



**UNITED WAY  
of Bruce Grey**

**Financial Statements**

**December 31, 2017**

**UNITED WAY OF BRUCE GREY**  
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**DECEMBER 31, 2017**

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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, 2017 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, 2017 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**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
Owen Sound, Ontario  
February 28, 2018

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

	Operating Fund \$	Endowment Fund \$	SAFE Fund \$	2017 \$	2016 \$
<b>ASSETS</b>					
<b>CURRENT:</b>					
Cash	402,974	-	50,488	453,462	212,037
Accounts Receivable	30,381	-	-	30,381	49,818
HST Receivable	6,012	-	-	6,012	4,906
Investments (Note 3)	-	9,929	-	9,929	20,559
Inventory	14,526	-	-	14,526	14,454
Prepaid Expenses	659	-	-	659	353
	<u>454,552</u>	<u>9,929</u>	<u>50,488</u>	<u>514,969</u>	<u>302,127</u>

**LIABILITIES AND FUND BALANCES**

<b>CURRENT:</b>					
Accounts Payable and Accrued Liabilities	17,316	-	-	17,316	24,070
Government Remittance Payable	4,775	-	-	4,775	4,684
Deferred Revenue (Note 4)	288,758	-	50,488	339,246	162,291
	<u>310,849</u>	<u>-</u>	<u>50,488</u>	<u>361,337</u>	<u>191,045</u>
<b>FUND BALANCES</b>	<u>143,703</u>	<u>9,929</u>	<u>-</u>	<u>153,632</u>	<u>111,082</u>
	<u>454,552</u>	<u>9,929</u>	<u>50,488</u>	<u>514,969</u>	<u>302,127</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 \$	Endowment Fund \$	SAFE Fund \$	2017 \$	2016 \$
<b>REVENUE:</b>					
Campaign	378,682	-	-	<b>378,682</b>	248,973
Grants and Other Contributions (Schedule 1)	676,448	-	11,469	<b>687,917</b>	403,132
Funds Transferred From Other United Ways	76,377	-	-	<b>76,377</b>	97,149
Rental Revenue	17,203	-	-	<b>17,203</b>	16,072
Investment Income	552	391	61	<b>1,004</b>	1,602
<b>Total Revenue</b>	<b>1,149,262</b>	<b>391</b>	<b>11,530</b>	<b>1,161,183</b>	<b>766,928</b>
<b>Fundraising Expenditures</b> (Schedule 2)	<b>97,233</b>	<b>-</b>	<b>-</b>	<b>97,233</b>	<b>109,563</b>
<b>Net Revenue Available for Community Impact</b>	<b>1,052,029</b>	<b>391</b>	<b>11,530</b>	<b>1,063,950</b>	<b>657,365</b>
<b>Community Impact Expenditures</b> (Schedule 2)	<b>1,009,870</b>	<b>-</b>	<b>11,530</b>	<b>1,021,400</b>	<b>739,170</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)</b>	<b>42,159</b>	<b>391</b>	<b>-</b>	<b>42,550</b>	<b>(81,805)</b>
<b>INTERFUND TRANSFERS</b> (Note 6)	<b>522</b>	<b>(522)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>101,022</b>	<b>10,060</b>	<b>-</b>	<b>111,082</b>	<b>192,887</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>143,703</b>	<b>9,929</b>	<b>-</b>	<b>153,632</b>	<b>111,082</b>

(See Accompanying Notes to Financial Statements)

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FROM OPERATING ACTIVITIES:</b>		
Excess of Revenue over Expenditures (Expenditures over Revenue)	<b>42,550</b>	(81,805)
Changes in Non-cash Working Capital Balances		
Accounts Receivable	<b>19,436</b>	(38,544)
HST Receivable	<b>(1,105)</b>	7,281
Inventory	<b>(72)</b>	(5,599)
Prepaid Expenses	<b>(305)</b>	1,644
Accounts Payable and Accrued Liabilities	<b>(6,758)</b>	(77,310)
Government Remittance Payable	<b>93</b>	(899)
Deferred Revenue	<b>176,955</b>	36,044
Net Cash Generated Through Operating Activities	<b>230,794</b>	(159,188)
<b>FINANCING AND INVESTING ACTIVITIES:</b>		
Increase (Decrease) in Investments	<b>10,631</b>	(217)
<b>INCREASE (DECREASE) IN CASH DURING YEAR</b>	<b>241,425</b>	(159,405)
<b>CASH AT BEGINNING OF YEAR</b>	<b>212,037</b>	371,442
<b>CASH AT END OF YEAR</b>	<b>453,462</b>	212,037

(See Accompanying Notes to Financial Statements)

**UNITED WAY OF BRUCE GREY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2017**

**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**

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, program, and building expenditures. The rental revenue from the Centre and the corresponding expenses are recorded in the Operating 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 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.

**(B) 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.

**(C) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and cash deposited in Canadian bank accounts.

**UNITED WAY OF BRUCE GREY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(D) 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.

