

Independent auditor's report

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To the Members of

United Way of Greater Moncton and Southeastern New Brunswick Region Inc.

We have audited the accompanying financial statements of the United Way of Greater Moncton and Southeastern New Brunswick Region Inc., which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011 and the statement of operations, and statement of changes in net assets for the years ended December 31, 2012 and December 31, 2011, and we have reported thereon, to the Organization on May 9, 2013, qualifying our audit report for the completeness of donations derived from the general public.

In our opinion, the attached financial statements fairly summarize the information contained in the audited financial statements of United Way of Greater Moncton and Southeastern New Brunswick Region Inc. for the year ended December 31, 2012 from which they have been derived.

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes that the United Way of Greater Moncton and Southeastern New Brunswick Region Inc. adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at December 31, 2011 and January 1, 2011, and the statement of operations, statement of changes in net assets and cash flows for the year ended December 31, 2011 and related disclosures.

Grant Thornton LLP

Moncton, New Brunswick

May 9, 2013

Chartered Accountants

**United Way of Greater Moncton and Southeastern
New Brunswick Region Inc.**
Condensed Statement of Operations

Year Ended December 31

	<u>Budget</u>	<u>2012</u>	<u>2011</u>
Revenues			
Campaign revenue	\$ 2,167,600	\$ 2,154,543	\$ 2,191,514
Mental Health Commission of Canada	909,745	909,745	1,177,078
Interest income	9,700	11,377	10,509
Other income	44,800	65,566	73,392
Municipal grants - Community projects	-	5,100	5,800
Unrealized (loss) gain on investments	3,000	(2,607)	3,078
Contributions for Community Development initiatives	-	38,001	7,950
	<u>3,134,845</u>	<u>3,181,725</u>	<u>3,469,321</u>
Expenditures			
Amortization and loss on capital assets	-	6,885	5,558
Fundraising expenditures	388,357	412,901	387,940
Allocations	1,685,958	1,739,718	1,686,012
Mental Health Commission of Canada	909,745	909,745	1,177,078
Community building program funding	194,773	172,313	249,967
Other expenditure	-	6,000	6,000
Loss on sale of investment	-	1,516	-
	<u>3,178,833</u>	<u>3,249,078</u>	<u>3,512,555</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (43,988)</u>	<u>\$ (67,353)</u>	<u>\$ (43,234)</u>

See accompanying notes to the financial statements.

**United Way of Greater Moncton and Southeastern
New Brunswick Region Inc.**
Condensed Statement of Changes in Net Assets

Year Ended December 31

Net assets	Internally restricted <u>funds</u>	<u>Unrestricted</u>	2012 Total
Balance, beginning of year	\$ 1,909,454	\$ 256,439	\$ 2,165,893
Net deficit for the year	-	(67,353)	(67,353)
Inter-funds transfers	<u>(61,469)</u>	<u>61,469</u>	<u>-</u>
Balance, end of year	<u>\$ 1,847,985</u>	<u>\$ 250,555</u>	<u>\$ 2,098,540</u>

Net assets	Internally restricted <u>funds</u>	<u>Unrestricted</u>	2011 Total
Balance, beginning of year	\$ 2,058,459	\$ 150,668	\$ 2,209,127
Net deficit for the year	-	(43,234)	(43,234)
Inter-funds transfers	<u>(149,005)</u>	<u>149,005</u>	<u>-</u>
Balance, end of year	<u>\$ 1,909,454</u>	<u>\$ 256,439</u>	<u>\$ 2,165,893</u>

See accompanying notes to the financial statements.

