

UNITED WAY OF PICTOU COUNTY
Financial Information
December 31, 2022



	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL INFORMATION	
Statement of Revenues and Expenditures	3
Statement of Changes in Fund Balances	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to Financial Information	7 - 11
General Operating Expenses (<i>Schedule 1</i>)	12



INDEPENDENT AUDITOR'S REPORT

To the Directors of United Way of Pictou County

Qualified Opinion

We have audited the financial information of United Way of Pictou County (the Organization), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended, and notes to the financial information, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial information present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, 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 (ASNPO).

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible of 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 contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial information for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation of 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 ethical requirements that are relevant to our audit of the financial information 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 audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Information

Management is responsible for the preparation and fair presentation of the financial information in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, 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 Information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is 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 this financial information.

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 information, 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 information 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 information, including the disclosures, and whether the financial information 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.

New Glasgow, Nova Scotia
May 31, 2023

MacDonald & Murphy Inc.

Chartered Professional Accountants



UNITED WAY OF PICTOU COUNTY
Statement of Revenues and Expenditures
Year Ended December 31, 2022

	2022	2021
Revenue		
Fundraising revenue	\$ 409,784	\$ 447,051
Hurricane Fiona Emergency Funds	61,000	
Province of Nova Scotia - Food Security	20,000	
Community building initiatives (Note 12)	8,831	6,282
Community management fees	5,000	
	<u>504,615</u>	453,333
Expenditures		
Fundraising expenses (Note 13)	<u>102,446</u>	79,662
Net revenues available for programs	<u>402,169</u>	373,671
Support to the Community		
Community building initiatives (Note 12)	11,490	12,365
Community investment process (Note 13)	90,469	67,699
Designations to other United Way locations		35,000
Donor designations	2,616	13,221
Funded programs	302,078	229,732
Funded programs - Food Security	20,000	
Funded programs - Hurricane Fiona	61,000	
	<u>487,653</u>	358,017
Excess (deficiency) of revenue over general operating expenditures from operations	<u>(85,484)</u>	15,654
Other income		
Investment income	2,093	4,719
Unrealized gain (loss) on investments	<u>(19,274)</u>	4,971
	<u>(17,181)</u>	9,690
Excess (deficiency) of revenues over expenditures	<u>\$ (102,665)</u>	<u>\$ 25,344</u>



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

	General Fund	Restricted Fund	2022	2021
Fund balances - beginning of year	\$ 354,305	\$ 30,000	\$ 384,305	\$ 358,961
Deficiency of revenue over general operating expenditures	(102,665)		(102,665)	25,344
Fund balances - end of year	\$ 251,640	\$ 30,000	\$ 281,640	\$ 384,305



UNITED WAY OF PICTOU COUNTY
Statement of Financial Position
December 31, 2022

	2022	2021
ASSETS		
Current		
Cash	\$ 344,448	\$ 244,334
Marketable securities (Note 4)	29,325	147,502
Funding recoverable		5,000
HST recoverable	3,307	3,241
	\$ 377,080	\$ 400,077
LIABILITIES		
Current		
Accounts payable and accruals (Note 5)	\$ 15,999	\$ 13,156
Campaign designations (Note 6)	9,847	2,616
Deferred funding (Note 7)	69,594	
	95,440	15,772
NET ASSETS		
Fund balance, operating	251,640	354,305
Operating reserve (Note 8)	30,000	30,000
	281,640	384,305
	\$ 377,080	\$ 400,077

ON BEHALF OF THE BOARD

_____ Director

_____ Director



MacDonald &
Murphy Inc.

UNITED WAY OF PICTOU COUNTY

Statement of Cash Flows

Year Ended December 31, 2022

	2022	2021
Operating activities		
Excess (deficiency) of revenue over general operating expenses	\$ (102,665)	\$ 25,344
Changes in non-cash working capital:		
Funding recoverable	5,000	(1,000)
Accounts payable and accruals	2,843	1,754
Campaign designations	7,231	(10,605)
Prepaid expenses		387
HST recoverable	(66)	260
Deferred funding	69,594	
	<u>84,602</u>	<u>(9,204)</u>
	<u>(18,063)</u>	<u>16,140</u>
Investing activity		
Change in marketable securities	<u>118,177</u>	<u>(9,657)</u>
Increase in cash flow	100,114	6,483
Cash - beginning of year	<u>244,334</u>	<u>237,851</u>
Cash - end of year	<u>\$ 344,448</u>	<u>\$ 244,334</u>



1. Nature of operations

United Way of Pictou County (the "Organization") is a not-for-profit organization incorporated provincially under the Societies Act of Nova Scotia. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The mission of the United Way of Pictou County is: through collaborative partnerships, we bring people together to make a positive, sustainable impact on our community.

