

**UNITED WAY OF LUNENBURG COUNTY**  
**Financial Statements**  
**Year Ended December 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

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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, 2015 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 audit opinion.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of Lunenburg County as at December 31, 2015 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  
August 22, 2016



CHARTERED PROFESSIONAL ACCOUNTANTS

**UNITED WAY OF LUNENBURG COUNTY**  
**Statement of Financial Position**  
**December 31, 2015**

|   | 2015              | 2014              |
|---|-------------------|-------------------|
| <b>ASSETS</b>                                     |                   |                   |
| Current   |                   |                   |
| Cash  | \$ 133,089        | \$ 164,329        |
| Pledges receivable (Note 4)                       | 173,656           | 215,775           |
| Other receivables                                 | -                 | 1,000             |
| HST recoverable                                   | 1,924             | 1,070             |
|   | <b>\$ 308,669</b> | <b>\$ 382,174</b> |
| <b>LIABILITIES</b>                                |                   |                   |
| Current   |                   |                   |
| Accounts payable and accrued liabilities (Note 5) | \$ 6,323          | \$ 9,100          |
| Deferred revenue (Note 6)                         | 146,379           | 192,737           |
|   | <b>152,702</b>    | <b>201,837</b>    |
| <b>NET ASSETS</b>                                 |                   |                   |
| Operating fund                                    | <b>155,967</b>    | <b>180,337</b>    |
|   | <b>\$ 308,669</b> | <b>\$ 382,174</b> |

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to the financial statements

## Statement of Operations

Year Ended December 31, 2015

|   | 2015               | 2014              |
|---|--------------------|-------------------|
| <b>CAMPAIGN AND FUNDRAISING REVENUE</b>                                   |                    |                   |
| Corporate gifts   | \$ 49,206          | \$ 56,517         |
| Employee gifts  | 158,927            | 175,889           |
| Other fundraising and donations   | 15,590             | 34,777            |
|   | <b>223,723</b>     | <b>267,183</b>    |
| <b>OTHER REVENUE</b>  |                    |                   |
| Interest income   | 56                 | 191               |
| Returned grant revenue  | 2,000              | 5,000             |
| TD Bank student grant   | 12,704             | -                 |
|   | <b>14,760</b>      | <b>5,191</b>      |
| <b>DISTRIBUTIONS AND EXPENSES</b>   |                    |                   |
| Allocations to agencies and organizations (Note 8)                        | 170,817            | 195,684           |
| Donor designations  | 16,581             | 41,009            |
| Fundraising expenses (Schedule 1)   | 33,299             | 27,159            |
| Community investment expenses (Schedule 1)                                | 29,763             | 15,608            |
| Uncollectible pledges   | 12,393             | 159               |
|   | <b>262,853</b>     | <b>279,619</b>    |
| <b>DEFICIENCY OF REVENUE OVER DISTRIBUTIONS AND EXPENSES FOR THE YEAR</b> | <b>\$ (24,370)</b> | <b>\$ (7,245)</b> |

See accompanying notes to the financial statements

**UNITED WAY OF LUNENBURG COUNTY**  
**Statement of Changes in Fund Balances**  
**Year Ended December 31, 2015**

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|  | 2015              | 2014              |
|--|-------------------|-------------------|
| <b>OPERATING FUND BALANCE - BEGINNING OF YEAR</b>                  | <b>\$ 180,337</b> | <b>\$ 187,582</b> |
| Deficiency of revenue over distributions and expenses for the year | <u>(24,370)</u>   | <u>(7,245)</u>    |
| <b>OPERATING FUND BALANCE - END OF YEAR</b>                        | <b>\$ 155,967</b> | <b>\$ 180,337</b> |

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See accompanying notes to the financial statements

