



Financial Statements

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

March 31, 2022

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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.

Qualified 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, 2022, 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, 2022, 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

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, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1, 2021 and 2020 and March 31, 2022 and 2021. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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.

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
June 22, 2022

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

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 **2022** **2021**

Revenue		
Donations processed and fundraising events	\$969,210	\$1,192,409
Funds transferred from other United Ways-Centraides	198,959	94,808
Funds collected on behalf of other United Ways-Centraides	<u>4,002</u>	<u>8,587</u>
Gross campaign revenue available for the community	1,172,171	1,295,804
Less: provision for uncollectable pledges	<u>(53,824)</u>	<u>(55,759)</u>
Net campaign revenue	1,118,347	1,240,045
Sponsorship	1,000	3,000
Other revenue	18,415	10,364
Grant revenue	11,840	5,462
Atlantic Compassion Fund	-	278,271
Management Fee	10,000	24,000
Nackawic Community Revenue	24,982	-
Out of the Cold	-	20,270
Government Assistance	101,842	153,042
Horizons for Seniors Programs	-	69,629
Food For All NB	301,256	318,920
Emergency Community Support Fund	<u>-</u>	<u>883,842</u>
	1,587,682	3,006,845
Campaign expenses (page 14)	<u>245,480</u>	<u>255,152</u>
Net amount available for community investments and programs	1,342,202	2,751,693
Food For All NB expenses (page 16)	301,256	318,920
Community investments and program expenses (page 15)	<u>1,077,019</u>	<u>2,316,395</u>
(Deficiency)/excess of revenue over expenses	<u>\$ (36,073)</u>	<u>\$ 116,378</u>

	Investment in equipment	Unrestricted	Restricted	2022 Total	2021 Total
Fund balance, beginning of year	\$ 8,347	\$ 562,415	\$ 7,000	\$ 577,762	\$ 461,384
(Deficiency)/excess of revenue over expenses	<u>(3,269)</u>	<u>(32,804)</u>	<u>-</u>	<u>(36,073)</u>	<u>116,378</u>
Fund balance, end of year	<u>\$ 5,078</u>	<u>\$ 529,611</u>	<u>\$ 7,000</u>	<u>\$ 541,689</u>	<u>\$ 577,762</u>

See accompanying notes to the financial statements.

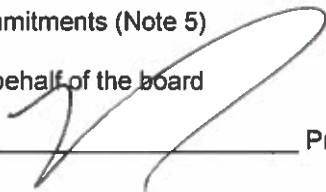
**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.
Statement of financial position**

March 31	2022	2021
Assets		
Cash and cash equivalents	\$ 800,839	\$1,052,086
Receivables	10,087	16,580
Prepaid expenses	<u>8,921</u>	<u>16,362</u>
	<u>819,847</u>	<u>1,085,028</u>
Pledges receivable – current year campaign	633,477	552,747
Pledges receivable – prior year campaign	54,688	42,626
Less: allowance for uncollectible pledges	<u>(40,000)</u>	<u>(40,000)</u>
	<u>648,165</u>	<u>555,373</u>
Capital assets (Note 3)	<u>5,078</u>	<u>8,347</u>
	<u>\$1,473,090</u>	<u>\$1,648,748</u>

Liabilities		
Payables and accruals		
Trade	\$ 15,892	\$ 88,721
Government remittances	11,622	12,480
Deferred revenue (Note 7)	153,696	197,372
Accrued allocations	<u>750,191</u>	<u>772,413</u>
	<u>931,401</u>	<u>1,070,986</u>
Fund balances		
Invested in equipment	5,078	8,347
Unrestricted	529,611	562,415
Restricted	<u>7,000</u>	<u>7,000</u>
	<u>541,689</u>	<u>577,762</u>
	<u>\$1,473,090</u>	<u>\$1,648,748</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

Year Ended March 31

2022

2021

Increase (decrease) in cash and cash equivalents

Operating		
(Deficiency)/excess of revenue over expenses	\$ (36,073)	\$ 116,378
Amortization of capital assets	3,269	3,355
Net change in non-cash working capital	<u>(218,443)</u>	<u>199,448</u>
	(251,247)	319,181
Financing and investing		
Purchase of capital assets	<u>-</u>	<u>(3,414)</u>
Net (decrease)/increase cash and cash equivalents	(251,247)	315,767
Cash and cash equivalents, beginning of year	<u>1,052,086</u>	<u>736,319</u>
Cash and cash equivalents, end of year	<u>\$ 800,839</u>	<u>\$1,052,086</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, 2022

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 deferral 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 4 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, 2022

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
- 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>	2022 <u>Net Book Value</u>	2021 <u>Net Book Value</u>
Computer and office equipment	<u>\$ 38,645</u>	<u>\$ 33,567</u>	<u>\$ 5,078</u>	<u>\$8,347</u>

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2022

4. 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%

5. Commitments

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

2023	\$23,725
2024	\$19,975
2025	\$19,975
2026	\$16,645

6. Bank indebtedness

The Organization has an operating line of credit of \$50,000 of which none was utilized at March 31, 2022.

