

**UNITED WAY OF LUNENBURG COUNTY**  
**Financial Statements**  
**Year Ended December 31, 2020**



**Belliveau Veinotte Inc.**  
CHARTERED PROFESSIONAL ACCOUNTANTS

Member of The AC Group of Independent Accounting Firms

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of United Way of Lunenburg County

### *Opinion*

We have audited the financial statements of United Way of Lunenburg County (the Society), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for 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 Society 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 skepticism 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 Society'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 Society'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 Society 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.



Bridgewater, Nova Scotia  
June 30, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS



## UNITED WAY OF LUNENBURG COUNTY

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## Statement of Financial Position

December 31, 2020

	2020	2019
<b>ASSETS</b>		
Current		
Cash	\$ 257,088	\$ 158,651
Pledges receivable (Note 4)	159,268	162,381
HST recoverable	1,935	721
	<b>\$ 418,291</b>	<b>\$ 321,753</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 13,100	\$ 11,604
Deferred revenue (Note 6)	159,268	151,885
	<b>172,368</b>	<b>163,489</b>
<b>NET ASSETS</b>		
Operating fund	<b>245,923</b>	<b>158,264</b>
	<b>\$ 418,291</b>	<b>\$ 321,753</b>

ON BEHALF OF THE BOARD

\_\_\_\_\_ Director \_\_\_\_\_ Director

See accompanying notes to the financial statements

**UNITED WAY OF LUNENBURG COUNTY**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2020**

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	2020	2019
<b>CAMPAIGN AND FUNDRAISING REVENUE</b>		
Corporate gifts	\$ 47,810	\$ 48,542
Employee gifts	109,217	114,403
Other fundraising and donations	21,680	17,929
	<b>178,707</b>	<b>180,874</b>
<b>OTHER REVENUE</b>		
Administration fees (Note 8)	15,967	-
COVID-19 funding (Note 8)	360,387	-
Interest income	6	4
Miscellaneous COVID-19 revenue	13,662	-
	<b>390,022</b>	<b>4</b>
<b>TOTAL REVENUE</b>	<b>568,729</b>	<b>180,878</b>
<b>DISBURSEMENTS AND EXPENSES</b>		
Allocations to agencies and organizations (Note 9)	76,290	109,909
Community investment expenses (Schedule 1)	25,585	25,896
COVID-19 allocations to agencies and organizations (Schedule 2)	352,736	-
Donor designations	3,142	16,314
Fundraising expenses (Schedule 1)	23,317	23,554
Miscellaneous	-	1,360
	<b>481,070</b>	<b>177,033</b>
<b>EXCESS (DEFICIENCY) OF CAMPAIGN AND FUNDRAISING REVENUE OVER DISBURSEMENTS AND EXPENDITURES</b>	<b>\$ 87,659</b>	<b>\$ 3,845</b>

See accompanying notes to the financial statements



**UNITED WAY OF LUNENBURG COUNTY**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2020**

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	2020	2019
<b>OPERATING FUND BALANCE - BEGINNING OF YEAR</b>	<b>\$ 158,264</b>	<b>\$ 154,419</b>
Excess of campaign and fundraising revenue over disbursements and expenses	87,659	3,845
<b>OPERATING FUND BALANCE - END OF YEAR</b>	<b>\$ 245,923</b>	<b>\$ 158,264</b>

See accompanying notes to the financial statements

## Statement of Cash Flow

Year Ended December 31, 2020

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of campaign and fundraising revenue over disbursements and expenses	\$ 87,659	\$ 3,845
Changes in non-cash working capital:		
Pledges receivable	3,113	(11,443)
HST recoverable	(1,214)	3,070
Accounts payable and accrued liabilities	1,496	2,039
Deferred revenue	7,383	(2,153)
	10,778	(8,487)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>98,437</b>	<b>(4,642)</b>
Cash - beginning of year	158,651	163,293
<b>CASH - END OF YEAR</b>	<b>\$ 257,088</b>	<b>\$ 158,651</b>

See accompanying notes to the financial statements



## Notes to Financial Statements

Year Ended December 31, 2020

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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. See Note 8 for detail on COVID-19 funding received and allocated to agencies and organizations during the 2020 year.

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.

