

United Way of Colchester County
Financial Statements
March 31, 2024

United Way of Colchester County Contents

For the year ended March 31, 2024

	<i>Page</i>
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements	5

Independent Auditor's Report

To the Board of United Way of Colchester County:

Qualified Opinion

We have audited the financial statements of United Way of Colchester County (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, 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.

Basis for Qualified Opinion

As is common with many charitable organizations, the Organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to these revenues, excess of revenues over expenses and cash flows from operations. Therefore, we are not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and March 31, 2023, current assets as at March 31, 2024 and March 31, 2023 and net assets as at March 31, 2024 and March 31, 2023. Our audit opinion on the financial statements for the year ended March 31, 2023 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter - Amalgamation

We draw attention to the amalgamation of United Way of Colchester County with other United Ways as disclosed in Note 1 to the financial statements. Our opinion 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 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.

MNP LLP

301, 640 Prince Street, Truro NS, B2N 1G4

T: 902.897.9291 F: 902.897.9293

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 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.

Truro, Nova Scotia

August 9, 2024

MNP LLP

Chartered Professional Accountants

United Way of Colchester County
Statement of Financial Position

As at March 31, 2024

	2024	2023
Assets		
Current		
Cash	53,849	86,283
Receivables (Note 4)	115,952	171,149
Prepaid expenses and deposits	1,233	-
Investments (Note 5)	305,720	344,322
Due from Operating Fund (Note 12)	-	450
	476,754	602,204
Restricted investments (Note 5)	38,814	39,253
Capital assets (Note 6)	687	507
	516,255	641,964
Liabilities		
Current		
Trade payables	44,612	74,804
Government remittances	14,927	3,483
Allocations payable	296,120	312,991
Project funds held in trust (Note 7)	8,000	9,336
Due to Endowment Fund (Note 12)	-	450
	363,659	401,064
Commitments (Note 11)		
Net Assets		
Unrestricted	113,332	(143,616)
Capital fund	-	344,813
Endowment	39,264	39,703
	152,596	240,900
	516,255	641,964

Approved on behalf of the Board of Directors

Director

Director

The accompanying notes are an integral part of these financial statements

United Way of Colchester County
Statement of Operations
For the year ended March 31, 2024

	2024	2023
Fundraising revenue		
Campaign	383,870	329,302
Direct mail	32,610	40,675
Other fundraising/events (Note 8)	42,093	21,065
Uncollectible pledges	(53,701)	(27,503)
Net fundraising revenue	404,872	363,539
Other revenue		
Administration fee	386	385
Grants (Note 9)	4,414	4,188
Investment earnings (loss) (Note 10)	20,908	(9,178)
Investment earnings (loss) - Nelson (Note 10)	1,947	(1,099)
Hurricane relief	-	50,000
Housing needs and benefit study	4,596	13,293
	32,251	57,589
Total revenue	437,123	421,128
Expenses		
Fundraising expenses	119,778	78,447
Net revenue available for programs	317,345	342,681
Support to the Community		
Program	157,285	124,441
Allocations	215,083	244,096
Community projects	8,258	41,423
Payment to National Designations	3,547	3,862
Health partners	12,176	16,247
Hurricane relief	9,201	8,497
Compassion fund program expenses	-	50,000
	99	13,712
	405,649	502,278
Deficiency of revenue over expenses	(88,304)	(159,597)

The accompanying notes are an integral part of these financial statements

United Way of Colchester County
Statement of Changes in Net Assets

For the year ended March 31, 2024

	<i>Unrestricted Fund</i>	<i>Capital Fund</i>	<i>Endowment Fund</i>	2024	2023
Net assets beginning of year	(143,616)	344,813	39,703	240,900	400,497
Deficiency of revenue over expenses	(108,773)	20,908	(439)	(88,304)	(159,597)
Fund Transfers <i>(Note 12)</i>	365,721	(365,721)	-	-	-
Net assets, end of year	113,332	-	39,264	152,596	240,900

