



UNITED WAY
of Bruce Grey

Financial Statements

December 31, 2010

UNITED WAY OF BRUCE GREY
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DECEMBER 31, 2010

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Gaviller & Company LLP
— CHARTERED ACCOUNTANTS —

INDEPENDENT AUDITORS' 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, 2010, 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 generally accepted accounting principles 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.

Auditors' 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 cash 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, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Gaviller & Company LLP

GAVILLER & COMPANY LLP
LICENSED PUBLIC ACCOUNTANTS
Owen Sound, Ontario
March 21, 2011

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

	Operating Fund \$	Building Fund \$	Endowment Fund \$	2010 \$	2009 \$
ASSETS					
CURRENT					
Bank	102,866	2,580	-	105,446	100,621
Accounts Receivable	9,048	-	-	9,048	4,730
Investments (Note 4)	-	-	4,768	4,768	4,768
Prepaid Expenses	16,822	100	-	16,922	1,938
	<u>128,736</u>	<u>2,680</u>	<u>4,768</u>	136,184	112,057
COMPUTER EQUIPMENT					
Cost	22,133	-	-	22,133	-
Accumulated Amortization	<u>(7,378)</u>	<u>-</u>	<u>-</u>	(7,378)	-
	<u>14,755</u>	<u>-</u>	<u>-</u>	14,755	-
	<u>143,491</u>	<u>2,680</u>	<u>4,768</u>	150,939	112,057
LIABILITIES AND FUND BALANCES					
CURRENT:					
Accounts Payable and Accrued Liabilities	76,274	-	-	76,274	39,727
Deferred Revenue	<u>72,125</u>	<u>-</u>	<u>-</u>	72,125	55,911
	148,399	-	-	148,399	95,638
DEFERRED CONTRIBUTIONS (Note 5)	12,935	-	-	12,935	-
FUND BALANCES:					
Internally Restricted	<u>(17,843)</u>	<u>2,680</u>	<u>4,768</u>	(10,395)	16,419
	<u>143,491</u>	<u>2,680</u>	<u>4,768</u>	150,939	112,057

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 \$	2010 \$	2009 \$
REVENUE:					
Campaign	356,491	-	-	356,491	241,533
Special Events	200,358	-	-	200,358	157,690
Transfers from other United Ways	51,493	-	-	51,493	61,205
Trillium Foundation Grant	-	-	-	-	35,000
Investment Income (Expense)	50	-	-	50	(166)
Miscellaneous Income	2,384	-	-	2,384	5,257
Rental Revenue	-	18,939	-	18,939	20,169
Amortization of Deferred Contributions	6,466	-	-	6,466	-
Total Revenue	617,242	18,939	-	636,181	520,688
Fundraising Expenditures (Schedule 2)	126,678	-	-	126,678	93,543
Net Revenue Available for Community Investment	490,564	18,939	-	509,503	427,145
COMMUNITY INVESTMENT EXPENDITURES:					
Community Allocations (Schedule 1)	204,330	-	-	204,330	171,860
Program Expenditures (Schedule 3)	295,243	-	-	295,243	249,292
Building Expenditures (Schedule 5)	-	29,366	-	29,366	27,353
Amortization of Computer Equipment	7,378	-	-	7,378	-
	506,951	29,366	-	536,317	448,505
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	(16,387)	(10,427)	-	(26,814)	(21,360)
INTERFUND TRANSFERS (Note 7)	(10,271)	10,271	-	-	-
FUND BALANCES AT BEGINNING OF YEAR	8,815	2,836	4,768	16,419	37,779
FUND BALANCES AT END YEAR	(17,843)	2,680	4,768	(10,395)	16,419

(See Accompanying Notes to Financial Statements)

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

	2010 \$	2009 \$
CASH FROM OPERATING ACTIVITIES:		
Excess of Revenue over Expenditures (Expenditures over Revenue)	(26,814)	(21,360)
Amortization of Deferred Contributions	(6,466)	-
Amortization of Computer Equipment	7,378	-
	<u>(25,902)</u>	<u>(21,360)</u>
 Changes in Non-cash Working Capital Balances		
Accounts Receivable	(4,317)	309
Prepaid Expenses	(14,984)	1,860
Accounts Payable and Accrued Liabilities	36,546	3,190
Deferred Revenue	16,214	37,824
Net Cash Generated Through (Used in) Operating Activities	<u>7,557</u>	<u>21,823</u>
 FINANCING AND INVESTING ACTIVITIES:		
Loss on Investments	-	232
Purchase of Computer Equipment	(22,133)	-
Increase in Deferred Contributions	19,401	-
	<u>(2,732)</u>	<u>232</u>
 INCREASE IN CASH DURING YEAR	4,825	22,055
 CASH AT BEGINNING OF YEAR	100,621	78,566
 CASH AT END OF YEAR	<u>105,446</u>	<u>100,621</u>

(See Accompanying Notes to Financial Statements)

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

1. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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.

(B) 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 or 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.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) 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

(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, which is for computer equipment is 3 years.

(E) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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.

(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) 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.

3. CHANGE IN ACCOUNTING POLICY

The Organization's annual revenues for the current year and preceding period exceeded \$500,000 which is the criteria established by the CICA that allows capital assets to be expensed in the year of acquisition. As a result, the Organization adopted the policy of capitalizing and depreciating property and equipment. This accounting policy has been applied prospectively and has no material affect on opening balances.