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## Notes to Financial Statements

Year Ended December 31, 2020

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>2020</u>	<u>2019</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, 2020

## 4. PLEDGES RECEIVABLE

	2020	2019
2020 Campaign	\$ 159,268	\$ -
2019 Campaign	-	146,129
2018 Campaign	-	16,252
	<b>\$ 159,268</b>	<b>\$ 162,381</b>

## 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade accounts payable	\$ 8,800	\$ 5,304
Accrued liabilities	4,300	6,300
	<b>\$ 13,100</b>	<b>\$ 11,604</b>

## 6. DEFERRED REVENUE

	2020	2019
Balance - beginning of year	\$ 151,885	\$ 149,708
Less: Amount recognized as revenue	(151,885)	(149,708)
Add: Amount received or pledged	159,268	151,885
Balance - end of year	<b>\$ 159,268</b>	<b>\$ 151,885</b>

## 7. ALLOCATION OF EXPENSES

	Fundraising	Community impact programs
Allocation of administrative expenses	50 %	50 %
Contracted services	15,768	15,768
Insurance	1,425	1,425
Interest and bank charges	50	50
Office supplies	296	296
Travel and meetings	120	120
	<b>\$ 17,659</b>	<b>\$ 17,659</b>

## Notes to Financial Statements

Year Ended December 31, 2020

## 8. COVID-19 FUNDING

	2020
Federal Government - Emergency Community Support Fund - Round One	\$ 180,035
Federal Government - Emergency Community Support Fund - Round Two	54,935
Province of Nova Scotia - Efficiency Nova Scotia - Support for Kids, Youth and Families	60,000
Individual and Corporate Donations - Atlantic Compassion Fund	42,040
Federal Government - New Horizons - Support for Vulnerable Seniors	39,344
	376,354
Less: Administration Fees	(15,967)
	<b>\$ 360,387</b>

The Society received funding from government and private sources throughout the year in response to the COVID-19 pandemic. These funds were allocated to Agencies and Organizations to help ease the impact caused by the pandemic and allow them to continue providing services throughout their communities.

## 9. ALLOCATIONS TO AGENCIES AND ORGANIZATIONS

	2020	2019
211 Nova Scotia	\$ 1,809	\$ -
Big Brothers Big Sisters of South Shore	-	7,000
Chester Community Wheels	5,000	-
Health Services Foundation	8,311	-
Hinchinbrook Farm Society	7,670	7,400
Lunenburg County Adult Learning Network	-	2,100
Mahone Bay Centre Society	-	1,875
Municipality of Chester Transportation Committee - Community Wheels	-	5,000
Municipality of the District of Lunenburg - P.R.O. Kids	-	9,750
RootED School Food Project	20,000	-
Second Story Women's Centre	-	6,400
Senior Wheels Association	-	2,500
Sexual Health Centre	-	1,934
Society of St. Vincent de Paul	12,000	16,700
South Shore Family Resource Association	-	11,000
South Shore Safe Community Association	5,000	5,000
St Stephen's Anglican Parish	-	5,000
The Mahone Bay Founders Society	-	500
Town of Bridgewater - P.R.O. Kids	-	4,500
Town of Lunenburg	-	750
YMCA Lunenburg County	16,500	22,500
	<b>\$ 76,290</b>	<b>\$ 109,909</b>



## Notes to Financial Statements

Year Ended December 31, 2020

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## 10. 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 \$3,000 (2019; \$3,000. The annual membership dues for fiscal 2020 and subsequent years will be a set fee of \$3,000.

The United Way of Lunenburg County's coordinator is contracted on an annual basis with the current contract expiring December 31, 2020.

The United Way of Lunenburg County in partnership with O'Regan's Subaru and the Barracuda Swim Club has entered into a five-year agreement (2016 – 2020) with the Town of Bridgewater to provide operational funding for the Bridgewater Outdoor Pool that helps to ensure its continued operations. This funding also provides free all access weekend community swimming and the opening of the pool for extreme heat swims. Due to "COVID-19" the pool was not open to the public during fiscal 2020. As a result, this agreement has been extended to 2021 with no expenditure for fiscal 2020.

The United Way of Lunenburg County contributes 1% of campaign revenue to 211 Nova Scotia for the operation of a provincial information referral help line.

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## 11. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic due to the outbreak of COVID-19. The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, social and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Society in future periods. To date, the Society has not had to revise judgements, estimates or assumptions nor has the pandemic had any material impact on the Society's liquidity, credit or business risks.

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## 12. 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, 2020.