United Way of Greater Moncton and Southeastern New Brunswick Region Inc. Condensed Statement of Financial Position

December 31, 2012

	<u>2012</u>	<u>2011</u>	January 1, <u>2011</u>
Assets			
Cash and cash equivalents	\$ 902,260	\$ 831,106	\$ 803,578
Restricted cash	168,049	130,211	123,976
Campaign pledges receivable	1,935,234	1,957,855	1,893,637
Other receivables	36,453	67,378	43,939
Prepays	8,745	10,180	8,510
Capital assets	<u>36,262</u>	<u>37,290</u>	<u>12,148</u>
	<u>\$ 3,087,003</u>	<u>\$ 3,034,020</u>	<u>\$ 2,885,788</u>
Liabilities			
Payables and accruals	\$ 441,666	\$ 373,637	\$ 214,967
Payable to Canadian Mental Health Commission	168,049	130,211	123,976
Deferred campaign contributions	<u>378,748</u>	<u>364,279</u>	<u>337,718</u>
	<u>988,463</u>	<u>868,127</u>	<u>676,661</u>
Net assets			
Internally restricted	1,847,985	1,909,454	2,058,459
Unrestricted	<u>250,555</u>	<u>256,439</u>	<u>150,668</u>
	<u>2,098,540</u>	<u>2,165,893</u>	<u>2,209,127</u>
	<u>\$ 3,087,003</u>	<u>\$ 3,034,020</u>	<u>\$ 2,885,788</u>

On behalf of the Board

 Director

 Director

See accompanying notes to the financial statements

United Way of Greater Moncton and Southeastern New Brunswick Region Inc.

Notes to the Condensed Financial Statements

December 31, 2012

1. Impact of the change in the basis of accounting

These financial statements are the first financial statements for which United Way of Greater Moncton and Southeastern New Brunswick Region Inc. has applied the Canadian generally accepted accounting principles for not-for-profit organizations (ASNPO). The financial statements for the year ended December 31, 2012 were prepared in accordance with ASNPO. Comparative period information presented for the year ended December 31, 2011 was prepared in accordance with ASNPO and the provisions set out in Section 1500 First-time adoption.

The date of transition to ASNPO is January 1, 2011. The significant accounting policies that have been applied in the preparation of these statements are found in Note 2. Upon transition, the Organization change their accounting for contributions from restricted fund method to the deferral method and account all revenues and expenses in the net assets unrestricted fund. The internally restricted is made up of the community building fund and the agencies allocation fund.

The change to the deferral method resulted in adjustments to the previously reported excess (deficiency) of revenue over expenditures, payables and accruals and net assets at December 31, 2011. The subsequent year allocations to agencies are now recorded as internally restricted instead of being accrued at year end.

The adjustments to 2011 were as follows:

Excess (deficiency) of revenue over expenditures, as previously reported	\$ (5,734)
Increase in allocation expense	<u>(37,500)</u>
Excess (deficiency) of revenue over expenditures, as restated	<u>\$ (43,235)</u>
Payables and accruals, as previously reported	\$ 1,332,937
2012 Allocations, reclassified to internally restricted	<u>(959,300)</u>
Payables and accrual, as restated	<u>\$ 373,637</u>
Net assets, as previously reported	\$ 1,206,593
2012 allocations, reclassified from payables and accruals	<u>959,300</u>
Net assets, as restated	<u>\$ 2,165,893</u>

Upon transition, United Way of Greater Moncton and Southern New Brunswick Region Inc. did not apply any optional exemptions.



Grant Thornton

Financial Statements

United Way of Greater Moncton and Southeastern
New Brunswick Region Inc.

December 31, 2012

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To the Members of

United Way of Greater Moncton and Southeastern New Brunswick Region Inc.

We have audited the accompanying financial statements of the United Way of Greater Moncton and Southeastern New Brunswick Region Inc., which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011 and the statement of operations, statement of changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

In common with many non-profit organizations, the Organization derives revenue from donations from the public, 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 revenues, excess of revenue over expenses, assets and net assets.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the United Way of Greater Moncton and Southeastern New Brunswick Region Inc. as at December 31, 2012, December 31, 2011 and January 1, 2011, and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative information

Without modifying our opinion, we draw attention to Note 3 to the financial statements which describes that the United Way of Greater Moncton and Southeastern New Brunswick Region Inc. adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2011 and January 1, 2011, and the statement of operations, statement of changes in net assets and cash flows for the year ended December 31, 2011 and related disclosures.



