

**UNITED WAY OF LUNENBURG COUNTY**  
**Financial Statements**  
**Year Ended December 31, 2022**

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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, 2022, and the statements of operations, changes in fund balances 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, 2022, 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.

### *Other Matter*

We draw attention to Note 11 to the financial statements, which explains that certain comparative information for the year ended December 31, 2021 has been restated. Our conclusion is not modified in respect of this matter.

### *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 20, 2023

*Belliveau Veinotte Inc.*  
CHARTERED PROFESSIONAL ACCOUNTANTS



## Statement of Financial Position

December 31, 2022

	2022	2021 (Restated)
<b>ASSETS</b>		
Current		
Cash	\$ 310,495	\$ 312,496
Pledges receivable (Note 4)	23,850	124,789
HST recoverable	1,911	884
	<b>\$ 336,256</b>	<b>\$ 438,169</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 15,069	\$ 12,817
Deferred revenue (Note 6)	23,850	124,789
	<b>38,919</b>	<b>137,606</b>
<b>FUND BALANCES</b>		
Operating fund	<b>297,337</b>	<b>300,563</b>
	<b>\$ 336,256</b>	<b>\$ 438,169</b>

ON BEHALF OF THE BOARD



Director

Director

See accompanying notes to the financial statements

## Statement of Operations

Year Ended December 31, 2022

	2022	2021 (Restated)
<b>CAMPAIGN AND FUNDRAISING REVENUE</b>		
Corporate gifts	\$ 90,982	\$ 69,068
Employee gifts	149,320	129,361
Other fundraising and donations	39,406	65,797
	<b>279,708</b>	<b>264,226</b>
<b>OTHER REVENUE</b>		
Interest income	-	3
COVID-19 revenue	-	10,205
Sundry	1,129	-
	<b>1,129</b>	<b>10,208</b>
<b>TOTAL REVENUE</b>	<b>280,837</b>	<b>274,434</b>
<b>DISBURSEMENTS AND EXPENDITURES</b>		
Allocations to agencies and organizations (Note 8)	220,419	162,620
Fundraising expenses (Schedule 1)	33,681	25,082
Community investment expenses (Schedule 1)	29,565	27,627
COVID-19 allocations to agencies and organizations (Schedule 2)	-	4,230
Donor designations	398	233
	<b>284,063</b>	<b>219,792</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER DISBURSEMENTS AND EXPENDITURES FOR THE YEAR</b>	<b>\$ (3,226)</b>	<b>\$ 54,642</b>

See accompanying notes to the financial statements

UNITED WAY OF LUNENBURG COUNTY  
Statement of Changes in Fund Balances  
Year Ended December 31, 2022

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	2022	2021 (Restated)
<b>OPERATING FUND BALANCE - BEGINNING OF YEAR</b>	<b>\$ 300,563</b>	<b>\$ 245,921</b>
Excess (deficiency) of revenue over disbursements and expenditures for the year	(3,226)	56,676
Prior period adjustment (Note 11)	-	(2,034)
	<b>(3,226)</b>	<b>54,642</b>
<b>OPERATING FUND BALANCE - END OF YEAR</b>	<b>\$ 297,337</b>	<b>\$ 300,563</b>

See accompanying notes to the financial statements

## Statement of Cash Flow

Year Ended December 31, 2022

	2022	2021 (Restated)
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over disbursements and expenditures for the year	\$ (3,226)	\$ 54,642
Changes in non-cash working capital:		
Pledges receivable	100,939	34,479
HST recoverable	(1,027)	1,051
Accounts payable and accrued liabilities	2,252	(285)
Deferred revenue	(100,939)	(34,479)
	1,225	766
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(2,001)</b>	<b>55,408</b>
Cash - beginning of year	312,496	257,088
<b>CASH - END OF YEAR</b>	<b>\$ 310,495</b>	<b>\$ 312,496</b>

See accompanying notes to the financial statements



**Notes to Financial Statements****Year Ended December 31, 2022**

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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, 2022

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:

	2022	2021
Community impact programs	50%	50%
Fundraising	50%	50%

Allocated overhead expenses include audit and accounting, contracted services, insurance, interest and bank charges, office supplies, travel and meetings.