## Statement of Cash Flows

Year Ended December 31, 2015

|  | 2015              | 2014              |
|--|-------------------|-------------------|
| <b>OPERATING ACTIVITIES</b>  |                   |                   |
| Deficiency of revenue over distributions and expenses for the year | \$ (24,370)       | \$ (7,245)        |
| Changes in non-cash working capital:                               |                   |                   |
| Pledges receivable   | 42,119            | 39,316            |
| Other receivables  | 1,000             | (1,000)           |
| HST recoverable  | (854)             | (416)             |
| Accounts payable and accrued liabilities                           | (2,777)           | (12,867)          |
| Deferred revenue   | (46,358)          | (39,187)          |
|  | <b>(6,870)</b>    | <b>(14,154)</b>   |
| <b>DECREASE IN CASH FLOW</b>                                       | <b>(31,240)</b>   | <b>(21,399)</b>   |
| Cash - beginning of year   | 164,329           | 185,728           |
| <b>CASH - END OF YEAR</b>  | <b>\$ 133,089</b> | <b>\$ 164,329</b> |

See accompanying notes to the financial statements



## Notes to Financial Statements

Year Ended December 31, 2015

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## 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.

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## 2. BASIS OF PRESENTATION

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

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## 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)*

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## Notes to Financial Statements

Year Ended December 31, 2015

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>2015</u> | <u>2014</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, rent, 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, 2015

## 4. PLEDGES RECEIVABLE

|               | 2015              | 2014              |
|---------------|-------------------|-------------------|
| 2015 Campaign | \$ 139,453        | \$ -              |
| 2014 Campaign | 34,203            | 180,042           |
| 2013 Campaign | -                 | 35,733            |
|               | <b>\$ 173,656</b> | <b>\$ 215,775</b> |

## 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

|                        | 2015            | 2014            |
|------------------------|-----------------|-----------------|
| Trade accounts payable | \$ 4,173        | \$ 6,950        |
| Accrued liabilities    | 2,150           | 2,150           |
|                        | <b>\$ 6,323</b> | <b>\$ 9,100</b> |

## 6. DEFERRED REVENUE

|                                    | 2015              | 2014              |
|------------------------------------|-------------------|-------------------|
| Balance - beginning of year        | \$ 192,737        | \$ 231,924        |
| Less: Amount recognized as revenue | (180,344)         | (231,765)         |
| Less: Loss on pledges              | (12,393)          | (159)             |
| Add: Amount received or pledged    | 146,379           | 192,737           |
| Balance - end of year              | <b>\$ 146,379</b> | <b>\$ 192,737</b> |

## 7. ALLOCATION OF EXPENSES

|  | Fundraising      | Community<br>impact<br>programs |
|--|------------------|---------------------------------|
| Allocation of administrative expenses        | 50 %             | 50 %                            |
| 2015 Allocation of expenses were as follows: |                  |                                 |
| Accounting and auditing                      | \$ 2,075         | \$ 2,075                        |
| Contracted services                          | 11,514           | 11,514                          |
| Insurance                                    | 1,246            | 1,246                           |
| Interest and bank charges                    | 89               | 89                              |
| Office supplies                              | 395              | 395                             |
| Rent   | 434              | 434                             |
| Travel and meetings                          | 757              | 757                             |
| Website development                          | 26               | 26                              |
|  | <b>\$ 16,536</b> | <b>\$ 16,536</b>                |