Moncton, New Brunswick

May 9, 2013

Chartered Accountants

United Way of Greater Moncton and Southeastern New Brunswick Region Inc. Statement of Operations

Year Ended December 31

	<u>Budget</u>	<u>2012</u>	<u>2011</u>
Revenues			
Campaign revenue (Note 9)	\$ 2,167,600	\$ 2,154,543	\$ 2,191,514
Mental Health Commission of Canada	909,745	909,745	1,177,078
Interest income	9,700	11,377	10,509
Other income (Note 10)	44,800	65,566	73,392
Municipal grants-Community projects	-	5,100	5,800
Unrealized (loss) gain on investments	3,000	(2,607)	3,078
Contributions for Community Development initiatives	-	38,001	7,950
	<u>3,134,845</u>	<u>3,181,725</u>	<u>3,469,321</u>
Expenditures			
Amortization and loss on capital assets	-	6,885	5,558
Fundraising expenditures (Page 13)	388,357	412,901	387,940
Allocations (page 14)	1,685,958	1,739,718	1,686,012
Mental Health Commission of Canada	909,745	909,745	1,177,078
Community building program funding (Page 17)	194,773	172,313	249,967
Other expenditure	-	6,000	6,000
Loss on sale of investment	-	1,516	-
	<u>3,178,833</u>	<u>3,249,078</u>	<u>3,512,555</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (43,988)</u>	<u>\$ (67,353)</u>	<u>\$ (43,234)</u>

See accompanying notes to the financial statements.

**United Way of Greater Moncton and Southeastern
New Brunswick Region Inc.**
Statement of Changes in Net Assets

Year Ended December 31

Net Assets	Internally restricted funds	<u>Unrestricted</u>	2012 Total
Balance, beginning of year	\$ 1,909,454	\$ 256,439	\$ 2,165,893
Net deficit for the year	-	(67,353)	(67,353)
Inter-funds transfers	<u>(61,469)</u>	<u>61,469</u>	<u>-</u>
Balance, end of year	<u>\$ 1,847,985</u>	<u>\$ 250,555</u>	<u>\$ 2,098,540</u>

Net Assets	Internally restricted funds	<u>Unrestricted</u>	2011 Total
Balance, beginning of year	\$ 2,058,459	\$ 150,668	\$ 2,209,127
Net deficit for the year	-	(43,234)	(43,234)
Inter-funds transfers	<u>(149,005)</u>	<u>149,005</u>	<u>-</u>
Balance, end of year	<u>\$ 1,909,454</u>	<u>\$ 256,439</u>	<u>\$ 2,165,893</u>

See accompanying notes to the financial statements.

United Way of Greater Moncton and Southeastern New Brunswick Region Inc. Statement of Financial Position

December 31, 2012

	<u>2012</u>	<u>2011</u>	January 1, <u>2011</u>
Assets			
Cash and cash equivalents (Note 4)	\$ 902,260	\$ 831,106	\$ 803,578
Restricted cash (Note 5)	168,049	130,211	123,976
Campaign pledges receivable	1,935,234	1,957,855	1,893,637
Other receivables	36,453	67,378	43,939
Prepays	8,745	10,180	8,510
Capital assets (Note 6)	<u>36,262</u>	<u>37,290</u>	<u>12,148</u>
	<u>\$ 3,087,003</u>	<u>\$ 3,034,020</u>	<u>\$ 2,885,788</u>
Liabilities			
Payables and accruals	\$ 441,666	\$ 373,637	\$ 214,967
Payable to Canadian Mental Health Commission	168,049	130,211	123,976
Deferred campaign contributions (Note 7)	<u>378,748</u>	<u>364,279</u>	<u>337,718</u>
	<u>988,463</u>	<u>868,127</u>	<u>676,661</u>
Net Assets			
Internally restricted (Note 8)	1,847,985	1,909,454	2,058,459
Unrestricted (Page 4)	<u>250,555</u>	<u>256,439</u>	<u>150,668</u>
	<u>2,098,540</u>	<u>2,165,893</u>	<u>2,209,127</u>
	<u>\$ 3,087,003</u>	<u>\$ 3,034,020</u>	<u>\$ 2,885,788</u>

