

UNITED WAY OF LUNENBURG COUNTY
Financial Statements
Year Ended December 31, 2014



Belliveau Veinotte Inc.
CHARTERED ACCOUNTANTS

A Member Firm of The AC Group of Independent Accounting Firms Limited

Index to Financial Statements

Year Ended December 31, 2014

	Page
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Fund Balances	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12
Schedule One (<i>Schedule 1</i>)	13



Belliveau Veinotte Inc.
CHARTERED ACCOUNTANTS

A Member Firm of The AC Group of Independent Accounting Firms Limited

PO Box 29
11 Dominion Street
Bridgewater NS B4V 2W6
Canada

Tel: 902-543-4278
Fax: 902-543-1818
bridgewater@bvca.ca

www.acgca.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of United Way of Lunenburg County

We have audited the accompanying financial statements of United Way of Lunenburg County, which comprise the statement of financial position as at December 31, 2014 and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditor's Report to the Members of United Way of Lunenburg County *(continued)*

Basis for Qualified Opinion

In common with many not-for-profit organizations, United Way of Lunenburg County derives revenue from donation and fundraising activities 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 of Lunenburg County. Therefore, we were not able to determine whether any adjustments might be necessary to special events revenue, donation revenue, excess of revenue over expenses, 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 of Lunenburg County as at December 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.

Bridgewater, Nova Scotia
September 10, 2015

Belliveau Veinotte Inc.

CHARTERED ACCOUNTANTS

Statement of Financial Position

December 31, 2014

	2014	2013
ASSETS		
Current		
Cash	\$ 164,329	\$ 185,728
Pledges receivable (Note 4)	215,775	255,091
Other receivables	1,000	-
HST recoverable	1,070	654
	\$ 382,174	\$ 441,473
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 9,100	\$ 21,967
Deferred revenue (Note 6)	192,737	231,924
	201,837	253,891
NET ASSETS		
Operating fund	180,337	187,582
	\$ 382,174	\$ 441,473

ON BEHALF OF THE BOARD

Director_____
Director

See accompanying notes to the financial statements

Statement of Operations

Year Ended December 31, 2014

	2014	2013
CAMPAIGN AND FUNDRAISING REVENUE		
Corporate gifts	\$ 56,517	\$ 50,804
Employee gifts	175,889	149,281
Other fundraising and donations	34,777	36,801
	267,183	236,886
OTHER REVENUE		
Interest income	191	342
Sundry income	5,000	650
	5,191	992
DISTRIBUTIONS AND EXPENSES		
Allocations to agencies and organizations (Note 8)	195,684	151,340
Donor designations	41,009	23,193
Fundraising expenses (Schedule 1)	26,814	32,497
Community investment expenses (Schedule 1)	15,953	15,831
Uncollectible pledges	159	1,346
	279,619	224,207
EXCESS (DEFICIENCY) OF REVENUE OVER DISTRIBUTIONS AND EXPENSES FOR THE YEAR	\$ (7,245)	\$ 13,671

See accompanying notes to the financial statements

UNITED WAY OF LUNENBURG COUNTY
Statement of Changes in Fund Balances
Year Ended December 31, 2014

Page 6

	2014	2013
OPERATING FUND BALANCE - BEGINNING OF YEAR	\$ 187,582	\$ 173,911
Excess (deficiency) of revenue over distributions and expenses for the year	(7,245)	13,671
OPERATING FUND BALANCE - END OF YEAR	\$ 180,337	\$ 187,582

See accompanying notes to the financial statements

Statement of Cash Flows

Year Ended December 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over distributions and expenses for the year	\$ (7,245)	\$ 13,671
Changes in non-cash working capital:		
Pledges receivable	39,316	(32,352)
Other receivables	(1,000)	-
HST recoverable	(416)	3,026
Accounts payable and accrued liabilities	(12,867)	12,684
Deferred revenue	(39,187)	15,778
	(14,154)	(864)
INCREASE (DECREASE) IN CASH FLOW	(21,399)	12,807
Cash - beginning of year	185,728	172,921
CASH - END OF YEAR	\$ 164,329	\$ 185,728

See accompanying notes to the financial statements



Notes to Financial Statements

Year Ended December 31, 2014

1. NATURE OF OPERATIONS

The mission of the United Way of Lunenburg County is to strengthen neighbourhoods and communities by facilitating programs and services that link people and resources, encourage participation and increase giving.