The accompanying notes are an integral part of these financial statements

United Way of Colchester County
Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(88,304)	(159,597)
Amortization	295	217
Unrealized (gain) loss on investments	(3,253)	30,107
	(91,262)	(129,273)
Changes in working capital accounts		
Receivables	55,197	(42,487)
Prepaid expenses and deposits	(1,233)	306
Trade payables	(30,193)	42,040
Government remittances	11,444	540
Allocations payable	(16,871)	84,375
Project funds held in trust	(1,336)	(5,407)
	(74,254)	(49,906)
Investing		
Acquisition of capital assets	(475)	-
Purchase of investments - Capital Fund	(19,584)	(20,792)
Redemption/sale of investments - Endowment Fund	61,879	13,524
	41,820	(7,268)
Decrease in cash resources	(32,434)	(57,174)
Cash resources, beginning of year	86,283	143,457
Cash resources, end of year	53,849	86,283

The accompanying notes are an integral part of these financial statements

United Way of Colchester County Notes to the Financial Statements

For the year ended March 31, 2024

1. Incorporation and nature of the organization

United Way of Colchester County (the "Organization") is committed to improve lives and build community by engaging individuals and mobilizing collective action. The vision of the Organization is dedicated to bringing together the resources of individuals, business, labour, and community agencies to build stronger, vibrant neighbourhoods and communities.

Subsequent to year-end, on June 1, 2024, the Organization passed a resolution to amalgamate with seven other United Way organizations in Atlantic Canada to form United Way Maritimes. The assets and liabilities of the United Way of Colchester County will be transferred to that Organization on amalgamation, and the current Organization will cease to exist.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, net of outstanding transactions. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Pledges receivable

Pledges receivable are recognized if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investments

Investments are recorded at fair value for those with prices quoted in an active market and cost less impairment for those that are not quoted in an active market. They have been classified as current or long-term assets in concurrence with the nature of the investment.

Realized income is income earned from dividends and interest that has been collected or accrued in the current fiscal period along with gains or losses from the disposal of investments.

Unrealized income is income that is recorded reflecting the change in market value over the book value of the investments currently being held by the Organization at year end.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Equipment	30 %

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

United Way of Colchester County
Notes to the Financial Statements
For the year ended March 31, 2024

Fund accounting

The Organization follows the deferral method and segregates between the Unrestricted Fund, Capital Fund and Endowment Fund.

The Unrestricted Fund reports the Organization's fundraising activities and other unrestricted contributions. This fund reports the monies which are available to provide support to the community.

The Capital Fund reports the Organization's bequests, gifts and related investment earnings from any will, intro vivos trust or such other similar gifts. The board of Directors made a motion to close the Capital Fund in the year and move the funds to the Unrestricted Fund.

The Endowment Fund reports the Organization's endowments and related investment earnings. This fund is externally restricted for purposes of paying bursaries.

Member agency allocations

Allocations to member agencies are recorded during the year when determined to be payable.

Revenue recognition

The Organization uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the Unrestricted Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in the Endowment Fund balance.

Restricted investment income is recognized in the appropriate deferred contribution balance or in net assets depending on the nature of the restrictions. Unrestricted investment income is recognized as revenue in the Unrestricted Fund when earned.

Government assistance

The Organization periodically applies for financial assistance under available government incentive programs. Government assistance relating to expenditures is recognized according to the deferral method of accounting for restricted contributions which results in revenue being recognized when the related expenditures are incurred.

Operations

The Organization allocates its costs to two functional areas: fundraising and programs. General costs which do not pertain specifically to either function are considered administrative and are allocated to the functional area based on management's estimates are noted below:

	2024	2023
Fundraising	50%	50%
Program	<u>50%</u>	<u>50%</u>
	100%	100%

Expenses included professional fees, office supplies, insurance, rent and utilities. Total fundraising and program expenses reported in the statement of operations include allocations of \$72,949 (2023 - \$45,943) for these general costs.

The Executive Director's salary has been allocated 60% to program expenses and 40% to fundraising expense for the year ended March 31, 2024. The Administrative Coordinator's wages are allocated 70% to fundraising expenses and 30% to program expenses; and summer student wages are allocated 100% to program expenses. Wages and benefits allocated to program expenses are \$102,917 (2023 - \$68,046) and \$83,110 (2023 - \$53,832) allocated to fundraising expenses.