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, 2022

## 4. PLEDGES RECEIVABLE

	2022	2021
2022 Campaign	\$ 23,850	\$ -
2021 Campaign	-	124,789
	<b>\$ 23,850</b>	<b>\$ 124,789</b>

## 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade accounts payable	\$ 10,069	\$ 8,517
Accrued liabilities	5,000	4,300
	<b>\$ 15,069</b>	<b>\$ 12,817</b>

## 6. DEFERRED REVENUE

	2022	2021
Balance - beginning of year	\$ 124,789	\$ 159,268
Less: Amount recognized as revenue	(124,789)	(159,268)
Add: Amount received or pledged	23,850	124,789
Balance - end of year	<b>\$ 23,850</b>	<b>\$ 124,789</b>

## 7. ALLOCATION OF EXPENSES

	Fundraising	Community impact programs
Allocation of administrative expenses	50 %	50 %
2022 Allocation of expenses were as follows:		
Audit and accounting	\$ 3,038	\$ 3,038
Contracted services	16,900	16,900
Insurance	1,592	1,592
Interest and bank charges	42	42
Office supplies	1,131	1,131
Travel and meetings	616	616
	<b>\$ 23,319</b>	<b>\$ 23,319</b>
2021 Allocation of expenses were as follows:		
Audit and accounting	\$ 3,750	\$ 3,750
Contracted services	14,018	14,018
Insurance	1,580	1,580
Interest and bank charges	49	49
Office supplies	229	229
Travel and meetings	99	99
	<b>\$ 19,725</b>	<b>\$ 19,725</b>



## Notes to Financial Statements

Year Ended December 31, 2022

## 8. ALLOCATIONS TO AGENCIES AND ORGANIZATIONS

	2022	2021
South Shore Big Brothers Big Sisters Association	\$ 5,000	\$ 5,000
Bonny Lea Farm	3,000	-
Chester Community Wheels	7,500	5,000
Family Service Association of Western Nova Scotia	-	10,000
HB Studios Sports Center Accessibility Program	-	2,000
HB Studios Sports Center - Recreational Subsidy Cards and Snoezelen Room	3,500	-
Hillside Pines for Special Care Society - Virtual Reality	1,300	-
Hinchinbrook Farm Society	10,000	8,000
Lunenburg County Adult Learning Network	-	2,000
Lunenburg County Lifestyle Centre	1,785	-
Lunenburg County Senior Safety Partnership Society - Safety Coordinator	8,750	5,000
Lunenburg County Senior Safety Program - Emergency Contingency fund	3,000	2,000
Mahone Bay Centre Society	-	2,500
Municipality of the District of Lunenburg - P.R.O. Kids	8,000	12,000
Our Health Centre Association	6,000	-
RootED School Food Project	19,471	10,000
School Plus - Cultural Cooking for Indigenous and African Nova Scotian Kids and Their Families	-	19,500
School Plus - Crockpot Cooking	16,000	-
School Plus - Food for Thought	8,400	-
School Plus - School Fuel	5,000	-
School Plus - After School Program	4,000	-
Second Story Women's Centre	-	3,050
Senior Wheels Association	5,000	5,000
South Shore Sexual Health	3,000	3,000
Society of St. Vincent de Paul	22,500	12,000
Shoreham Village Senior Citizens Apartments Association - Montessori Method Therapeutic Tools	2,000	-
Shoreham Village Senior Citizens Apartments Association - Virtual Reality	-	500
South Shore Family Resource Association	11,000	7,320
South Shore Regional Library Board	2,000	-
St. Stephen's Anglican Parish	9,000	7,000
Throughout the Years Day Care and Community Centre	4,200	-
Town of Bridgewater - P.R.O. Kids	-	6,000
Town of Bridgewater - Bridgewater Outdoor Pool	5,000	7,500
Town of Lunenburg - P.R.O Kids	-	1,000
YMCA Grocery Delivery	4,800	8,000
YMCA Lunenburg County	26,000	16,500
YMCA of South West Nova Scotia	-	2,750
Victorian Order of Nurses - Lunenburg County	15,213	-
	\$ 220,419	\$ 162,620

## Notes to Financial Statements

Year Ended December 31, 2022

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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 \$3,000 (2021; \$3,000. The annual membership dues for fiscal 2023 and subsequent years is a set fee of \$3,000.

