



**UNITED WAY
of Bruce Grey**

Financial Statements

December 31, 2014

UNITED WAY OF BRUCE GREY
TABLE OF CONTENTS
DECEMBER 31, 2014

	Page
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Operations and Changes in Fund Balances	3
Statement of Cash Flow	4
Notes to the Financial Statements	5
Expenditures Schedules	
Schedule 1 - Community Allocations Expenditures	9
Schedule 2 - Other Revenue	10
Schedule 3 - Fundraising Expenditures	11
Schedule 3 - Program Expenditures	11
Schedule 3 - Building Expenditures	11
Schedule 4 - Administrative Revenue and Expenditures	12



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **United Way of Bruce Grey**:

Report on the Financial Statements

We have audited the accompanying financial statements of **United Way of Bruce Grey**, which comprise the statement of financial position as at December 31, 2014 and the statement of operations and changes in fund balances and cash flow statement for the year then ended 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 qualified audit opinion.

Basis for Qualified Opinion

United Way of Bruce Grey derives revenue from charitable 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. Consequently, we were unable to determine whether any adjustments to revenues, excess of revenue over expenditures, assets, or fund balances were necessary.

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 **United Way of Bruce Grey** as at December 31, 2014 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.

Collins Barrow SGB LLP

COLLINS BARROW SGB LLP
LICENSED PUBLIC ACCOUNTANTS
Owen Sound, Ontario
March 25, 2015

**UNITED WAY OF BRUCE GREY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31**

	Operating Fund \$	Building Fund \$	Endowment Fund \$	2014 \$	2013 \$
ASSETS					
CURRENT:					
Bank	160,681	13,463	-	174,144	91,665
Accounts Receivable	12,946	-	-	12,946	19,000
HST Receivable	13,381	-	-	13,381	9,820
Investments (Note 3)	10,446	-	8,716	19,162	15,895
Inventory	4,786	-	-	4,786	3,314
Prepaid Expenses	21,897	-	-	21,897	538
	<u>224,137</u>	<u>13,463</u>	<u>8,716</u>	<u>246,316</u>	<u>140,232</u>

LIABILITIES AND FUND BALANCES

CURRENT:					
Accounts Payable and Accrued Liabilities	27,011	-	-	27,011	45,048
Government Remittance Payable	5,346	-	-	5,346	4,817
Deferred Revenue (Note 4)	116,421	-	-	116,421	135,074
	<u>148,778</u>	<u>-</u>	<u>-</u>	<u>148,778</u>	<u>184,939</u>
FUND BALANCES:					
Internally Restricted	<u>75,359</u>	<u>13,463</u>	<u>8,716</u>	<u>97,538</u>	<u>(44,707)</u>
	<u>224,137</u>	<u>13,463</u>	<u>8,716</u>	<u>246,316</u>	<u>140,232</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

UNITED WAY OF BRUCE GREY
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31

	Operating Fund \$	Building Fund \$	Endowment Fund \$	2014 \$	2013 \$
REVENUE:					
Campaign	246,918	-	-	246,918	260,457
Special Events	103,509	-	-	103,509	139,158
Funds Transferred From					
Other United Ways	107,003	-	-	107,003	91,073
Investment Income	464	-	684	1,148	503
Other Revenue (Schedule 2)	349,944	-	-	349,944	191,312
Rental Revenue	-	19,494	-	19,494	14,732
Total Revenue	807,838	19,494	684	828,016	697,235
Fundraising Expenditures (Schedule 3)	90,427	-	-	90,427	169,077
Net Revenue Available for Community Investment	717,411	19,494	684	737,589	528,158
COMMUNITY INVESTMENT EXPENDITURES:					
Community Allocations (Schedule 1)	89,229	-	-	89,229	80,459
Program Expenditures (Schedule 3)	471,695	-	-	471,695	390,962
Building Expenditures (Schedule 3)	-	34,420	-	34,420	22,204
	560,924	34,420	-	595,344	493,625
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	156,487	(14,926)	684	142,245	34,533
INTERFUND TRANSFERS (Note 5)	(29,933)	27,444	2,489	-	-
FUND BALANCES AT BEGINNING OF YEAR	(51,195)	945	5,543	(44,707)	(79,240)
FUND BALANCES AT END YEAR	75,359	13,463	8,716	97,538	(44,707)

**UNITED WAY OF BRUCE GREY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31**

	2014	2013
	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Excess of Revenue over Expenditures (Expenditures over Revenue)	142,245	34,533
Changes in Non-cash Working Capital Balances		
Accounts Receivable	6,054	(19,000)
HST Receivable	(3,561)	5,469
Inventory	(1,471)	9,404
Prepaid Expenses	(21,359)	(538)
Accounts Payable and Accrued Liabilities	(18,037)	18,709
Government Remittance Payable	529	564
Community Allocations Payable	-	(82,375)
Deferred Revenue	(18,653)	51,034
Net Cash Generated Through (Used in) Operating Activities	85,747	17,800
FINANCING AND INVESTING ACTIVITIES:		
Loss on Investments	-	(10,795)
Increase in Investments	(3,268)	-
INCREASE (DECREASE) IN CASH DURING YEAR	82,479	7,005
CASH AT BEGINNING OF YEAR	91,665	84,660
CASH AT END OF YEAR	174,144	91,665