**(E) Revenue Recognition**

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

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.

**(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 cash 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.

**(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.



**UNITED WAY OF BRUCE GREY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(H) 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

**(I) Allocation of Expenditures**

The Organization reports costs for its operations by program. Costs that can be identified to a specific program are allocated directly to that program. Administrative expenditures generally include costs to run the day-to-day operations, which includes occupancy, support staff, office supplies, contract services, training and board expenses. Administrative expenditures are allocated to fundraising and community impact proportionally on the basis of level of effort attributed to each.

Administrative Expenditures are allocated as follows:

	<b>2017</b>		<b>2016</b>	
	\$	%	\$	%
Fundraising	42,939	21	43,017	21
Community Impact	157,344	79	163,243	79
Total	<u>200,283</u>	<u>100</u>	<u>206,260</u>	<u>100</u>

**(J) Calculation of Cost Revenue Ratios**

In accordance with United Way Canada's Transparency, Accountability and Financial Reporting policies, United Way uses the following method to calculate cost revenue ratios ("CRR"):

	<b>2017</b>	<b>2016</b>
Total revenue for CRR calculation (page 3)	\$ 1,161,183	\$ 766,928
Total fundraising expenses (Schedule 2)	\$ 97,233	\$ 109,563
Total fundraising expenses as a percentage of total revenue	8.4 %	14.3 %

**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**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Operating Fund:</b>		
Investor's Group Financial Services Inc - Short Term Fixed Income Bonds (Cost - \$10,386)	-	10,499
<b>Endowment Fund:</b>		
Community Foundation Grey Bruce (Cost - \$7,800)	<u>9,929</u>	<u>10,060</u>
	<u>9,929</u>	<u>20,559</u>

**UNITED WAY OF BRUCE GREY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2017**

**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. HOPE FOR OUR KIDS**

United Way entered into an agreement with Our Kids Bruce Grey Child and Family Services Foundation and Bruce Grey Child and Family Services on September 15, 2017 in which United Way will implement and operate a service program to assist vulnerable families in Bruce and Grey Counties to meet poverty and related needs of families. The Our Kids Foundation will direct cash assets and fund development assets to United Way. United Way will provide a funding allocation to Bruce Grey Child and Family Services for the service year 2017/18 and the service year 2018/19 to support Camp, Seasonal Clothing and Food flexibility. The total annual amount will be \$115,000.

**6. INTERFUND TRANSFERS**

The net transfer of \$522 from the Endowment Fund to the Operating Fund is the annual Grant paid from the Community Foundation.

**7. 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.

**8. COMPARATIVE INFORMATION**

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

**UNITED WAY OF BRUCE GREY  
GRANTS AND OTHER CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31**

**SCHEDULE 1**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Backpack Program	19,814	36,978
Bridges Out of Poverty's Getting Ahead Program	16,509	9,976
Bruce Grey United For Newcomers	14,379	21,342
Community Foundation Grey Bruce Grants	7,854	14,644
First Nation Kin Support Program	3,414	1,730
Food Security Grants	45,300	-
Hope For Our Kids	127,191	-
Metis Reconciliation Garden	10,008	-
Miscellaneous	4,738	40
Poverty Task Force	38,868	53,686
Rest for the Weary	12,140	-
Seniors Advocacy and Awareness Network	11,437	12,114
Utility Assistance Program	364,796	227,591
	<b>676,448</b>	<b>378,101</b>
	<b>676,448</b>	<b>378,101</b>

(See Accompanying Notes to Financial Statements)

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

**SCHEDULE 2**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>FUNDRAISING</b>		
Advertising	4,675	6,533
Allocated Administrative Expenditures	42,939	43,017
Direct Campaign Costs	8,455	23,465
Wages and Employee Benefits	41,164	36,548
	<b>97,233</b>	<b>109,563</b>
Total Fundraising Expenditures	<b>97,233</b>	<b>109,563</b>
<b>COMMUNITY IMPACT</b>		
Allocated Administrative Expenditures	157,344	163,243
Asset Project	1,642	8,358
Back Pack Program	44,771	54,426
Bridges Out of Poverty's Getting Ahead Program	16,509	9,976
Bruce Grey United For Newcomers	14,379	21,342
Community Impact Grants	100,000	100,000
First Nation Kin Support Program	3,414	1,730
Food Security	45,300	-
Hope For Our Kids	127,191	-
Metis Reconciliation Garden	10,008	-
Other Programs	6,227	9,145
Poverty Task Force	38,868	53,686
Rest for the Weary	12,140	905
Seniors Advocacy and Awareness Network	11,437	12,114
United Way of Canada Affiliation Fees	9,831	4,493
Utility Assistance Program	364,796	229,683
211 - Community Connection	46,013	45,000
	<b>1,009,870</b>	<b>714,101</b>
Total Program Expenditures	<b>1,009,870</b>	<b>714,101</b>

(See Accompanying Notes to Financial Statements)