Income tax status

The Organization is a not-for-profit organization, registered with Canada Revenue Agency as a charity and as such, is not subject to income taxes.

Measurement uncertainty (use of 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts Receivables, including pledges, are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known. These adjustments could be material.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased. There were no contributed materials or services in the current and prior year for which an amount has been recorded on the statement of operations.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant, etc.. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

United Way of Colchester County
Notes to the Financial Statements
For the year ended March 31, 2024

3. Change in accounting policy

In the current year the Organization has changed its accounting policy from the restricted fund method of accounting for contributions to the deferral method with fund accounting method for contributions. The current year changed in policy did not result in any impact.

4. Receivables

	2024	2023
Employee and corporate pledges	142,793	166,640
United Way of Cumberland	-	12,804
Event sponsorship	-	750
Harmonized sales tax rebate	1,639	1,574
	144,432	181,768
Allowance for doubtful accounts	(28,480)	(10,619)
	115,952	171,149

5. Investments

	2024	2023
Investments, at market value		
High interest savings account (cost - \$18)	18	46,557
Mutual funds (cost - \$321,335)	305,702	296,313
Equities (cost - \$0)	-	1,452
	305,720	344,322
Restricted investments, at market value		
Mutual funds (cost - \$36,549)	38,814	39,253
	344,534	383,575

6. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	6,359	5,672	687	507

7. Project funds held in trust

Changes in the deferred contribution balance are as follows:

	2024	2023
Balance, beginning of year	9,336	14,743
Amount recognized as revenue during the year	(1,336)	(5,407)
Balance, end of year	8,000	9,336

United Way of Colchester County
Notes to the Financial Statements
For the year ended March 31, 2024

8. Other fundraising/events

	2024	2023
Back to school	9,277	8,499
Bikes for kids	1,590	2,757
Day of caring	1,070	1,190
Elves for elders	1,165	2,025
Kick off luncheon	-	722
Soup fest	6,791	5,305
Administrative and other	22,200	567
	42,093	21,065

9. Grants

The Organization was awarded assistance to subsidize the cost of wages. It received nil (2023 - \$4,188) from TD Community Scholarships.

The Organization was awarded \$4,414 (2023 - nil) to use for various projects and events from Canada Summer Job and Student Subsidy.

10. Investment earnings

	2024	2023
Unrestricted		
Investment income	18,063	18,103
Unrealized gain (loss) on investments	2,845	(27,281)
	20,908	(9,178)
Restricted		
Investment income	1,540	1,726
Unrealized gain (loss) on investments	407	(2,825)
	1,947	(1,099)

11. Commitments

The Organization has entered into a lease agreement for its premises that is renewed annually each February. The estimated minimum annual payment with respect to this lease for the year ended March 31, 2025 is \$8,622.

12. Fund transfers

During the year, the Capital Fund transferred \$365,721 to the Unrestricted Fund to close out the Capital Fund. During the prior year, the Capital Fund transferred \$13,589 to the Unrestricted Fund.

The balance due from the Unrestricted Fund to the Endowment Fund is non-interest bearing and was repaid within the fiscal year.

13. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss to the Organization if a debtor fails to make payment when due. Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and pledges receivable.

The Organization is exposed to concentration risk on its cash in that all its cash is held within one financial institution. To minimize this credit risk, the Association places its cash with a high-quality financial institution of Canada.

Credit risk arises from the possibility that the contributors to the Organization will be unable to fulfil their obligations. Management closely evaluates the collectability of its pledges receivable and maintains provisions for potential pledge losses, which are assessed on a regular basis. There was no significant change in exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable. In the opinion of management, the liquidity risk to the Organization is low. There was no significant change in exposure from the prior year.

Market risk

Market risk is the risk that the fair value of expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risks. The Organization is mainly exposed to interest rate risk and other price risks.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its investments in guaranteed investments certificates and mutual funds. In the opinion of management, the interest rate risk of the Organization is low. There has been no significant change in exposure from the prior year.

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument to its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments quoted in an active market. There have been no significant changes from the prior year in the exposure to risk or policies, procedures and methods used to measure the risk.