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

PURPOSE OF THE ORGANIZATION

The United Way of Bruce Grey is a non-profit, non-partisan, volunteer driven Organization that engages in an effort to mobilize resources to support a broad range of non-profit human care services. It exists to improve the quality of life of all people in the Counties of Bruce and Grey by raising and investing money in services and programs that help meet human needs in our communities.

The United Way operates according to the highest standards of conduct consistent with its commitment to volunteerism, integrity, accountability, accessibility, being apolitical and having respect for donors, service providers, and the users of services.

The United Way is a charitable Organization registered under the Income Tax Act of Canada and, as such, is exempt from income taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies applied in accordance with these standards are as follows:

(A) Fund Accounting

United Way of Bruce Grey follows the deferral method of accounting for contributions.

The purpose of the Operating Fund is to conduct annual fundraising campaigns to raise funds for distribution to other charitable organizations and the community and to cover fundraising and program expenditures.

The purpose of the Building Fund is to conduct the normal day to day operations of the United Way Centre. The rental revenue from the Centre and the corresponding expenses are recorded in the Building Fund.

The purpose of the Endowment Fund, established in 2007 through an investment with the Community Foundation of Grey Bruce, is to provide funding for future initiatives. These may include, but are not limited to, the following purposes; bequest/endowment funds, United Way Capital fund, new initiatives, grants, agencies' capital campaigns, and guaranteed sustaining allocations when the annual campaign is lower than previous performances. Should the United Way cease to exist, the income from the Endowment Fund would be disbursed by the Foundation's Board of Directors to charities in the community working for the betterment of the communities in a manner consistent with the historic role of the United Way.

(B) Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Revenue Recognition

The Organization holds several fundraising campaigns annually, including a fall workplace campaign and various special events. Campaign revenue, proceeds from special events and one-time donations generated during any one year are recognized as revenue when received. Fundraising and program expenditures are expensed as incurred.

All campaign revenue, proceeds from special events and one-time donations are considered available for unrestricted use with the exception of donor designations.

Donor designations represent donations made by individuals and corporations which are designed to be distributed to other United Ways, Member Agencies of the United Way and/or other charitable organizations. Donor designations are paid to the designated agencies annually. Donor designated donations which have been collected in the current year but have not yet been paid to designated agencies are reported as accrued donor designations.

Donations and grants restricted for a specific purpose by the contributor are reported as deferred revenue and are recognized as income in the same period that the eligible expenditure is incurred.

Investment income, rental income, endowment fund income, and other income is recognized on the accrual basis as it is earned. Investment income earned is retained in the fund to which the investments are held.

(D) Contributed Services

Volunteers contribute many hours per year to assist the Organization in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(E) Property and Equipment

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair market value at the date of the contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives. All equipment has been fully amortized.

(F) Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value and subsequently measures all its financial assets and liabilities at amortized cost, except for investments.

Financial assets measured at amortized cost include, bank, accounts receivable and HST receivable.

Financial instruments reported at fair market value include short term fixed income bonds and investment with the Community Foundation Grey Bruce. Fair value for these investments is readily available. Changes in fair value are recognized in net income.

Financial liabilities measured at amortized cost include accounts payable, government remittances payable and community allocations payable.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(G) Gifts in Kind

The Organization receives a limited amount of in-kind donations, that include consumables for special events and equipment for donation to the community at large. These financial statements do not reflect any revenue or expenditures related to gifts in kind.

(H) Allocation of Expenditures

Expenditures incurred by the Organization are classified as fundraising, program, or administrative expenditures. Administrative expenditures are allocated 37% to fundraising and 63% to program expenditures.

2. UNITED WAY CENTRE

In 2006 the County of Grey transferred title of the building where the United Way Centre now resides for the nominal consideration of \$1.

3. INVESTMENTS

	2014	2013
	\$	\$
Operating Fund:		
Investor's Group Financial Services Inc - Short Term Fixed Income Bonds (Cost - \$10,386)	10,446	10,352
Endowment Fund:		
Community Foundation Grey Bruce (Cost - \$7,800)	8,716	5,543
	19,162	15,895

The Endowment Investment is intended to provide a source of funding for the balance in the Endowment Fund.

4. DEFERRED REVENUE

Deferred revenue represents donations and grants restricted by the contributor for a specific purpose that were not spent at year end.

5. INTERFUND TRANSFERS

During the year, \$27,444 was transferred to the Building Fund from the Operating Fund for cash outlays for building expenses.