## Notes to Financial Statements

Year Ended December 31, 2015

## 8. ALLOCATIONS TO AGENCIES AND ORGANIZATIONS

|  | 2015              | 2014              |
|--|-------------------|-------------------|
| Alternatives Association for Treating Abusive Men                      | \$ 4,700          | \$ -              |
| Big Brothers Big Sisters of South Shore                                | 16,000            | 16,000            |
| Bridgewater Interchurch Foodbank                                       | -                 | 3,000             |
| Chester Municipal Heritage Society                                     | -                 | 1,500             |
| First Steps Early Intervention Association                             | 1,615             | 11,400            |
| HHELLPS - Fox Point Community Centre                                   | 4,335             | 4,100             |
| Heartwood Centre for Community Youth Development                       | -                 | 7,500             |
| Hinchinbrook Farm Society  | 8,200             | 5,600             |
| Lighthouse Food Bank Society - Chester                                 | -                 | 750               |
| Lunenburg Interchurch Food Bank  | -                 | 750               |
| Lunenburg County Adult Learning Network                                | 3,000             | 2,500             |
| Lunenburg County Lifestyle Centre                                      | 2,867             | -                 |
| Mahone Bay Area Food Bank Association                                  | -                 | 750               |
| Mahone Bay Centre Society  | 2,000             | -                 |
| Mahone Bay Settlers Museum   | 500               | 500               |
| Municipality of the District of Lunenburg                              | -                 | 5,000             |
| Municipality of Chester Transportation Committee -<br>Community Wheels | 5,000             | 10,000            |
| 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               |
| Pine Grove Outdoor Play Association                                    | -                 | 8,000             |
| Second Story Women's Centre  | 8,430             | 7,434             |
| Senior Wheels Association  | 5,000             | 5,000             |
| Society of St. Vincent de Paul   | 23,000            | 15,000            |
| South Shore Community Service Association                              | -                 | 8,000             |
| South Shore Family Resource Association                                | 11,000            | 10,000            |
| Nova Scotia Health   | 4,750             | -                 |
| South Shore Safe Community Association                                 | 10,000            | 10,000            |
| South Shore Waldorf School and Kindergarden Association                | -                 | 1,000             |
| South Shore Health - Multicultural Festival                            | -                 | 5,000             |
| South Shore Transition House Association                               | 15,000            | 10,000            |
| Throughout the Years Day Care and Community Centre                     | -                 | 3,000             |
| Town of Bridgewater - Bridgewater Pool Extreme Heat                    | 1,000             | 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                                      | 6,000             | 4,000             |
| YMCA Lunenburg County  | 23,500            | 20,800            |
| Youth Art Connection   | 2,920             | -                 |
|  | <b>\$ 170,817</b> | <b>\$ 195,684</b> |

## Notes to Financial Statements

Year Ended December 31, 2015

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## 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 \$3,799 (2014; \$1,410).

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.

The United Way of Lunenburg County has entered into an agreement with the Town of Bridgewater for which the United Way of Lunenburg County has agreed to help fund Extreme Heat Swims. This commitment is for a contribution of \$7,500 annually for a 5 year term extending from 2016 to 2021.

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## 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, 2015.

## 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.

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## 11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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## Schedule One

Year Ended December 31, 2015

|  | 2015             | 2014             |
|--|------------------|------------------|
| <b>FUNDRAISING EXPENSES</b>                          |                  |                  |
| 211 Nova Scotia fees                                 | \$ 1,882         | \$ 2,672         |
| Advertising  | 1,040            | 2,500            |
| Audit and accounting                                 | 2,075            | 1,113            |
| Contracted services - coordinator (Note 9)           | 11,514           | 11,438           |
| Fundraising supplies                                 | 9,961            | 4,900            |
| Annual Meeting                                       | -                | 69               |
| Insurance  | 1,246            | 1,193            |
| Interest and bank charges                            | 89               | 85               |
| Membership dues to the United Way of Canada (Note 9) | 3,799            | 1,410            |
| Office equipment                                     | -                | 174              |
| Office supplies                                      | 395              | 686              |
| Rent   | 434              | 345              |
| Tool library   | 81               | -                |
| Travel and meetings                                  | 757              | 472              |
| Website development                                  | 26               | 102              |
|  | <b>\$ 33,299</b> | <b>\$ 27,159</b> |
| <b>COMMUNITY INVESTMENT EXPENSES</b>                 |                  |                  |
| Audit and accounting                                 | \$ 2,075         | \$ 1,113         |
| Contracted services - coordinator (Note 9)           | 11,514           | 11,438           |
| Insurance  | 1,246            | 1,193            |
| Interest and bank charges                            | 89               | 85               |
| Office equipment                                     | -                | 174              |
| Office supplies                                      | 395              | 686              |
| Rent   | 434              | 345              |
| Summer student                                       | 13,227           | -                |
| Travel and meetings                                  | 757              | 472              |
| Website development                                  | 26               | 102              |
|  | <b>\$ 29,763</b> | <b>\$ 15,608</b> |

See accompanying notes to the financial statements