2. Basis of presentation

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

3. Summary of significant accounting policies

Fund accounting

United Way of Pictou County follows the restricted fund method of accounting for contributions. The General Fund accounts for the Organization's program delivery and administration activities. This fund reports unrestricted resources and restricted operating grants.

Revenue recognition

United Way of Pictou County follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is assured.

Community investments are allocated funds that are committed to funded community organizations effective March 31st each year for the subsequent twelve months, funded from the most recently completed campaign. The allocations to community agencies will be recognized when the Board has authorized the allocations, creating a liability to the respective agencies.

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

Contributed goods and services

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)

3. Summary of significant accounting policies (continued)**United Way operations - allocation of expenses**

The Organization 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>2022</u>	<u>2021</u>
Fundraising expenses	50%	50%
Community investment process	50%	50%

Measurement uncertainty

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the Organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other 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.

4. Marketable securities

Short term investments, which consist primarily of balanced mutual funds, are recorded at market value with any unrealized gain or loss recorded in investment income. The cost of these mutual funds at December 31, 2022 were \$29,431 (2021 - \$128,348).

UNITED WAY OF PICTOU COUNTY
Notes to Financial Information
Year Ended December 31, 2022

5. Accounts payable and accruals

	2022	2021
Trade accounts payable	\$ 6,869	\$ 6,173
Employee source deductions	9,050	6,921
Workers Compensation Board	80	62
	\$ 15,999	\$ 13,156

6. Campaign designations

Campaign designations represent funds received by the Organization during the year from employees of participating companies through payroll deductions and company contributions. The funds are designated to be directed to specified charities by the employees.

The Organization retains 10% of the funds received for administering the campaign funds on behalf of these employees. The following are the gross and net amounts reported for the year that will be subsequently issued to the specified charities:

	2022	2021
Campaign designations received	\$ 10,927	\$ 2,906
Administration fee	(1,080)	(290)
	\$ 9,847	\$ 2,616

7. Deferred funding

	2022
Hurricane Fiona Emergency Funds	\$ 69,000
Special events - Pulling for Change	594
	\$ 69,594

8. Operating reserve

The operating reserve is a fund created from the receipt of life insurance proceeds during the year ended December 31, 2018. An amount of \$30,000 was allocated to the reserve, which represents approximately three months of operating expenditures in the event of unanticipated future revenue shortfalls.

9. 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, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from its donors. The Organization has a significant number of donors which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources, and accounts payable.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

10. Gifts in kind

The value of gifts in kind for 2022 is indeterminable. Gifts in kind donations were received from a large number and variety of donors.

11. Commitments

The United Way of Pictou County has committed to provide funding to various agencies and programs, subject to certain conditions. The total commitment for 2023 is expected to be approximately \$269,401 (2022 - \$331,206).

The United Way of Pictou County renewed its rental agreement with Select Properties Inc. for a term of 20 months beginning May 1, 2022 and expiring December 31, 2023. The monthly rental amount is \$1,300 plus HST (previously \$1,200 plus HST).

12. Community building initiatives

The following are the community building initiatives the Organization carried out during the year:

	2022	2021
Revenue		
Backpacks for Kids	\$ 8,831	\$ 6,282
Support to the Community		
Backpacks for Kids	\$ 6,957	\$ 8,368
211 Nova Scotia	4,533	3,997
	\$ 11,490	\$ 12,365

UNITED WAY OF PICTOU COUNTY
Notes to Financial Information
Year Ended December 31, 2022

13. Expenditures

	<u>2022</u>	<u>2021</u>
<u>Fundraising expenses</u>		
Campaign and fundraising expenses	\$ 11,977	\$ 11,963
50% of general operating expenses (Schedule 1)	<u>90,469</u>	<u>67,699</u>
	<u>\$ 102,446</u>	<u>\$ 79,662</u>
<u>Community investment process</u>		
50% of general operating expenses (Schedule 1)	<u>\$ 90,469</u>	<u>\$ 67,699</u>



UNITED WAY OF PICTOU COUNTY
General Operating Expenses (Schedule 1)
Year Ended December 31, 2022

	2022	2021
Active Atlantic Collaboration	\$ 4,114	\$ 647
Insurance	1,794	1,697
Interest and bank charges	1,015	920
Memberships and dues	4,104	3,031
Office expenses	10,230	7,392
Professional fees	5,913	5,913
Promotion	984	634
Rent	16,340	15,480
Repairs and maintenance	1,185	734
Travel and meals	1,325	1,102
Utilities	4,639	5,706
Wages and benefits	129,294	92,143
	\$ 180,937	\$ 135,399

