



**UNITED WAY
of Bruce Grey**

Financial Statements

December 31, 2016

UNITED WAY OF BRUCE GREY
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DECEMBER 31, 2016

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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, 2016 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, 2016 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
LICENSED PUBLIC ACCOUNTANTS
Owen Sound, Ontario
February 28, 2017

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

| | Operating Fund \$ | Building Fund \$ | Endowment Fund \$ | SAFE Fund \$ | 2016 \$ | 2015 \$ |
|--|-------------------------|------------------------|-------------------------|--------------------|-----------------------|----------------|
| ASSETS | | | | | | |
| CURRENT: | | | | | | |
| Bank | 136,471 | 12,476 | - | 63,091 | 212,038 | 371,442 |
| Accounts Receivable | 49,818 | - | - | - | 49,818 | 11,274 |
| HST Receivable | 4,906 | - | - | - | 4,906 | 12,187 |
| Due From (To) Funds | 2,510 | - | - | (2,510) | - | - |
| Investments (Note 3) | 10,499 | - | 10,060 | - | 20,559 | 20,342 |
| Inventory | 14,454 | - | - | - | 14,454 | 8,856 |
| Prepaid Expenses | 353 | - | - | - | 353 | 1,997 |
| | <u>219,011</u> | <u>12,476</u> | <u>10,060</u> | <u>60,581</u> | <u>302,128</u> | <u>426,098</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| CURRENT: | | | | | | |
| Accounts Payable and Accrued Liabilities | 24,072 | - | - | - | 24,072 | 15,980 |
| Government Remittance Payable | 4,683 | - | - | - | 4,683 | 5,583 |
| Deferred Revenue (Note 4) | 101,710 | - | - | 60,581 | 162,291 | 211,648 |
| | <u>130,465</u> | <u>-</u> | <u>-</u> | <u>60,581</u> | <u>191,046</u> | <u>233,211</u> |
| FUND BALANCES | <u>88,546</u> | <u>12,476</u> | <u>10,060</u> | <u>-</u> | <u>111,082</u> | <u>192,887</u> |
| | <u>219,011</u> | <u>12,476</u> | <u>10,060</u> | <u>60,581</u> | <u>302,128</u> | <u>426,098</u> |

ON BEHALF OF THE BOARD

_____ Director

_____ Director

(See Accompanying Notes to Financial Statements)

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 \$ | Aug 10/15 Fire Fund \$ | SAFE Fund \$ | 2016 \$ | 2015 \$ |
|--|-------------------------|------------------------|-------------------------|------------------------------|--------------------|-----------------|------------------|
| REVENUE: | | | | | | | |
| Campaign | 207,388 | - | - | - | - | 207,388 | 230,726 |
| Special Events | 39,493 | - | - | - | - | 39,493 | 115,683 |
| Funds Transferred From Other United Ways | 97,149 | - | - | - | - | 97,149 | 107,576 |
| Investment Income | 822 | - | 743 | 26 | 12 | 1,603 | 1,112 |
| Other Revenue (Schedule 2) | 326,989 | - | - | 10,664 | 14,366 | 352,019 | 697,705 |
| Rental Revenue | - | 16,072 | - | - | - | 16,072 | 14,761 |
| Total Revenue | 671,841 | 16,072 | 743 | 10,690 | 14,378 | 713,724 | 1,167,563 |
| Fundraising Expenditures (Schedule 3) | 128,038 | - | - | - | - | 128,038 | 123,473 |
| Net Revenue Available for Community Investment | 543,803 | 16,072 | 743 | 10,690 | 14,378 | 585,686 | 1,044,090 |
| COMMUNITY INVESTMENT | | | | | | | |
| EXPENDITURES: | | | | | | | |
| Community Allocations (Schedule 1) | 100,000 | - | - | - | - | 100,000 | 90,000 |
| Program Expenditures (Schedule 3) | 518,562 | - | - | 10,690 | 14,378 | 543,630 | 833,796 |
| Building Expenditures (Schedule 4) | - | 23,861 | - | - | - | 23,861 | 24,943 |
| | 618,562 | 23,861 | - | 10,690 | 14,378 | 667,491 | 948,739 |
| EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) | (74,759) | (7,789) | 743 | - | - | (81,805) | 95,351 |
| INTERFUND TRANSFERS (Note 5) | (4,194) | 4,723 | (529) | - | - | - | - |
| FUND BALANCES AT BEGINNING OF YEAR | 167,499 | 15,542 | 9,846 | - | - | 192,887 | 97,536 |
| FUND BALANCES AT END OF YEAR | 88,546 | 12,476 | 10,060 | - | - | 111,082 | 192,887 |