The net transfer of \$2,489 from the Operating Fund to the Endowment Fund is comprised of \$2,800 transferred to the Endowment Fund less \$311 investment income deposited to operations.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

6. FINANCIAL INSTRUMENTS

The Organization's exposure to risks from financial instruments is described as follows:

Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk in connection with the collection of its accounts receivable. The Organization mitigates this risk by maintaining payment policies and collection procedures and does not anticipate significant loss for non-collection.

Liquidity Risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization believes it has a strategy in place so that future cash flows will satisfy its obligations.

7. COMPARATIVE INFORMATION

Certain comparative figures have been reallocated to conform with the current year's presentation.

**UNITED WAY OF BRUCE GREY
SCHEDULE OF COMMUNITY ALLOCATION EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31**

SCHEDULE 1

	2014	2013
	\$	\$
Bruce Grey Child and Family Services	2,800	5,600
Canadian Mental Health Association of Grey Bruce	18,466	9,234
CNIB - Grey Bruce Dufferin	2,100	4,200
Durham and District Food Bank	5,000	3,000
Georgian Riding Association for Challenged Equestrians	2,100	4,200
Grey Bruce Eat & Learn	14,000	7,000
Keystone Child Youth and Family Services	10,000	5,000
Maadookii Seniors Centre	-	5,000
Men's Program Grey Bruce	11,200	5,600
Owen Sound & North Grey Union Public Library	-	2,000
Pegasus Riding Association	2,100	-
PRANCE	-	4,200
Safe and Sound	1,666	3,333
South Grey Bruce Youth Literacy Council	1,963	3,925
St. John Ambulance	1,167	2,333
Tobermory United Church:The Meeting Place	-	5,000
Warton & District Family Literacy	-	2,500
Women's House Serving Bruce Grey	16,667	8,334
	<hr/>	<hr/>
Funds Distributed to the Community	89,229	80,459
	<hr/> <hr/>	<hr/> <hr/>

**UNITED WAY OF BRUCE GREY
SCHEDULE OF OTHER REVENUE
FOR THE YEAR ENDED DECEMBER 31**

SCHEDULE 2

	2014	2013
	\$	\$
ATM Project	6,382	1,204
Backpack Program	42,418	27,898
Community Response	18,721	-
Getting Ahead	6,446	-
Seniors Advocacy and Awareness Network	9,856	8,093
Society of Energy Professionals	19,700	300
Trillium Grant	56,555	68,199
Utility Assistance Program	189,866	85,618
	349,944	191,312

**UNITED WAY OF BRUCE GREY
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31**

SCHEDULE 3

	2014	2013
	\$	\$
FUNDRAISING		
Advertising	6,411	5,336
Direct Campaign Costs	11,366	15,137
Wages and Employee Benefits	26,558	73,011
Total Direct Fundraising Expenditures	44,335	93,484
Allocation of Administrative Expenditures (Schedule 4)	46,092	75,593
	90,427	169,077
PROGRAM		
ATM Project	6,382	1,204
Adult Learning	6,446	-
Back Pack Program	42,418	37,026
Independent Project Expenditures	3,381	18,565
Community Response	18,721	-
Seniors Advocacy and Awareness Network	9,856	8,093
Society of Energy Professionals	8,276	300
Trillium Expenses	55,709	68,199
United Way of Canada Affiliation Fees	6,260	5,445
211 - Community Connection	45,000	37,800
Utility Assistance Program	189,866	85,618
Total Direct Program Expenditures	392,315	262,250
Allocation of Administrative Expenditures (Schedule 4)	79,380	128,712
	471,695	390,962
BUILDING		
Insurance	3,434	3,803
Repairs and Maintenance	19,318	8,637
Utilities	11,668	9,764
	34,420	22,204

**UNITED WAY OF BRUCE GREY
SCHEDULE OF ADMINISTRATIVE
FOR THE YEAR ENDED DECEMBER 31**

SCHEDULE 4

ADMINISTRATIVE

	2014	2013
	\$	\$
REVENUE:		
Utility Assistance Program	42,829	11,207
Miscellaneous Income	3,839	1,485
	46,668	12,692
EXPENDITURES:		
Bank Interest and Charges	2,583	2,153
Bookkeeping	10,368	9,659
Insurance	859	951
Licenses and Fees	3,307	2,562
Miscellaneous	1,567	1,571
Office Supplies	14,514	15,203
Professional Fees	15,591	21,891
Telephone	2,329	3,712
Training	1,645	3,261
Travel and Accommodations	12,858	13,903
Wages and Employee Benefits	106,519	142,131
	172,140	216,997
Net Administrative Expenditures	(125,472)	(204,305)
Less: Allocation to Fundraising Expenditures (Schedule 3)	46,092	75,593
Less: Allocation to Program Expenditures (Schedule 3)	79,380	128,712
	-	-