The United Way of Lunenburg County's coordinator is contracted on an annual basis. The an annual contract in place for fiscal 2023 is for \$33,600 and expires on December 31, 2023.

The United Way of Lunenburg County, in partnership with O'Regan's Subaru and the Barracuda Swim Club, entered into a five-year agreement 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. The Society's commitment for 2023 is \$1,000.

The United Way of Lunenburg County entered into a five-year agreement (2020 – 2025) with the South Shore Regional Centre for Education and Nova Scotia Health Authority to provide funding for the RootED School Food Project. This program provides school communities in Lunenburg and Queens Counties with wholesome food in school cafeterias to support the health and learning of students. The total amount of funding to be contributed per this agreement is \$60,000 over the noted five year period. As of December 31, 2022, total contributions of \$49,471 have been made. Included in this amount is \$19,471 in expenditures that have been recognized in fiscal 2022 (2021 - \$10,000). The remaining commitment is \$10,529 to be paid over the fiscal periods 2023 to 2025.

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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## 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, 2022.

## 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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## Notes to Financial Statements

Year Ended December 31, 2022

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## 11. PRIOR PERIOD ADJUSTMENT

During the current fiscal year, it was determined that 211 fees and HST receivable during the year ended December 31, 2021 were incorrectly recorded. This error resulted in the following:

- an overstatement of HST receivable of \$883 as at December 31, 2021;
- an understatement of accounts payable and accrued liabilities of \$1,151 as at December 31, 2021;
- an understatement of community investment expenses of \$1,357 for the year ending December 31, 2021; and
- an understatement of fundraising expenses of \$677 for the year ending December 31, 2021.

The December 31, 2021 figures have been restated as follows to correct this error:

- a decrease in HST receivable balance from \$1,767 to \$884;
  - an increase in accounts payable and accrued liabilities balance from \$11,666 to \$12,817;
  - an increase in community investment expenses from \$26,270 to \$27,627; and
  - an increase in fundraising expenses from \$24,405 to \$25,082.
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**UNITED WAY OF LUNENBURG COUNTY**  
**Fundraising and Community Investment Expenses**  
**Year Ended December 31, 2022**

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	2022	2021
<b>FUNDRAISING EXPENSES</b>		
Advertising	\$ 3,764	\$ 2,250
Contract accounting	3,038	3,956
Contract Services - Coordinator (Note 9)	16,900	14,018
Direct fundraising expenses	6,114	2,901
Insurance	1,592	1,580
Interest and bank charges	42	49
Office supplies	1,131	229
Special gifts and initiatives	484	-
Travel and Meetings	616	99
	<b>\$ 33,681</b>	<b>\$ 25,082</b>
<b>COMMUNITY INVESTMENT EXPENSES</b>		
211 Nova Scotia fees	\$ 2,801	\$ 2,744
Audit and accounting	3,038	3,956
Bikes for Kids	50	-
Contract Services - Coordinator (Note 9)	16,900	14,018
Dues - United Way of Canada	3,000	3,000
IPhone	395	1,035
Insurance	1,592	1,580
Interest and bank charges	42	49
Lunenburg County Hikers	-	917
Office supplies	1,131	229
Travel and meetings	616	99
	<b>\$ 29,565</b>	<b>\$ 27,627</b>

See accompanying notes to the financial statements

UNITED WAY OF LUNENBURG COUNTY  
COVID-19 Allocations to Agencies and Organizations  
Year Ended December 31, 2022

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(Schedule 2)

	2022	2021
Atlantic Compassion Fund		
South Shore Community Justice Society	-	4,230
	\$ -	\$ 4,230

See accompanying notes to the financial statements