(See Accompanying Notes to Financial Statements)

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

| | 2016 | 2015 |
|---|------------------|-------------|
| | \$ | \$ |
| CASH FROM OPERATING ACTIVITIES: | | |
| Excess of Revenue over Expenditures (Expenditures over Revenue) | (81,805) | 95,351 |
| Changes in Non-cash Working Capital Balances | | |
| Accounts Receivable | (38,544) | 1,671 |
| HST Receivable | 7,281 | 1,194 |
| Inventory | (5,599) | (4,070) |
| Prepaid Expenses | 1,644 | 19,899 |
| Accounts Payable and Accrued Liabilities | (77,310) | 74,370 |
| Government Remittance Payable | (899) | 237 |
| Deferred Revenue | 36,044 | 9,826 |
| Net Cash Generated Through Operating Activities | (159,188) | 198,478 |
| FINANCING AND INVESTING ACTIVITIES: | | |
| Increase in Investments | (217) | (1,180) |
| INCREASE (DECREASE) IN CASH DURING YEAR | (159,405) | 197,298 |
| CASH AT BEGINNING OF YEAR | 371,442 | 174,144 |
| CASH AT END OF YEAR | 212,037 | 371,442 |

(See Accompanying Notes to Financial Statements)

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2016

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.

The purpose of the August 10 Fire Fund was to provide relief to residents of Owen Sound who were victims of multiple fires on August 10, 2015. The funds were used for insurance deductibles, to replace household items, for temporary and eventually permanent housing as well as other needs of the victims. The Office of the Public Guardian and Trustee approved on November 21, 2016 that the surplus in this fund be transferred to a new Fund, Disaster Relief Fund. The Aug 10/15 Fire Fund was \$74,899 on November 21, 2016 when it was transferred to the new Fund.

The purpose of the SAFE (Supportive Assistance for Emergencies) Fund is to support and maintain persons displaced or left homeless in Bruce and Grey counties as a result of a natural or man-made disaster where the losses of such persons are not wholly or partially covered by insurance. United Way of Bruce Grey uses the fund name "SAFE" in reference to the Court Order named fund Disaster Relief Fund.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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) 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.

(E) 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 and accounts 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.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(F) 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.

(G) 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

(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

| | 2016 | 2015 |
|--|---------------|-------------|
| | \$ | \$ |
| Operating Fund: | | |
| Investor's Group Financial Services Inc - Short Term Fixed Income Bonds (Cost - \$10,386) | 10,499 | 10,496 |
| Endowment Fund: | | |
| Community Foundation Grey Bruce (Cost - \$7,800) | 10,060 | 9,846 |
| | 20,559 | 20,342 |

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.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2016

5. INTERFUND TRANSFERS

During the year, \$4,723 was transferred to the Building Fund from the Operating Fund for cash outlays for building expenses.

The net transfer of \$529 from the Endowment Fund to the Operating Fund is the annual Grant paid from the Community Foundation.

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

| | 2016 | 2015 |
|--|----------------|---------------|
| | \$ | \$ |
| Bruce Grey Child and Family Services | - | 7,500 |
| Canadian Mental Health Association of Grey Bruce | 38,000 | 19,200 |
| Durham and District Food Bank | 7,000 | 7,000 |
| Grey Bruce Eat & Learn | 11,000 | 9,300 |
| Keystone Child Youth and Family Services | 11,250 | 10,000 |
| Light and Life Chapel | - | 2,500 |
| Men's Program Grey Bruce | - | 12,500 |
| Owen Sound & North Grey Union Public Library | 1,500 | 1,500 |
| Pegasus Riding Association | 3,000 | - |
| South Grey Bruce Youth Literacy Council | 4,800 | 4,000 |
| St. John Ambulance | 2,500 | 2,500 |
| Tobermory United Church: The Meeting Place | 2,950 | - |
| Victim Services Bruce Grey | 3,000 | - |
| Women's House Serving Bruce Grey | 15,000 | 14,000 |
| | 100,000 | 90,000 |
| Funds Distributed to the Community | 100,000 | 90,000 |