Commitments (Note 13)

On behalf of the Board



Director



Director

See accompanying notes to the financial statements

United Way of Greater Moncton and Southeastern New Brunswick Region Inc. Statement of Cash Flows

Year Ended December 31

2012

2011

Increase (decrease) in cash and cash equivalents

Operating		
Excess (deficiency) of revenue over expenditure	\$ (67,353)	\$ (43,234)
Amortization	6,885	5,558
Change in non-cash operating working capital		
Receivables	53,546	(87,656)
Prepays	1,435	(1,670)
Payables and accruals	68,029	158,670
Payable to Canadian Mental Health	37,838	6,235
Deferred campaign contribution	14,469	26,561
	<u>114,849</u>	<u>64,464</u>
Investing		
Purchase of capital assets		
Computer and office equipment	(2,663)	(14,716)
Leasehold improvements	(3,194)	(4,500)
Software	-	(11,485)
	<u>(5,857)</u>	<u>(30,701)</u>
Net increase in cash and cash equivalents	108,992	33,763
Cash and cash equivalents, beginning of year	<u>961,317</u>	<u>927,554</u>
Cash and cash equivalents, end of year	<u>\$ 1,070,309</u>	<u>\$ 961,317</u>

See accompanying notes to the financial statements.

United Way of Greater Moncton and Southeastern New Brunswick Region Inc.

Notes to the Financial Statements

December 31, 2012

1. Purpose of the Organization

The purpose of United Way of Greater Moncton and Southeastern New Brunswick Region Inc. (the "Organization") is to facilitate the building of stronger communities through the collection and distribution of community resources. The primary means to achieve this purpose is through the provision of funding to various non-profit operations based upon monies raised from fundraising activities. The Organization is incorporated under the New Brunswick Companies Act as a not-for-profit organization. It has registered charity status and is exempt from income tax.

2. Summary of significant accounting policies

(a) Accounting for contributions

The Organization follows the deferral method of accounting for contributions which includes grants and donations. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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.

(b) Campaign revenues and expenditures

The Organization receives most of its donor revenue from its fall campaign. Note 9 provides a breakdown between cash donations and donations received through payroll deductions which are pledged and recorded as revenue in the current year but will be collected during the course of the subsequent year. Donations received or pledged are treated as revenue in the campaign year unless they are donor designated and meet the criteria for deferred contributions discussed in Note 2(d).

All campaign expenditures are expensed in the year incurred.

(c) Campaign pledges receivable

Pledges are recorded as receivable when signed pledge documents are received and the receivables are adjusted to a net realizable value.

(d) Deferred campaign contributions

Deferred campaign contributions are comprised of donor designated donations part of the fall campaign. These are deferred in the campaign year and not included as revenue until the subsequent year when the donations are actually paid out to the designated charity.

United Way of Greater Moncton and Southeastern New Brunswick Region Inc.

Notes to the Financial Statements

December 31, 2012

2. Summary of significant accounting policies (continued)

(e) Amortization of capital assets

Capital assets are stated at cost less accumulated amortization and are being amortized over the estimated lives of the assets. The assets are amortized using the following amortization methods:

	Method	Rate
Computers and office equipment	Declining balance	20%
Leasehold improvement	Straight-line	20 years
Software	Productive output	7 units

(f) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Significant estimates made by management is the determination of the net realizable value of the pledges receivable.

