

UNITED WAY OF LUNENBURG COUNTY
Financial Statements
Year Ended December 31, 2023

UNITED WAY OF LUNENBURG COUNTY
Index to Financial Statements
Year Ended December 31, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11
Fundraising and Community Investment Expenses (<i>Schedule 1</i>)	12

INDEPENDENT AUDITOR'S REPORT

To the Members of United Way of Lunenburg County

Opinion

We have audited the financial statements of United Way of Lunenburg County (the Organization), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in fund balances and cash flows 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 Organization as at December 31, 2023, and the results of its operations and cash flows 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 Organization in accordance with 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 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 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.

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

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 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.

Bridgewater, Nova Scotia
May 8, 2024


CHARTERED PROFESSIONAL ACCOUNTANTS

UNITED WAY OF LUNENBURG COUNTY

Statement of Financial Position

December 31, 2023

	2023	2022
ASSETS		
Current		
Cash	\$ 232,449	\$ 310,495
Pledges receivable (Note 4)	8,273	23,850
HST recoverable	1,410	1,911
	242,132	336,256
Long term Investments	632	-
	\$ 242,764	\$ 336,256
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 12,795	\$ 15,069
Deferred revenue (Note 6)	8,273	23,850
	21,068	38,919
FUND BALANCES		
Operating fund	221,696	297,337
	\$ 242,764	\$ 336,256

COMMITMENTS (Note 9)

ON BEHALF OF THE BOARD



Director

See accompanying notes to the financial statements

UNITED WAY OF LUNENBURG COUNTY**Statement of Operations****Year Ended December 31, 2023**

	2023	2022
CAMPAIGN AND FUNDRAISING REVENUE		
Corporate gifts	\$ 47,056	\$ 90,982
Employee gifts	128,945	149,320
Other fundraising and donations	53,294	39,406
	229,295	279,708
OTHER REVENUE		
Sundry	2,239	1,129
	231,534	280,837
DISBURSEMENTS AND EXPENDITURES		
Allocations to agencies and organizations <i>(Note 8)</i>	239,926	220,419
Fundraising expenses <i>(Schedule 1)</i>	32,139	33,681
Community investment expenses <i>(Schedule 1)</i>	30,945	29,565
Donor designations	4,165	398
	307,175	284,063
DEFICIENCY OF REVENUE OVER DISBURSEMENTS AND EXPENDITURES FOR THE YEAR		
	\$ (75,641)	\$ (3,226)

UNITED WAY OF LUNENBURG COUNTY
Statement of Changes in Fund Balances
Year Ended December 31, 2023

	2023	2022
OPERATING FUND BALANCE - BEGINNING OF YEAR	\$ 297,337	\$ 300,563
Deficiency of revenue over disbursements and expenditures for the year	(75,641)	(3,226)
OPERATING FUND BALANCE - END OF YEAR	\$ 221,696	\$ 297,337

UNITED WAY OF LUNENBURG COUNTY**Statement of Cash Flows****Year Ended December 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Deficiency of revenue over disbursements and expenditures for the year	\$ (75,641)	\$ (3,226)
Changes in non-cash working capital:		
Pledges receivable	15,577	100,939
HST recoverable	501	(1,027)
Accounts payable and accrued liabilities	(2,273)	2,252
Deferred revenue	(15,577)	(100,939)
	(1,772)	1,225
Cash flow used by operating activities	(77,413)	(2,001)
INVESTING ACTIVITY		
Purchase of intangible assets	(633)	-
DECREASE IN CASH FLOW	(78,046)	(2,001)
Cash - beginning of year	310,495	312,496
CASH - END OF YEAR	\$ 232,449	\$ 310,495

UNITED WAY OF LUNENBURG COUNTY

Notes to Financial Statements

Year Ended December 31, 2023

1. NATURE OF OPERATIONS

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

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

2. BASIS OF PRESENTATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting estimates

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

Fund accounting

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

Revenue recognition

United Way of Lunenburg County follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is 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.

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

Cash

Cash includes cash on hand and balances with banks.

(continues)

UNITED WAY OF LUNENBURG COUNTY

Notes to Financial Statements

Year Ended December 31, 2023

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

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>2023</u>	<u>2022</u>
Community impact programs	50%	50%
Fundraising	50%	50%

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

Donated gifts

Donated gifts in kind were received through the year. Since the value of these donations cannot be readily determines, they are not recorded in these 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.

4. PLEDGES RECEIVABLE

	<u>2023</u>	<u>2022</u>
2023 campaign	\$ 8,273	\$ -
2022 campaign	-	23,850
	<u>\$ 8,273</u>	<u>\$ 23,850</u>

UNITED WAY OF LUNENBURG COUNTY

Notes to Financial Statements

Year Ended December 31, 2023

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade accounts payable	\$ 6,795	\$ 10,069
Accrued liabilities	6,000	5,000
	\$ 12,795	\$ 15,069

6. DEFERRED REVENUE

	2023	2022
Balance - beginning of year	\$ 23,850	\$ 124,789
Less: Amount recognized as revenue	(23,850)	(124,789)
Add: Amount received or pledged	8,273	23,850
Balance - end of year	\$ 8,273	\$ 23,850