The United Way of Lunenburg County is incorporated under the Societies Act of The Province of Nova Scotia and is registered as a charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes, and is able to issue donation receipts for income tax purposes.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Fund accounting

The Society uses fund accounting. The Operating Fund accounts for the United Way of Lunenburg County's fundraising activities and contributions. This fund reports the monies which are available to provide support to the community.

Revenue recognition

United Way of Lunenburg County follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donor designations, which have externally imposed restrictions, are recorded as revenue in the year the funds are received and the designated agency is funded.

Campaign and fundraising revenue is comprised of unrestricted contributions for the current year campaign and designated contributions recognized in the year. An allowance for pledge loss is recorded when necessary to reduce pledges receivable based on historical percentages for pledge collections and on actual collection experience.

Unrestricted investment income includes interest earned on unrestricted bank balances and is recognized as revenue when earned.

(continues)

Notes to Financial Statements

Year Ended December 31, 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Cash

Cash includes cash on hand and balances with banks.

Pledges receivable

Contributions pledged are recorded at their net realizable value when the amount to be received can be reasonably estimated and collection is reasonably assured. Uncollectible pledges include pledges that have been written off. Pledge allowances are provided as necessary for amounts estimated to be uncollectible.

Expense allocations

The United Way of Lunenburg County allocates certain overhead expenses which do not pertain specifically to community impact programs or fundraising based on the Board of Director's estimates of the coordinator's time and dollars spent as indicated below:

	<u>2014</u>	<u>2013</u>
Community impact programs	50%	50%
Fundraising	50%	50%

Allocated overhead expenses include audit and accounting, contracted services, insurance, interest and bank charges, memberships and dues, office supplies, office equipment, telephone expenses and website development.

Allocations to agencies and organizations

Allocations to agencies and organizations are recognized when funding is approved by the Board of Directors and distributed.

Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash, pledges receivable and other receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Notes to Financial Statements

Year Ended December 31, 2014

4. PLEDGES RECEIVABLE

	2014	2013
2014 Campaign	\$ 180,042	\$ -
2013 Campaign	35,733	214,793
2012 Campaign	-	40,298
	\$ 215,775	\$ 255,091

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Trade accounts payable	\$ 6,950	\$ 8,193
Accrued liabilities	2,150	2,150
Community investment - prior campaign	-	11,624
	\$ 9,100	\$ 21,967

6. DEFERRED REVENUE

	2014	2013
Balance - beginning of year	\$ 231,924	\$ 216,146
Less: Amount recognized as revenue	(231,765)	(214,800)
Less: Loss on pledges	(159)	(1,346)
Add: Amount received or pledged	192,737	231,924
Balance - end of year	\$ 192,737	\$ 231,924

7. ALLOCATION OF EXPENSES

	Fundraising	Community impact programs
Allocation of administrative expenses	50 %	50 %
2014 Allocation of expenses were as follows:		
Accounting and auditing	\$ 1,113	\$ 1,113
Contracted services	11,438	11,438
Insurance	1,193	1,193
Interest and bank charges	85	85
Office equipment	174	174
Office supplies	686	686
Travel and meetings	472	472
Website development	102	102
	\$ 15,263	\$ 15,263