3. Impact of the change in the basis of accounting

These financial statements are the first financial statements for which United Way of Greater Moncton and Southeastern New Brunswick Region Inc. has applied the Canadian generally accepted accounting principles for not-for-profit organizations (ASNPO). The financial statements for the year ended December 31, 2012 were prepared in accordance with ASNPO. Comparative period information presented for the year ended December 31, 2011 was prepared in accordance with ASNPO and the provisions set out in Section 1500 First-time adoption.

The date of transition to ASNPO is January 1, 2011. The significant accounting policies that have been applied in the preparation of these statements are found in Note 2. Upon transition, the Organization change their accounting for contributions from restricted fund method to the deferral method and account all revenues and expenses in the net assets unrestricted fund. The internally restricted is made up of the community building fund and the agencies allocation fund.

The change to the deferral method resulted in adjustments to the previously reported excess (deficiency) of revenue over expenditures, payables and accruals and net assets at December 31, 2011. The subsequent year allocations to agencies are now recorded as internally restricted instead of being accrued at year end.

United Way of Greater Moncton and Southeastern New Brunswick Region Inc.

Notes to the Financial Statements

December 31, 2012

3. Impact of the change in the basis of accounting (continued)

The adjustments to 2011 were as follows:

Excess (deficiency) of revenue over expenditures, as previously reported	\$ (5,734)
Increase in allocation expense	<u>(37,500)</u>
Excess (deficiency) of revenue over expenditures, as restated	<u>\$ (43,235)</u>
Payables and accruals, as previously reported	\$ 1,332,937
2012 Allocations, reclassified to internally restricted	<u>(959,300)</u>
Payables and accrual, as restated	<u>\$ 373,637</u>
Net assets, as previously reported	\$ 1,206,593
2012 allocations, reclassified from payables and accruals	<u>959,300</u>
Net assets, as restated	<u>\$ 2,165,893</u>

Upon transition, United Way of Greater Moncton and Southern New Brunswick Region Inc. did not apply any optional exemptions.

4. Cash and cash equivalent

	<u>2012</u>	<u>2011</u>	January 1, <u>2011</u>
Cash and cash equivalent consists of:			
Cash balance in the bank	\$ 639,781	\$ 569,882	\$ 354,250
Short-term investments	<u>262,479</u>	<u>261,224</u>	<u>449,328</u>
	<u>\$ 902,260</u>	<u>\$ 831,106</u>	<u>\$ 803,578</u>

5. Restricted cash

Restricted cash is the funds received in advance on a four year contract with Canadian Mental Health Commission to assist in carrying out a program for the homeless.

United Way of Greater Moncton and Southeastern New Brunswick Region Inc.

Notes to the Financial Statements

December 31, 2012

6. Capital assets

			<u>2012</u>	<u>2011</u>	January 1, <u>2011</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book value</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computers and office equipment	\$ 78,544	\$ 57,776	\$ 20,768	\$ 22,965	\$ 12,148
Leasehold improvements	7,694	404	7,290	4,481	-
Software	<u>11,485</u>	<u>3,281</u>	<u>8,204</u>	<u>9,844</u>	<u>-</u>
	<u>\$ 97,723</u>	<u>\$ 61,461</u>	<u>\$ 36,262</u>	<u>\$ 37,290</u>	<u>\$ 12,148</u>

7. Deferred campaign contributions

These deferred revenues are comprised entirely of donations from the fall campaign where the donors have designated which charitable organizations are to receive the donations. Due to the timing of the annual campaign close to the end of the fiscal year, these funds will be paid out during the following fiscal year and recognized as revenue with an offsetting expenditure recorded at that time. The designated charitables are described below:

	<u>2012</u>	<u>2011</u>	January 1, <u>2011</u>
Partner agencies	\$ -	\$ 31,753	\$ 34,788
Non-member registered charities	200,128	185,551	135,745
Healthpartners	122,602	110,893	127,967
Other United Ways	<u>56,018</u>	<u>36,082</u>	<u>39,218</u>
	<u>\$ 378,748</u>	<u>\$ 364,279</u>	<u>\$ 337,718</u>

8. Internally restricted net assets

	<u>2012</u>	<u>2011</u>	January 1, <u>2011</u>
Agencies allocation	\$ 1,117,166	\$ 959,300	\$ 996,800
Community building	<u>730,899</u>	<u>950,154</u>	<u>1,061,659</u>
	<u>\$ 1,847,985</u>	<u>\$ 1,909,454</u>	<u>\$ 2,058,459</u>

The agencies allocation is the amount internally restricted to be paid to different agencies in the community in 2013.

