campaign expenses	<u>\$ 237,983</u>	<u>\$ 217,392</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 2019 2018

Allocation and Designations

Allocations to member agencies (community investments) (page 12)	\$ 670,244	\$ 613,723
Allocations to non-member agencies	118,352	132,422
Donor options paid by other United Ways-Centraides	<u>92,265</u>	<u>109,591</u>
	880,861	855,736
 Program expenses		
Computer services	3,058	3,470
Employee benefits	14,457	16,484
National agency expenses - United Way Canada	11,542	11,390
Office and printing	331	175
Postage	(39)	382
Program funding	12,868	11,029
Publicity	1,192	3,819
Salaries and wages	123,879	134,453
Supplies	155	1,443
Telephone and utilities	65	368
Training	-	80
Translation	1,664	1,127
Travel and conferences	<u>8,939</u>	<u>8,746</u>
	<u>1,058,972</u>	<u>1,048,702</u>
Allocation of administrative expenses (page 12)	<u>58,098</u>	<u>60,652</u>
Total program expenses	<u>\$ 1,117,070</u>	<u>\$ 1,109,354</u>