7. ALLOCATION OF EXPENSES

	Fundraising	Community impact programs
Allocation of administrative expenses	50 %	50 %
2023 Allocation of expenses were as follows:		
Audit and accounting	\$ 5,745	\$ 5,745
Contracted services	15,500	15,500
Insurance	1,592	1,592
Interest and bank charges	35	35
Legal fees	266	266
Office supplies	36	36
Travel and meetings	937	937
	\$ 24,111	\$ 24,111
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
	\$ 23,319	\$ 23,319

UNITED WAY OF LUNENBURG COUNTY

Notes to Financial Statements

Year Ended December 31, 2023

8. ALLOCATIONS TO AGENCIES AND ORGANIZATIONS

	2023	2022
Autism Nova Scotia (South Shore Chapter)	\$ 8,500	\$ -
Bonny Lea Farm	-	3,000
Chester Community Wheels	7,500	7,500
Flourish 55+ Healthy Living	2,912	-
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	10,000
Kidney Foundation Atlantic Branch	5,000	-
Lunenburg County Adult Learning Network	2,000	-
Lunenburg County Lifestyle Centre	-	1,785
Lunenburg County Senior Safety Partnership Society - Safety Coordinator	10,750	8,750
Lunenburg County Senior Safety Program - Emergency Contingency fund	-	3,000
Municipality of the District of Lunenburg - P.R.O. Kids	14,000	8,000
Our Health Centre Association	3,000	6,000
RootED School Food Project	10,000	19,471
School Plus - After School Program	-	4,000
School Plus - Conecting Families	18,000	-
School Plus - Crockpot Cooking	-	16,000
School Plus - Food for Thought	-	8,400
School Plus - Fueling Community Connection	8,000	-
School Plus - Hygene and Protected Sex	3,000	-
School Plus - Keeping Connected	7,500	-
School Plus - Let's Get Involved	3,000	-
School Plus - School Fuel	-	5,000
School Plus - School Supplies	1,607	-
Senior Wheels Association	5,000	5,000
Shoreham Village Senior Citizens Apartments Association - Montessori Method Theraputic Tools	-	2,000
Society of St. Vincent de Paul	20,000	22,500
Souls Harbour Rescue Mission	3,000	-
South Shore Big Brothers Big Sisters Association	-	5,000
South Shore Family Resource Association	11,000	11,000
South Shore Fieldhouse Society	9,500	-
South Shore Open Doors Association (SSODA)	14,847	-
South Shore Regional Library Board	-	2,000
South Shore Sexual Health	4,000	3,000
South Shore Transition House - Harbour House	4,400	-
St. Stephen's Anglican Parish	10,550	9,000
Throughout the Years Day Care and Community Centre	-	4,200
Town of Bridgewater - Bridgewater Outdoor Pool	-	5,000
Town of Bridgewater - Bridgewater Pool Extreme Heat	1,000	-
Victorian Order of Nurses - Lunenburg County	6,860	15,213
YMCA Grocery Delivery	3,600	4,800
YMCA Lunenburg County	31,400	26,000
	\$ 239,926	\$ 220,419

UNITED WAY OF LUNENBURG COUNTY

Notes to Financial Statements

Year Ended December 31, 2023

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 (2022; \$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 2024 is for \$33,600 and expires on December 31, 2024.

The United Way of Lunenburg County, in partnership with O'Regan's Subaru and the Barracuda Swim Club. 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 original commitment was 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 financial obligation ended December 31st, 2023, any further contributions are reviewed annually and at the discretion of the board.

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, 2023, total contributions of \$59,491 have been made. Included in this amount is \$10,000 in expenditures that have been recognized in fiscal 2023 (2022 - \$19,471). The remaining commitment is \$509 to be paid over the fiscal periods 2024 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.

10. FINANCIAL INSTRUMENTS

The Organization 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 Organization's risk exposure and concentration as of December 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party may default on its contractual obligations resulting in a financial loss. The Organization 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 Organization 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.

11. SUBSEQUENT EVENT

The Board of Directors has been in discussions with other United Ways to form a larger organization to increase its capacity to positively impact communities across the Maritime provinces. To date, the Board of Directors has not made final approval of this motion.

UNITED WAY OF LUNENBURG COUNTY
Fundraising and Community Investment Expenses
Year Ended December 31, 2023

	2023	2022
FUNDRAISING EXPENSES		
Advertising	\$ 1,508	\$ 3,764
Contract Services - Coordinator <i>(Note 9)</i>	15,500	16,900
Contract accounting	5,745	3,038
Direct fundraising expenses	6,463	6,114
Insurance	1,592	1,592
Interest and bank charges	35	42
Legal	266	-
Membership dues to the United Way of Canada	57	-
Office supplies	36	1,131
Special gifts and initiatives	-	484
Travel and Meetings	937	616
	\$ 32,139	\$ 33,681
COMMUNITY INVESTMENT EXPENSES		
211 Nova Scotia fees	\$ 2,368	\$ 2,801
Audit and accounting	5,745	3,038
Bikes for Kids	-	50
Contract Services - Coordinator <i>(Note 9)</i>	15,500	16,900
Dues - United Way of Canada	3,000	3,000
IPhone	1,466	395
Insurance	1,592	1,592
Interest and bank charges	35	42
Legal	266	-
Office supplies	36	1,131
Travel and meetings	937	616
	\$ 30,945	\$ 29,565