7. Deferred revenue

Deferred revenue is comprised of the following:

	<u>2022</u>	<u>2021</u>
Food for All NB	\$ 120,203	\$ 172,389
Nackawic community funds	33,493	24,983
Total	<u>\$ 153,696</u>	<u>\$ 197,372</u>

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2022

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, 2022:

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.

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>2022</u>	<u>2021</u>
Campaign ratio		
Total revenue	\$ 1,587,682	\$ 3,006,845
Add: provision for uncollectible pledges	<u>53,824</u>	<u>55,759</u>
Total revenue for campaign	\$ 1,641,506	\$ 3,062,603
Direct campaign expenses (page 14)	\$ 189,950	\$ 196,505
Allocation of administrative expenses (page 12)	<u>55,530</u>	<u>58,647</u>
Total campaign expenses	\$ 245,480	\$ 255,152
Ratio	15.0%	8.3%

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Notes to the financial statements
March 31, 2022

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>2022</u>	<u>2021</u>
Audit and accounting	\$ 2,272	\$ 1,997
Campaign expenses and supplies	50	29
Computer services	937	1,572
Dues and fees	27	486
Insurance	353	377
Interest and bank charges	1,658	1,296
Occupancy	4,532	4,644
Office and printing	1,299	1,878
Postage	188	206
Publicity	960	506
Salaries and wages	25,116	28,371
Service contracts	381	748
Telephone and utilities	1,412	1,648
Training	-	17
Travel and conferences	75	65
	<u>\$ 39,260</u>	<u>\$ 43,839</u>

11. Impact of COVID-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to business worldwide, resulting in an economic slowdown. Government and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

As a result of public health guidelines issued from the Province of New Brunswick, the Organization has had to modify interaction with the public which included cancelling and modifying planned fundraising activities. The Organization has assessed that there were no adjusting events for the statement of financial position and results of operations as of and for the year ended March 31, 2022.

In April 2020, the Organization began applying for funding from the Federal Government under the Canada Emergency Wage Subsidy (CEWS) Program, the Canada Emergency Rent Subsidy (CERS) Program, and the Temporary Wage Subsidy (TWS) Program. During the year ended March 31, 2022, the Organization recognized and included the following subsidies in Government Assistance: CEWS - \$146,752 (2020 - \$183,029), CERS - \$10,196 (2020 - \$9,566), & TWS - \$ nil (2020 - \$1,725).

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

Year Ended March 31 **2022** **2021**

Amortization	\$ 3,269	\$ 3,355
Audit and accounting	15,114	12,332
Computer services	6,234	8,003
Dues and fees	177	170
Employee benefits	4,075	4,246
Insurance	2,348	2,329
Interest and bank charges	8,859	2,250
Legal fees	-	2,941
Occupancy	30,150	28,686
Office and printing	5,271	6,361
Postage	873	311
Publicity	118	500
Salaries and wages	13,597	23,212
Service contracts	2,537	4,617
Telephone and utilities	8,508	9,293
Training	14	47
Translation	1,515	-
Travel and conferences	175	90
Gain on disposal of assets	-	(138)
	<u>\$ 102,834</u>	<u>\$ 108,605</u>
Allocation to campaign expenses (Note 4)	<u>\$ 55,530</u>	<u>\$ 58,647</u>
Allocation to program expenses (Note 4)	<u>\$ 47,304</u>	<u>\$ 49,958</u>

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.**
Schedule of community investments (allocations)
Year Ended March 31 2022 2021

Community investments (allocations)

