

Financial Statements

United Way of Cape Breton

March 31, 2014

DRAFT

Contents

	Page
Independent Auditor's Report	1-2
Statements of Operations and Surplus	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 8

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United Way of Cape Breton Statements of Operations and Surplus

Year ended March 31	2014	2013
Campaign revenue (Note 7)	\$ 695,075	\$ 462,229
Funds transferred from other United Ways	7,457	26,987
Other fundraising	<u>41,669</u>	<u>33,517</u>
	744,201	522,733
Less:		
Uncollectible pledges	<u>(19,316)</u>	<u>(19,136)</u>
Net fundraising revenue	724,885	503,597
Grant revenue	-	14,029
Interest revenue	<u>905</u>	<u>927</u>
	725,790	518,553
Expenses		
Fundraising expenses	<u>146,674</u>	<u>135,765</u>
Net revenue available for programs	579,116	382,788
Support to the community		
Community investment funding	264,600	193,622
Donor designations	256,654	7,378
Special projects	-	13,552
Gifts in kind	9,411	12,981
211 allocation	5,804	5,383
Community resource services	<u>62,295</u>	<u>59,107</u>
	598,764	292,023
Excess of (expenditures over revenue) revenue over expenditures	\$ (19,648)	\$ 90,765
Surplus, beginning of year	\$ 219,611	\$ 128,846
Excess of expenditures over revenues) revenue over expenditures	<u>(19,648)</u>	<u>90,765</u>
Surplus, end of year	\$ 199,963	\$ 219,611

See accompanying notes to the financial statements

United Way of Cape Breton

Statement of Financial Position

March 31

2014

2013

Assets

Current

Cash	\$	224,395	\$	269,242
Pledges receivable (Note 4)		327,591		415,380
Prepays		2,063		3,063
Accounts receivable		<u>32,548</u>		<u>10,213</u>

Capital assets (Note 5)

		<u>586,597</u>		<u>697,898</u>
		<u>538</u>		<u>768</u>
	\$	<u>587,135</u>	\$	<u>698,666</u>

Liabilities

Current

Payables and accruals (Note 6)	\$	276,769	\$	226,720
Deferred campaign revenue		<u>110,403</u>		<u>252,335</u>
		<u>387,172</u>		<u>479,055</u>

Equity

Surplus

		<u>199,963</u>		<u>219,611</u>
	\$	<u>587,135</u>	\$	<u>698,666</u>

Approved on behalf of the Board

Director

Director

See accompanying notes to the financial statements

United Way of Cape Breton

Statement of Cash Flows

Year ended March 31

2014

2013

(Decrease) increase in cash and cash equivalents

Operating

Excess of (expenditures over revenues) revenue over expenditures	\$	(19,648)	\$	90,765
Depreciation		<u>230</u>		<u>330</u>
		(19,418)		91,095
Change in non-cash operating working capital				
Pledges receivable		87,789		(41,365)
Prepays		1,000		(3,063)
Accounts receivable		(22,335)		(9,535)
Deferred campaign revenue		(141,932)		126,314
Payables and accruals		<u>50,049</u>		<u>(68,527)</u>
		(44,847)		94,919
(Decrease) increase in cash and cash equivalents		(44,847)		94,919
Cash and cash equivalents				
Beginning of year		<u>269,242</u>		<u>174,323</u>
End of year	\$	<u>224,395</u>	\$	<u>269,242</u>

See accompanying notes to the financial statements

United Way of Cape Breton

Notes to the Financial Statements

March 31, 2014

1. Nature of operations

The mission of the United Way of Cape Breton is to improve lives and build a community by engaging individuals and mobilizing collective action. The United Way of Cape Breton is a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Statement of compliance with Canadian accounting standards for not-for-profit organizations

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. Summary of significant accounting policies

Revenue recognition

United Way follows the deferral method of accounting for campaign revenue. 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 recognized as revenue in the year funds are received and the designated agency is funded.

Campaign revenue is comprised of unrestricted contributions from the current year campaign achievement and designated contributions recognized in the year. An allowance for pledge loss is provided annually based on historical percentages for pledge collections and on actual collection experience.

Donated goods and services

A substantial number of individuals and business organizations have donated significant amounts of their time and services in kind to the United Way's fundraising activities and its community investment process. The Organization only records the amount of such services when fair value can be reasonably determined. During the year, the Organization has recorded \$9,411 (2013 - \$12,981) of in kind services as revenue and expenditures.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, bank overdrafts, and highly liquid temporary money market instruments with original maturities of one year or less.

United Way operations

United Way operations are defined as basic operational expenses.

United Way of Cape Breton

Notes to the Financial Statements

March 31, 2014

3. Summary of significant accounting policies (continued)

The United Way allocates its General Management and Administration Expenses to two functional areas: fundraising and community investment process. General costs which do not pertain specifically to either function are considered administrative and are allocated to the function areas as follows:

	<u>2014</u>	<u>2013</u>
To fundraising expenses:	66%	66%
To community investment process:	34%	34%

Depreciation

Rates and bases of depreciation applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Computer hardware and software	30%, declining balance
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Community investments

Community investments payable are allocated funds that are committed to fund community organizations. Community investments are recognized when funding is approved by the Board.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the Organization's management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Actual results could differ from those reported.

Financial instruments

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

The carrying values of cash, receivables, payables, and accruals approximate their fair values due to the relatively short periods to maturity of these financial instruments or because they are receivable or payable on demand.

Credit risk

The United Way of Cape Breton is exposed to credit risk that arises from pledges receivable. Credit risk arises from the possibility that the contributors to the United Way of Cape Breton will be unable to fulfill 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.

United Way of Cape Breton

Notes to the Financial Statements

March 31, 2014

4. Pledges receivable	<u>2014</u>	<u>2013</u>
2014 Campaign	\$ 261,675	\$ -
2013 Campaign	114,145	372,042
2012 Campaign	<u>-</u>	<u>80,189</u>
	375,820	452,231
Allowance for uncollectible pledges	<u>(48,229)</u>	<u>(36,851)</u>
	\$ 327,591	\$ 415,380

5. Capital assets	<u>2014</u>			<u>2013</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer hardware and software	\$ 5,291	\$ 4,753	\$ 538	\$ 768

6. Payables and accruals	<u>2014</u>	<u>2013</u>
Trade	\$ 9,687	\$ 7,446
Government remittances	3,982	3,088
Community investment	<u>263,100</u>	<u>216,186</u>
	\$ 276,769	\$ 226,720

7. Campaign revenue	<u>2014</u>	<u>2013</u>
Campaign achievement	\$ 547,375	\$ 588,543
Donor designations deferred	(109,403)	(126,314)
Donor designations recognized during the year	<u>257,103</u>	<u>-</u>
	\$ 695,075	\$ 462,229