4. INVESTMENTS

	2010	2009
	\$	\$
Community Foundation Grey Bruce (Cost - \$5,000)	4,768	4,768

The Investments are intended to provide a source of funding for the balances in the endowment Fund.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

5. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of property and equipment. The amortization of deferred contributions is recorded as revenue in the statement of operations and changes in fund balances.

	2010 \$	2009 \$
Balance Beginning	-	-
Add: Trillium grant received in the year	19,401	-
Less: Amortization of deferred contributions	(6,466)	-
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Balance Ending	12,935	-
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6. ENDOWMENT FUND

The United Way Endowment Fund is held by the Community Foundation Grey Bruce. The income for this fund shall be paid to the United Way each year on or before December 31, commencing in the year following the initial deposit. 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.

7. INTERFUND TRANSFERS

During the year, \$10,271 was transferred to the Building Fund from the Operating Fund for cash outlays for building expenses.

8. 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.

9. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash and cash equivalents, investments, accounts receivable, and accounts payable. The carrying values of these financial assets and financial liabilities approximate their fair values unless otherwise disclosed. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

10. FUTURE OF FINANCIAL REPORTING

The Accounting Standards Board (AcSB) responsible for the accounting standards for private sector not-for-profit organizations has decided to replace the existing set of accounting standards known as GAAP. The AcSB has concluded that Not-for-Profit organizations will be given a choice of adopting International Financial Reporting Standards (IFRS) or Canadian Accounting Standards for Not-for-Profit Organizations (a new set of standards for not-for-profit organizations currently under development). Adoption of a new standard is not expected until 2012 and the impact of the changes on the financial statements and the audit process are not yet determinable.

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

SCHEDULE 1

	2010	2009
	\$	\$
Autism Ontario Grey Bruce Chapter	3,000	3,000
Big Brothers Big Sisters of Hanover District	12,200	7,355
Bruce Children Are Special Foundation	3,500	4,500
Canadian Mental Health Association of Grey Bruce	15,700	12,200
Children's Aid Society of Owen Sound and the County of Grey	21,000	16,200
CHIP - Adult Learning Centre	-	5,000
Durham and District Food Bank	10,800	9,935
Epilepsy Huron Perth Bruce	5,000	-
Family Services Perth Huron	12,000	9,000
Georgian Riding Association for Challenged Equestrians	8,000	8,000
Golden Town Outreach	5,790	-
Grey Bruce Autism Network	1,030	-
Grey Bruce Eat & Learn	15,360	15,800
Hearing Healing Hope	3,500	3,500
Keystone Child Youth and Family Services	19,500	20,000
Owen Sound & North Grey Union Public Library	2,500	2,500
PRANCE	2,100	7,320
Safe and Sound	7,200	15,000
South Grey Bruce Youth Literacy Council	6,850	6,800
St. John Ambulance	5,000	5,000
Tobermory United Church:The Meeting Place	5,000	-
The Sanctuary	5,000	-
Women's House Serving Bruce Grey	27,500	20,750
Allocations to Member Agencies	197,530	171,860
Allocations to Non-Member Agencies	6,800	-
Funds Distributed to the Community	204,330	171,860

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 2

	2010	2009
	\$	\$
Advertising	4,320	4,639
Direct Campaign Costs	29,433	25,314
Wages and Employee Benefits	31,127	11,638
Total Direct Fundraising Expenditures	64,880	41,591
Allocation of Administrative Expenditures (Schedule 4)	61,798	51,952
	126,678	93,543

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 3

	2010	2009
	\$	\$
Back Pack	43,509	23,912
Fire Distributions	9,460	-
Owen Sound Youth Coalition	-	1,528
Restoring the Circle	7,857	41,819
Rural Women Take Action on Poverty	500	9,000
Seniors Advocacy and Awareness Network	8,758	10,124
United Way of Canada Affiliation Fees	3,133	2,476
211 - Community Connection	55,000	31,500
Winter Warmth	61,802	40,473
	<hr/>	<hr/>
Total Direct Program Expenditures	190,019	160,832
	<hr/>	<hr/>
Allocation of Administrative Expenditures (Schedule 4)	105,224	88,460
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	295,243	249,292
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(See Accompanying Notes to Financial Statements)

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

SCHEDULE 4

	2010	2009
	\$	\$
Bank Interest and Charges	1,492	607
Bookkeeping	13,028	12,312
Insurance	1,455	2,074
Licenses and Fees	1,024	746
Miscellaneous	492	-
Office Supplies	14,546	11,115
Professional Fees	9,963	5,535
Telephone	4,703	2,763
Training	1,569	3,105
Travel and Accommodations	7,852	9,073
Wages and Employee Benefits	110,898	93,082
Total Administrative	167,022	140,412
Allocation of Fundraising Expenditures (Schedule 2)	(61,798)	(51,952)
Allocation of Program Expenditures (Schedule 3)	(105,224)	(88,460)
	-	-

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 5

	2010	2009
	\$	\$
Insurance	3,287	2,650
Building Assessment Cost	4,627	-
Repairs and Maintenance	13,027	13,662
Utilities	8,425	11,041
	<hr/> 29,366 <hr/>	<hr/> 27,353 <hr/>

(See Accompanying Notes to Financial Statements)