Ability New Brunswick Inc.	\$ 37,220	\$ 40,000
Adult Literacy Fredericton	16,000	9,006
AIDS New Brunswick	16,600	-
Atlantic Compassion Fund	-	278,336
Autism Connections Fredericton	4,896	5,000
Big Brothers-Big Sisters Association Inc.	19,292	28,750
Camp Canak Inc.	10,000	-
Canadian Deafblind Association-NB Inc.	2,500	-
Canadian National Institute for the Blind	18,636	20,000
Capital Region Mental Health and Addictions Association	22,019	20,500
CHIMO Helpline	13,225	12,000
Chipman Youth Centre Inc.	12,000	8,500
Chipman Community Care Inc.	-	3,000
Community Health Clinic	19,500	16,000
Easter Seals New Brunswick	8,328	20,000
Elementary Literacy	10,000	-
Emergency Community Support Fund	-	825,511
Family Enrichment and Counselling Services	43,000	45,000
Fredericton Boys and Girls Club	34,214	35,000
Fredericton Homeless Shelters	27,168	27,000
Fredericton Sexual Assault Crisis Centre	-	43,000
Habitat for Humanity Fredericton Area	9,390	10,000
Housing First	-	10,120
Jobs Unlimited	27,000	27,000
John Howard Society	62,000	55,000
Liberty Lane	24,150	25,000
Meals on Wheels	19,136	25,000
Multicultural Association of Fredericton	15,000	35,000
Nackawic and Area Investment	-	16,172
Neil Squire Society	7,000	5,000
Neqotkuk Health Center	-	6,000
New Brunswick Association for Community Living	24,736	25,000
New Brunswick Youth Orchestra	18,750	18,750
New Horizons for Seniors Program	-	64,821
Opal Family Services	29,880	24,000
Oromocto Helpline/Food Bank	9,635	15,000
Out of the Cold Shelter	-	39,239
Partners for Youth	8,500	10,000
Sexual Violence New Brunswick	23,856	-
Sunbury West Headstart	2,000	3,000
Youth in Transition	27,448	27,500
	623,079	1,878,205
Donor options partner agencies	35,506	21,052
Total	\$ 658,585	\$ 1,899,257

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

Year Ended March 31	2022	2021
Campaign expense and supplies	\$ 23,405	\$14,332
Employee benefits	15,276	15,885
Interest and bank charges	2,174	5,756
Centrally coordinated campaign processing fees	14,784	14,022
Office and printing	3,373	9,775
Postage	377	962
Publicity	4,755	819
Salaries and wages	124,599	131,892
Telephone and utilities	884	884
Training	-	58
Translation	-	1,805
Travel and conferences	323	314
	<u>189,950</u>	<u>196,505</u>
Allocation of administrative expenses (page 12)	<u>55,530</u>	<u>58,647</u>
Total campaign expenses	<u>\$ 245,480</u>	<u>\$ 255,152</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 2022 2021

Allocation and Designations

Allocations to partner agencies (community investments) (page 13)	\$ 658,585	\$ 1,899,257
Donor option to non-partner agencies	106,499	131,464
Donor options paid by other United Ways-Centraides	<u>36,590</u>	<u>36,533</u>
	801,674	2,067,254
Program expenses		
Computer services	4,485	10,905
Employee benefits	18,519	15,696
National agency expenses - United Way Canada	13,277	12,495
Office and printing	1,045	281
Postage	438	53
Program funding	23,800	2,000
Publicity	384	413
Salaries and wages	165,225	156,501
Training	-	95
Translation	-	533
Travel and conferences	588	211
Utilities	<u>280</u>	<u>-</u>
	<u>1,029,715</u>	<u>2,266,436</u>
Allocation of administrative expenses (page 12)	<u>47,304</u>	<u>49,958</u>
Total program expenses	<u>\$ 1,077,019</u>	<u>\$ 2,316,395</u>

**United Way/Centraide (Central N.B./
Région du Centre du N.B.) Inc.
Schedule of Food For All N.B. Inc. Expenses**

Year Ended March 31	2022	2021
Allocation to Good Food Access funding	\$ -	\$ 85,131
Program expenses		
Audit and accounting	\$ 2,347	\$ 1,002
Computer services	2,981	4,716
Conference and meetings	18,275	11,093
Dues and fees	107	2,730
Employee benefits	20,252	16,944
Good food access funding (page 15)	-	85,131
Legal fees	-	187
Occupancy	5,644	312
Office and printing	6,763	8,544
Postage	393	79
Publicity	140	579
Salaries and wages	197,543	166,191
Service contracts	37,725	13,742
Telephone and utilities	838	1,024
Training	761	1,500
Translation	6,600	4,962
Travel and conferences	887	181
Total Food For All NB Inc. Expenses	\$ 301,256	\$ 318,920