



Financial Statements

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

March 31, 2020

Contents

	Page
Independent auditors' report	1 - 3
Statements of operations and changes in fund balances	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7 - 11
Schedule of administrative expenses	12
Schedule of community investments (allocations)	13
Schedule of campaign expenses	14
Schedule of community investments and program expenses	15

Independent auditors' report

Grant Thornton LLP
4th Floor
570 Queen Street, PO Box 1054
Fredericton, NB
E3B 5C2
T +1 506 458 8200
F +1 506 453 7029

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, 2020, 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, 2020, 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, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1, 2019 and 2018 and March 31, 2020 and 2019. Our audit opinion on the financial statements for the year ended March 31, 2020 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.

Fredericton, Canada
September 23, 2020

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 2020 2019

Revenue		
Donations processed and fundraising events	\$1,162,679	\$1,194,907
Funds transferred from other United Ways-Centraides	272,749	258,560
Funds collected on behalf of other United Ways-Centraides	<u>8,040</u>	<u>4,875</u>
	1,443,468	1,458,342
Less: provision for uncollectable pledges	<u>(48,843)</u>	<u>(42,661)</u>
Net campaign revenue	1,394,625	1,415,681
Sponsorship	14,000	26,500
Other revenue	2,400	2,400
Investment revenue	4,123	1,898
Grant revenue	45,916	39,207
Atlantic Compassion Fund	<u>17,000</u>	<u>-</u>
	1,478,064	1,485,686
Campaign expenses (page 14)	<u>289,565</u>	<u>237,983</u>
Net amount available for community investments and programs	1,188,499	1,247,703
Community investments and program expenses (page 15)	<u>1,146,675</u>	<u>1,117,070</u>
Excess (deficiency) of revenue over expenses	<u>\$ 41,824</u>	<u>\$ 130,633</u>

	Investment in equipment	Unrestricted	Restricted	2020 Total	2019 Total
Fund balance, beginning of year	\$ 7,286	\$ 405,274	\$ 7,000	\$ 419,560	\$ 288,297
Excess (deficiency) of revenue over expenses	(4,464)	46,288	-	41,824	130,633
Investment in equipment	<u>5,466</u>	<u>(5,466)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,288</u>	<u>\$ 446,096</u>	<u>\$ 7,000</u>	<u>\$ 461,384</u>	<u>\$ 419,560</u>

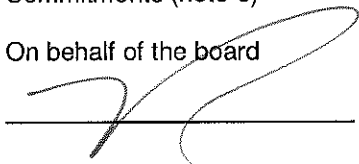
See accompanying notes to the financial statements.

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

March 31	2020	2019
Assets		
Cash and cash equivalents	\$ 736,318	\$ 631,876
Receivables	11,377	18,447
Prepaid expenses	<u>16,189</u>	<u>14,653</u>
	763,884	664,976
Pledges receivable – current year campaign	599,753	669,331
Pledges receivable – prior year campaign	64,655	21,169
Less: allowance for uncollectible pledges	<u>(40,000)</u>	<u>(40,000)</u>
	624,408	650,500
Capital assets (note 3)	<u>8,287</u>	<u>7,287</u>
	<u>\$1,396,579</u>	<u>\$1,322,763</u>
Liabilities		
Payables and accruals		
Trade	\$ 26,003	\$ 24,659
Government remittances	8,855	2,545
Deferred revenue (note 8)	216,009	67,254
Due to Food For All NB (note 4)	93,335	110,819
Accrued allocations	<u>590,993</u>	<u>697,926</u>
	935,195	903,203
Fund balances		
Invested in equipment	8,288	7,286
Unrestricted	446,096	405,274
Restricted	<u>7,000</u>	<u>7,000</u>
	461,384	419,560
	<u>\$1,396,579</u>	<u>\$1,322,763</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 **2020** **2019**

Increase (decrease) in cash and cash equivalents

Operating		
Excess of revenue over expenses	\$ 41,825	\$ 130,633
Amortization of capital assets	4,464	6,138
Net change in non-cash working capital	<u>63,619</u>	<u>(12,167)</u>
	109,908	124,604
Financing and investing		
Purchase of capital assets	<u>(5,466)</u>	<u>(1,396)</u>
Net increase (decrease) in cash and cash equivalents	104,442	123,208
Cash and cash equivalents, beginning of year	<u>631,876</u>	<u>508,668</u>
Cash and cash equivalents, end of year	<u>\$ 736,318</u>	<u>\$ 631,876</u>

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, 2020

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 partner and non-partner 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, 2020

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>	2020 Net Book Value	2019 Net Book Value
Computer and office equipment	<u>\$ 45,028</u>	<u>\$ 36,741</u>	<u>\$ 8,287</u>	<u>\$7,287</u>

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2020

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 12, have been allocated as follows:

Campaign expenses	54%
Program expenses	46%

6. Commitments

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

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, 2020.

8. Deferred revenue

The Organization's deferred revenue is considerably higher this year due to the funding received as part of the Atlantic Compassion Fund initiative. These funds are to be allocated to several board approved recipients for the use of Covid-19 relief in the local area. As of March 31, 2020 \$17,000 of approximately \$150,000 in funding received had been allocated. Therefore, the balance of \$133,000 was recorded as deferred revenue. This is not expected to be a recurring initiative subsequent to 2020.

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2020

9. 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, 2020:

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.

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.