## 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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**UNITED WAY OF LUNENBURG COUNTY**  
**Fundraising and Community Investment Expenses**  
**Year Ended December 31, 2020**

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	2020	2019
<b>FUNDRAISING EXPENSES</b>		
Advertising	\$ 1,566	\$ 2,710
Contract accounting	1,000	3,150
Contract Services - Coordinator <i>(Note 10)</i>	15,768	12,768
Direct fundraising expenses	2,927	1,874
Insurance	1,426	1,320
Interest and bank charges	50	38
Office supplies	460	1,168
Travel and Meetings	120	520
Website development	-	6
	<b>\$ 23,317</b>	<b>\$ 23,554</b>
<b>COMMUNITY INVESTMENT EXPENSES</b>		
211 Nova Scotia fees	\$ 1,787	\$ 2,203
Audit and accounting	1,000	3,150
Back in the Game	-	192
Contract Services - Coordinator <i>(Note 10)</i>	15,768	12,768
Dues - United Way of Canada	3,000	3,000
IPhone	675	1,419
Insurance	1,426	1,320
Interest and bank charges	50	38
Lunenburg County Hikers	1,463	-
Office supplies	296	1,168
Skate passes	-	112
Travel and meetings	120	520
Website development	-	6
	<b>\$ 25,585</b>	<b>\$ 25,896</b>

See accompanying notes to the financial statements



**UNITED WAY OF LUNENBURG COUNTY**  
**COVID-19 Allocations to Agencies and Organizations**  
**Year Ended December 31, 2020**

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*(Schedule 2)*

	2020
<b>Emergency Community Support Fund - Round One</b>	
Better Together - COVID Safety	\$ 3,070
Better Together - Personal supplies box	1,626
Big Brothers Big Sisters	2,050
Freeman House	12,000
Our Health Centre	6,545
School Plus - COVID Prevention and Mask Program	2,225
School Plus - 5 Alive Mindfulness	340
School Plus - Crockpot Cooking Program	21,000
School Plus - Incredible Years	1,200
School Plus - Internet Access	3,250
Second Story Women's Centre	32,591
Shoreham Village	4,000
Souls Harbour Meal Delivery Program	7,518
South Shore Public Library	20,000
VON Lunenburg County	17,940
VON Queens County	8,830
YMCA Grocery Delivery	21,850
YReach	8,000
	<b>174,035</b>
<b>Emergency Community Support Fund - Round Two</b>	
Chester Art Centre	1,050
Freeman House	13,475
Hinchinbrook Farm	500
Kidney Foundation	2,620
Our Health Centre	2,000
RootED School Fund - Lunenburg Delivery Support	5,240
RootED School Fund - Queens Delivery Support	2,095
Senior Safety	3,665
South Shore Sexual Health	3,145
SSVP New Beds	5,000
VON Lunenburg County	5,240
YMCA - Healthy Family Meal Kit Delivery Lunenburg	4,715
YMCA - Healthy Family Meal Kit Delivery Queens	4,190
	<b>52,935</b>
<b>Efficiency Nova Scotia Grant</b>	
Autism Sensory Kits	1,714
Schools Plus - Activity Kits	11,868
Schools Plus - Hygiene Kits	12,100
Schools Plus - Technology for Indigenous Students	2,500
YMCA Cooking With Families	25,600
	<b>53,782</b>

Year Ended December 31, 2020

	2020
<b>Atlantic Compassion Fund</b>	
Argyle Senior Safety Program	1,000
Big Brothers Big Sisters	1,500
Bonnie Lea Farm	110
Community Restorative Justice	1,500
Chester Community Wheels	2,000
Freeman House	9,823
Growing Friends Project	1,500
Harbour House	500
Kidney Foundation	2,000
Parents Place Yarmouth Family Resources Centre	1,500
Queens County Food Bank	3,300
Senior Safety	370
Senior Wheels	1,000
Souls Harbour	3,500
South Shore Family Resource Association	2,000
South Shore Transition House	654
Supported Community Living Options	250
Yarmouth Senior Safety Program	1,000
YMCA - Virtual Meetings	1,100
	<b>34,607</b>
<b>New Horizons Grant</b>	
Freeman House	5,000
Hillside Pines	1,000
Safe Communities LC	2,500
Senior Safety Isolation Kits	130
Shoreham Village Recreation	600
Souls Harbour	1,550
South Shore Public Libraries	3,940
VON Lunenburg County - Free Frozen Favourites	9,000
VON Lunenburg County - Grocery Delivery	3,257
VON Queens County - Free Frozen Favourites	7,400
YMCA Lunenburg County	3,000
	<b>37,377</b>
<b>Grand Total</b>	<b>\$ 352,736</b>