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 2

| | 2016 | 2015 |
|--|----------------|-------------|
| | \$ | \$ |
| ATM Project | - | 20,089 |
| Backpack Program | 36,978 | 39,320 |
| First Nations Project | 1,730 | 1,857 |
| Community Response | - | 48,107 |
| Community Foundation Grey Bruce | 14,644 | 195 |
| FRO Project | 40 | 2,445 |
| Getting Ahead | 9,976 | 10,726 |
| Newcomer Fund | 21,342 | 5,000 |
| Poverty Task Force | 53,686 | 36,198 |
| Seniors Advocacy and Awareness Network | 12,114 | 12,276 |
| Trillium Grant | - | 33,489 |
| Utility Assistance Program | 176,479 | 222,303 |
| | 326,989 | 432,005 |

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 3

| | 2016 | 2015 |
|--|-------------|-------------|
| | \$ | \$ |
| FUNDRAISING | | |
| Advertising | 6,533 | 7,246 |
| Direct Campaign Costs | 23,465 | 44,052 |
| Wages and Employee Benefits | 36,548 | 34,550 |
| Total Direct Fundraising Expenditures | 66,546 | 85,848 |
| Allocation of Administrative Expenditures (Schedule 4) | 61,492 | 37,625 |
| | 128,038 | 123,473 |
| PROGRAM | | |
| Asset Project | 8,358 | - |
| ATM Project | - | 20,178 |
| Back Pack Program | 54,426 | 42,379 |
| First Nations Project | 1,730 | 1,857 |
| Getting Ahead | 9,976 | 10,727 |
| FRO Project | 40 | 2,445 |
| Independent Project Expenditures | 3,724 | 5,103 |
| Community Response | - | 48,107 |
| Newcomer Expenditures | 21,342 | 5,000 |
| Other Programs | 6,286 | - |
| Poverty Task Force | 53,686 | 36,198 |
| Seniors Advocacy and Awareness Network | 12,114 | 12,276 |
| Society of Energy Professionals | - | 195 |
| Trillium Expenses | - | 33,492 |
| United Way of Canada Affiliation Fees | 4,493 | 10,615 |
| 211 - Community Connection | 45,000 | 45,000 |
| Utility Assistance Program | 176,479 | 222,464 |
| Total Direct Program Expenditures | 397,654 | 496,036 |
| Allocation of Administrative Expenditures (Schedule 4) | 120,908 | 72,062 |
| | 518,562 | 568,098 |

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 4

| | 2016 | 2015 |
|---|------------------|------------------|
| | \$ | \$ |
| BUILDING | | |
| Insurance | 3,569 | 3,510 |
| Repairs and Maintenance | 11,328 | 12,189 |
| Utilities | 8,964 | 9,244 |
| | 23,861 | 24,943 |
| | 23,861 | 24,943 |
| ADMINISTRATIVE | | |
| REVENUE: | | |
| Utility Assistance Program | 51,111 | 35,551 |
| Administrative Cost Recovery | 2,093 | 74,459 |
| Miscellaneous Income | 5,996 | 2,959 |
| | 59,200 | 112,969 |
| | 59,200 | 112,969 |
| EXPENDITURES: | | |
| Bank Interest and Charges | 3,796 | 5,581 |
| Board Expenses | 2,465 | 4,027 |
| Bookkeeping | 10,914 | 13,918 |
| Insurance | 892 | 878 |
| Licenses and Fees | 2,096 | 2,211 |
| Office Supplies | 18,281 | 15,186 |
| Professional Fees | 19,273 | 13,772 |
| Telephone | 3,911 | 3,480 |
| Training | 9,041 | 1,513 |
| Travel and Accommodations | 10,150 | 15,859 |
| Wages and Employee Benefits | 160,781 | 146,231 |
| | 241,600 | 222,656 |
| | 241,600 | 222,656 |
| Net Administrative Expenditures | (182,400) | (109,687) |
| Less: Allocation to Fundraising Expenditures (Schedule 3) | 61,492 | 37,625 |
| Less: Allocation to Program Expenditures (Schedule 3) | 120,908 | 72,062 |
| | - | - |
| | - | - |

(See Accompanying Notes to Financial Statements)