The Community Building accounts for funds that are internally restricted and allocated for the development of new programs or services that would address human and social needs within the region serviced by the Organization and are not available to Partner Agencies.

United Way of Greater Moncton and Southeastern New Brunswick Region Inc.

Notes to the Financial Statements

December 31, 2011

9. Campaign revenue	<u>2012</u>	<u>2011</u>
(i) Annual campaign results		
(a) Donations through payroll deductions	\$ 1,632,326	\$ 1,627,382
(b) Cash donations from businesses and individuals	623,146	658,793
(c) Donations for the previous campaign received and recorded in the current year	<u>18,541</u>	<u>36,900</u>
	<u>2,274,013</u>	<u>2,323,075</u>
(ii) Allowances for uncollectable pledges		
(a) Budgeted allowance for uncollectable pledges	(105,000)	(105,000)
(iii) Deferred campaign revenue (donor designated)		
(a) Current year donations deferred to next year	(378,748)	(364,279)
(b) Prior year donations recognized in current year	<u>364,278</u>	<u>337,718</u>
	<u>\$ 2,154,543</u>	<u>\$ 2,191,514</u>

10. Other Income	<u>2012</u>	<u>2011</u>
Canadian Mental Health contract - Annualized administration fees for a four year contract with the Federal Government concerning homelessness	\$ 50,000	\$ 49,537
Recovery of the cost of the wages for United Way staff and volunteer involvement with the summer concerts at Magnetic Hill.	13,846	22,173
Sundry	<u>1,720</u>	<u>1,682</u>
	<u>\$ 65,566</u>	<u>\$ 73,392</u>

11. Allocations to designated agencies

United Way campaign donors have been able to specify on their pledge forms the name(s) of registered charitable organization(s) to which they wish their contributions be allocated. Designated allocations less a processing charge, if applicable, are paid out by December 31 of the applicable campaign year.

United Way campaign donors from the Government of Canada Workplace can also designate allocations to Healthpartners and a federation of 15 national health charities. The payroll deduction pledges relating to this initiative are recorded at December 31, 2012 in receivables and deferred campaign contributions.

United Way of Greater Moncton and Southeastern New Brunswick Region Inc.

Notes to the Financial Statements

December 31, 2011

12. Financial instrument risk management

The types of risk inherent in the Organization's environment in which it operates include credit, liquidity and market rate risk:

Credit risk

Credit risk is the risk that the Organization will incur a loss because the pledges are not recovered. The Organization's financial instruments that are exposed to credit risk include the campaign pledges receivables and other receivables.

Liquidity risk

Liquidity risk is the risk that the Organization may not have cash available to satisfy financial liabilities as they come due. To mitigate this risk, the Organization is internally monitoring this level of liquidity on a regular basis.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument, that is short-term investments, will fluctuate because of changes in market prices. For purposes of this disclosure, the Organization segregates market risk into two categories: fair value risk and interest rate risk. The Organization is exposed to interest rate risk or fair value risk.

i) Interest rate risk

Interest rate risk is the potential for loss arising from changes in interest rates. Financial instruments that potentially subject the Organization to interest rate risk are the short-term investments. The Organization does not hedge interest rate risk.

ii) Fair value risk

Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Organization incurs fair value risk on its short-term investments. The Organization does not hedge its fair value risk.