Notes to Financial Statements

Year Ended December 31, 2014

8. ALLOCATIONS TO AGENCIES AND ORGANIZATIONS

	2014	2013
Big Brothers Big Sisters of South Shore	\$ 16,000	\$ 15,500
Bridgewater Interchurch Foodbank	3,000	-
Chester Municipal Heritage Society	1,500	-
First Steps Early Intervention Association	11,400	7,500
Fox Point Community Centre	4,100	4,600
Heartwood Centre for Community Youth Development	7,500	-
Hinchinbrook Farm Society	5,600	3,200
Lighthouse Food Bank Society - Chester	750	-
Lunenburg Interchurch Food Bank	750	-
Lunenburg County Adult Learning Network	2,500	2,000
Mahone Bay Area Food Bank Association	750	-
Mahone Bay Centre	-	1,000
Mahone Bay Settlers Museum	500	-
Municipality of the District of Lunenburg	5,000	-
Municipality of Chester - P.R.O. Kids	10,000	7,000
Municipality of the District of Lunenburg - P.R.O. Kids	12,000	12,000
New Germany Area Food Bank	750	-
New Germany Area Promotion Association	500	-
Pinegrove Outdoor Play Association	8,000	5,000
Sexual Health Centre	-	7,000
Second Story Women's Centre	7,434	7,820
Senior Wheels Association	5,000	5,000
Society of St. Vincent de Paul	15,000	15,000
South Shore Community Service Association	8,000	7,100
South Shore Family Resource Association	10,000	10,000
South Shore Safe Community Association	10,000	1,500
South Shore Waldorf School and Kindergarden Association	1,000	-
South Shore Health - Multicultural Festival	5,000	-
South Shore Transition House Association	10,000	6,000
Throughout the Years Day Care and Community Centre	3,000	2,000
Town of Bridgewater - Bridgewater Pool Extreme Heat	1,500	-
Town of Bridgewater - Community Gardens	500	-
Town of Bridgewater - Happy Healthy Older Adults	2,500	-
Town of Bridgewater - Lets Get Older Adult to Active	1,350	-
Town of Bridgewater - P.R.O. Kids	4,000	3,000
Town of Bridgewater Parks, Recreation Culture in partnership with the Municipality of the District of Lunenburg Parks and Recreation	-	3,920
Voglers Cove Community Centre	-	6,200
YMCA Lunenburg County	20,800	19,000
	\$ 195,684	\$ 151,340

Notes to Financial Statements

Year Ended December 31, 2014

9. COMMITMENTS

The United Way of Lunenburg County, as a member of the United Way of Canada, has signed a membership agreement which requires the Society to follow policies and procedures, as amended from time to time, including a payment of annual membership dues of \$1,410 (2013; \$1,425).

The United Way of Lunenburg County's coordinator is contracted on an annual basis with the current contract expiring December 31, 2015.

The United Way of Lunenburg County has a contract with the United Way of Halifax Region for campaign processing and financial reporting for an annual fee of \$2,000.

10. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2014.

Credit risk

Credit risk arises from the potential that a counter party may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to campaign pledges receivable. The United Way of Lunenburg County assesses, on a continuous basis, campaign pledges receivable and provides for any amounts that are not collectable in an allowance for uncollectible pledges as described in note 3. The Society has a significant number of pledges which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Society will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The United Way of Lunenburg County prepares a budget to ensure it has sufficient funds to fulfil its obligations. Accounts payable and accrued liabilities are generally repaid within 30 days.

Schedule One

Year Ended December 31, 2014

	2014	2013
FUNDRAISING EXPENSES		
211 Nova Scotia fees	\$ 2,672	\$ 6,451
Advertising	2,500	7,333
Audit and accounting	1,113	2,000
Contracted services - coordinator (Note 9)	11,438	11,400
Fundraising supplies	4,900	229
Annual Meeting	69	1,048
Interest and bank charges	85	8
Membership and dues	-	1,278
Membership dues to the United Way of Canada (Note 9)	1,410	1,425
Office equipment	174	-
Office supplies	686	-
Insurance	1,193	500
Travel and meetings	472	825
Website development	102	-
	\$ 26,814	\$ 32,497
COMMUNITY INVESTMENT EXPENSES		
Audit and accounting	\$ 1,113	\$ 2,000
Contracted services - coordinator (Note 9)	11,438	11,400
Insurance	1,193	1,048
Interest and bank charges	85	8
Membership and dues	-	50
Office equipment	174	-
Office supplies	686	-
Rent	690	500
Travel and meetings	472	825
Website development	102	-
	\$ 15,953	\$ 15,831