10. 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>2020</u>	<u>2019</u>
Campaign ratio		
Total revenue	\$ 1,478,064	\$ 1,485,686
Add: provision for uncollectible pledges	<u>48,843</u>	<u>42,661</u>
Total revenue for campaign	\$ 1,526,907	\$ 1,528,347
Direct campaign expenses (page 14)	\$ 231,626	\$ 188,492
Allocation of administrative expenses (page 12)	<u>57,939</u>	<u>49,491</u>
Total campaign expenses	\$ 289,565	\$ 237,983
Ratio	19.0%	15.6%

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2020

11. 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>2020</u>	<u>2019</u>
Audit and accounting	\$ 1,426	\$ 1,498
Campaign expenses and supplies	204	288
Computer services	810	1,208
Dues and fees	22	107
Insurance	287	289
Interest and bank charges	863	956
Occupancy	3,878	4,124
Office and printing	2,944	2,541
Postage	217	208
Publicity	561	1,325
Salaries and wages	22,533	18,499
Service contracts	552	590
Telephone and utilities	1,414	1,426
Training	360	-
Travel and conferences	172	203
	<u>\$ 36,243</u>	<u>\$ 33,262</u>

12. Subsequent events

Since March 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Organization has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended March 31, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences,

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

Year Ended March 31 **2020** **2019**

Amortization	\$ 4,464	\$ 6,138
Audit and accounting	10,899	10,697
Computer services	5,713	8,626
Dues and fees	169	767
Employee benefits	3,946	4,008
Insurance	2,192	2,065
Interest and bank charges	2,323	2,971
Occupancy	29,651	29,456
Office and printing	8,935	7,581
Postage	930	840
Publicity	1,045	466
Salaries and wages	21,713	19,934
Service contracts	4,218	4,218
Telephone and utilities	9,923	9,300
Translation	380	-
Travel and conferences	794	522
	<u>\$ 107,295</u>	<u>\$ 107,589</u>
Allocation to campaign expenses (note 5)	<u>\$ 57,939</u>	<u>\$ 49,491</u>
Allocation to program expenses (note 5)	<u>\$ 49,356</u>	<u>\$ 58,098</u>

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

Year Ended March 31

2020

2019

Community investments (allocations)

Ability New Brunswick Inc.	\$ 32,260	\$ 43,000
Adult Literacy Fredericton	6,750	9,000
Atlantic Compassion Fund	17,000	-
Big Brothers-Big Sisters Association Inc.	30,860	35,750
Canadian National Institute for the Blind	13,870	15,000
Capital Region Mental Health and Addictions Association	13,920	18,250
CHIMO Helpline	10,500	13,000
Chipman Youth Centre Inc.	4,500	11,800
Community Health Clinic	7,500	9,000
Easter Seals New Brunswick	7,500	10,000
Family Enrichment and Counselling Services	30,000	40,000
Fredericton Boys and Girls Club	33,380	34,500
Fredericton Homeless Shelters	19,500	26,000
Fredericton Sexual Assault Crisis Centre	31,510	41,000
Habitat for Humanity Fredericton Area	-	7,570
Jobs Unlimited	18,750	25,000
John Howard Society	44,630	84,000
Liberty Lane	22,500	20,000
Meals on Wheels	17,400	21,500
Multicultural Association of Fredericton	18,000	24,000
Nackawic and Area Investment	18,000	11,000
New Brunswick Association for Community Living	18,750	25,000
New Brunswick Youth Orchestra	18,760	10,000
Opal Family Services	20,250	36,000
Oromocto Helpline/Food Bank	15,230	10,000
Out of the Cold Shelter	22,900	-
Sunbury West Headstart	2,780	3,000
Youth in Transition	22,500	29,000
	519,500	612,370
Donor options partner agencies	49,438	57,874
Total	\$ 568,938	\$ 670,244

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

Year Ended March 31	2020	2019
Campaign expense and supplies	\$ 36,240	\$39,744
Centrally coordinated campaign processing fees	13,915	14,795
Employee benefits	4,277	10,935
Interest and bank charges	22,669	3,855
Office and printing	14,078	10,568
Postage	726	648
Publicity	1,738	8,278
Salaries and wages	132,697	97,136
Telephone and utilities	884	884
Training	2,752	-
Translation	1,129	718
Travel and conferences	521	931
	<u>231,626</u>	<u>188,492</u>
Allocation of administrative expenses (page 12)	<u>57,939</u>	<u>49,491</u>
Total campaign expenses	<u>\$ 289,565</u>	<u>\$ 237,983</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 2020 2019

Allocation and Designations

Allocations to partner agencies (community investments) (page 13)	\$ 568,938	\$ 670,244
Donor option to non-partner agencies	206,038	118,352
Donor options paid by other United Ways-Centraides	<u>103,282</u>	<u>92,265</u>
	878,258	880,861
 Program expenses		
Computer services	3,376	3,058
Employee benefits	17,989	14,457
National agency expenses - United Way Canada	11,289	11,542
Office and printing	18	331
Postage	-	(39)
Program funding	11,617	12,868
Publicity	-	1,192
Salaries and wages	164,530	123,879
Supplies	425	155
Telephone and utilities	-	65
Translation	145	1,664
Travel and conferences	<u>9,672</u>	<u>8,939</u>
	<u>1,097,319</u>	<u>1,058,972</u>
 Allocation of administrative expenses (page 12)	 <u>49,356</u>	 <u>58,098</u>
 Total program expenses	 <u>\$ 1,146,675</u>	 <u>\$ 1,117,070</u>