13. Commitments

- a) The Organization has contracted to pay a retired Executive Director an annual retirement payment of \$6,000 for her lifetime.
 - b) The Organization entered into a 20 year lease for office space which commenced December 1, 2011. The terms of the lease require annual fixed rental fees of \$33,220 plus HST and an additional fluctuating annual operational rental fee of approximately \$23,380 plus HST.
 - c) In 2009, the Board of Directors approved future disbursement of \$147,274 from the Community Building fund for community development initiatives, of which \$10,742 remained unpaid as of December 31, 2012.
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14. Comparative figures

Certain of the comparative figures have been restated to conform to current year financial statement presentation.

**United Way of Greater Moncton and Southeastern
New Brunswick Region Inc.
Schedule of Fundraising Expenditures**

Year Ended December 31

2012

2011

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
AGM	\$ 2,400	\$ 1,275	\$ 1,148
Campaign expenditures:			
GCWCC	24,000	22,469	19,431
Kickoff	1,800	1,860	1,579
Supplies	11,000	12,845	11,929
Celebration	3,000	2,456	3,851
Cleaning and repairs	1,800	2,124	1,314
Conventions and travel	-	-	3,240
Insurance	3,000	5,200	2,446
Interest and bank charges	6,600	7,237	7,474
Loaned rep expenditures	1,500	1,384	1,588
Media	11,000	6,482	7,611
Meetings - general	2,410	3,193	2,340
Meetings - regional	1,820	1,587	2,415
Memberships	2,340	1,363	300
Moving	-	507	3,351
Office supplies	3,420	6,275	3,800
Office equipment leasing and servicing	2,940	2,636	1,435
Office furniture and equipment	2,400	1,797	1,683
Parking	2,760	3,669	621
Postage	2,660	2,770	2,894
Professional development	2,700	2,679	2,034
Professional fees	18,000	14,457	29,971
Public relations	6,000	5,385	6,220
Rent	30,942	34,023	23,849
Salaries and benefits	231,645	255,425	218,791
Sundry	360	-	331
Technology	1,500	2,376	1,954
Telephone and fax	5,580	5,073	5,343
Transition plan	-	-	15,279
Translation	3,200	3,099	1,602
Travel	1,580	3,255	2,116
	<u>\$ 388,357</u>	<u>\$ 412,901</u>	<u>\$ 387,940</u>

**United Way of Greater Moncton and Southeastern
New Brunswick Region Inc.
Schedule of Allocations Expenditures**

Year Ended December 31	Budget	2012	2011
a) Moncton Region United Way Partner Agencies (page 15)	\$ 1,108,545	\$ 1,129,164	\$ 1,126,165
b) Other designated agencies	151,202	184,022	133,423
c) Designations sent directly to and distributed by United Ways and individual companies	15,269	18,274	21,968
d) Designations sent directly to and distributed by Healthpartners	130,872	116,103	138,352
e) Community service expenditures (page 16)	<u>280,070</u>	<u>292,155</u>	<u>266,104</u>
	<u>\$ 1,685,958</u>	<u>\$ 1,739,718</u>	<u>\$ 1,686,012</u>

**United Way of Greater Moncton and Southeastern
New Brunswick Region Inc.
Schedule of Allocations to Moncton Region
United Way Partner Agencies**

Year Ended December 31

2012

2011

Ability Transit	\$ 67,262	\$ 67,378
Arthritis Society	16,280	15,649
Beausejour Family Crisis Resource Centre	51,494	49,083
Big Brothers Big Sisters of Moncton	71,170	70,399
Boys and Girls Club of Greater Moncton	-	252
Canadian Mental Health Association	85,830	74,110
Canadian National Institute for the Blind	53,937	54,270
CARA Helpline Inc.	-	37,770
Crossroads for Women Inc.	45,329	44,342
Dieppe Boys and Girls Club	40,703	41,100
Family Services Moncton	93,000	93,283
Mapleton Teaching Kitchen Inc.	48,669	53,922
Moncton Boys and Girls Club	89,566	83,744
Moncton Headstart	62,433	45,521
Petitcodiac Boys and Girls Club	43,368	53,913
Riverview Boys and Girls Club	47,834	45,922
South-East Deaf and Hard of Hearing Services Inc.	44,207	43,618
Support to Single Parents	64,903	64,075
United Way of Canada	16,331	17,526
Victorian Order of Nurses	58,300	58,478
Y.M.C.A.	65,106	65,479
Y.W.C.A.	<u>63,442</u>	<u>56,550</u>
	1,129,164	1,136,384
Forfeited Program Funding	<u>-</u>	<u>(10,219)</u>
	<u>\$ 1,129,164</u>	<u>\$ 1,126,165</u>
Donor designations included in the above totals	<u>\$ 40,194</u>	<u>\$ 34,343</u>
Program funding payments included in the above totals	<u>\$ 113,339</u>	<u>\$ 85,465</u>

United Way of Greater Moncton and Southeastern New Brunswick Region Inc.

Schedule of Community Service Expenditures

Year Ended December 31

	<u>Budget</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
AGM	\$ 1,600	\$ 850	\$ 765
Cleaning and repairs	1,200	1,416	877
Community development	17,000	17,025	15,669
Conventions and travel	800	1,461	5,634
Media	4,700	10,353	2,560
Meetings - general	3,380	5,223	3,658
Meetings - regional	680	665	868
Meetings – strategic council	1,800	1,986	-
Memberships	1,560	909	200
Moving	-	338	-
Office supplies	2,280	4,183	2,533
Office equipment leasing and servicing	1,960	1,757	1,100
Office furniture and equipment	2,100	1,975	3,377
Parking	1,840	2,446	414
Postage	640	539	853
Professional development	2,300	2,321	2,119
Public relations	3,000	2,475	1,351
Recognition	-	-	1,050
Rent	20,628	22,682	15,899
Salaries and benefits	197,862	198,053	188,993
Sundry	240	-	221
Technology	6,560	7,143	1,303
Telephone and fax	4,920	4,479	4,614
Transition plan	-	-	10,186
Translations	2,300	2,043	836
Travel	720	1,833	1,024
	<u>\$ 280,070</u>	<u>\$ 292,155</u>	<u>\$ 266,104</u>

**United Way of Greater Moncton and Southeastern
New Brunswick Region Inc.
Schedule of Community Building Program Funding**

Year Ended December 31

2012

2011

Community Building Grants:

L'Atelier L'Artisan	\$ 10,000	\$ -
Bennett & Albert Co. Health Care Foundation	8,700	8,070
Big Cove First Nations Wellness	10,000	20,000
BUILT Network	-	2,000
Centre de ressources familiales de Kent	-	8,000
Greater Moncton Family Resource Centre	-	-
Hospice Greater Moncton	10,000	10,000
Hospice Shediac Inc.	10,000	-
John Howard Society of Greater Moncton Inc.	-	8,000
Maison de Jeunes, Dieppe Youth House Inc.	6,000	20,000
Moncton Regional Learning Council Inc.	10,000	-
Moncton Youth Residences Inc.	-	10,000
Tantramar Family Resources Centre Inc.	10,000	9,000
Volunteer Centre of Southeastern NB Inc.	-	10,000
	<u>74,700</u>	<u>105,070</u>

Forfeited Community Building Grants	<u>(7,412)</u>	<u>(3,861)</u>
	<u>67,288</u>	<u>101,209</u>

Community development initiatives:

Community events	9,672	13,907
Day of Caring	15,615	14,580
Youth Day of Caring	-	2,208
Peace Centre Project	1,706	4,480
Imagine Canada Conference	-	1,000
NB Food Security Action Network	11,211	-
Up River	27,135	28,892
Seniors Information	-	8,235
Community Food Mentorship	1,346	30,803
Other United Way Initiatives	3,527	2,385
Special Project	18,000	42,268
Community collaboration	16,813	-
	<u>105,025</u>	<u>148,758</u>

Total	<u>\$ 172,313</u>	<u>\$ 249,967</u>
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