



UNITED WAY
of Bruce Grey

Financial Statements

December 31, 2011

UNITED WAY OF BRUCE GREY
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DECEMBER 31, 2011

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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, 2011, 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 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, 2011, 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
LICENSED PUBLIC ACCOUNTANTS
Owen Sound, Ontario
April 18, 2012

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

	Operating Fund \$	Building Fund \$	Endowment Fund \$	2011 \$	2010 \$
ASSETS					
CURRENT					
Bank	188,123	20,587	-	208,710	105,446
Accounts Receivable	20,300	-	-	20,300	9,048
Investments (Note 3)	-	-	5,100	5,100	4,768
Prepaid Expenses	23,845	-	-	23,845	16,922
	<u>232,268</u>	<u>20,587</u>	<u>5,100</u>	<u>257,955</u>	<u>136,184</u>
COMPUTER EQUIPMENT					
Cost	22,133	-	-	22,133	22,133
Accumulated Amortization	(14,756)	-	-	(14,756)	(7,378)
	<u>7,377</u>	<u>-</u>	<u>-</u>	<u>7,377</u>	<u>14,755</u>
	<u><u>239,645</u></u>	<u><u>20,587</u></u>	<u><u>5,100</u></u>	<u><u>265,332</u></u>	<u><u>150,939</u></u>
LIABILITIES AND FUND BALANCES					
CURRENT:					
Accounts Payable and Accrued Liabilities	78,410	-	-	78,410	76,274
Deferred Revenue	152,893	-	-	152,893	72,125
	<u>231,303</u>	<u>-</u>	<u>-</u>	<u>231,303</u>	<u>148,399</u>
DEFERRED					
CONTRIBUTIONS (Note 5)	6,467	-	-	6,467	12,935
FUND BALANCES:					
Internally Restricted	1,875	20,587	5,100	27,562	(10,395)
	<u>239,645</u>	<u>20,587</u>	<u>5,100</u>	<u>265,332</u>	<u>150,939</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 \$	2011 \$	2010 \$
REVENUE:					
Campaign	341,425	-	-	341,425	304,448
Special Events	173,380	-	-	173,380	148,092
Funds Transferred from other					
United Ways	80,798	-	-	80,798	51,493
Investment Income	156	-	332	488	50
Other Revenue (Schedule 2)	247,594	-	-	247,594	106,694
Rental Revenue	-	19,890	-	19,890	18,939
Amortization of Deferred Contributions	6,467	-	-	6,467	6,466
Total Revenue	849,820	19,890	332	870,042	636,182
Fundraising Expenditures (Schedule 3)	149,802	-	-	149,802	126,678
Net Revenue Available for Community Investment	700,018	19,890	332	720,240	509,504
COMMUNITY INVESTMENT EXPENDITURES:					
Community Allocations (Schedule 1)	213,234	-	-	213,234	204,330
Program Expenditures (Schedule 3)	419,154	-	-	419,154	295,243
Building Expenditures (Schedule 4)	-	42,517	-	42,517	29,366
Amortization of Computer Equipment	7,378	-	-	7,378	7,378
	639,766	42,517	-	682,283	536,317
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	60,252	(22,627)	332	37,957	(26,813)
INTERFUND TRANSFERS (Note 7)	(40,534)	40,534	-	-	-
FUND BALANCES AT BEGINNING OF YEAR	(17,843)	2,680	4,768	(10,395)	16,418
FUND BALANCES AT END YEAR	1,875	20,587	5,100	27,562	(10,395)

(See Accompanying Notes to Financial Statements)

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

	2011	2010
	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Excess of Revenue over Expenditures (Expenditures over Revenue)	37,957	(26,813)
Amortization of Deferred Contributions	(6,467)	(6,466)
Amortization of Computer Equipment	7,378	7,378
	38,868	(25,901)
Changes in Non-cash Working Capital Balances		
Accounts Receivable	(11,253)	(4,317)
Prepaid Expenses	(6,924)	(14,984)
Accounts Payable and Accrued Liabilities	2,137	36,545
Deferred Revenue	80,768	16,214
Net Cash Generated Through (Used in) Operating Activities	103,596	7,557
FINANCING AND INVESTING ACTIVITIES:		
Increase in Investments	(332)	-
Purchase of Computer Equipment	-	(22,133)
Increase in Deferred Contributions	-	19,401
	(332)	(2,732)
INCREASE IN CASH DURING YEAR	103,264	4,825
CASH AT BEGINNING OF YEAR	105,446	100,621
CASH AT END OF YEAR	208,710	105,446

(See Accompanying Notes to Financial Statements)

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

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 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.

**UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

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. INVESTMENTS

	2011	2010
	\$	\$
Community Foundation Grey Bruce (Cost - \$5,000)	5,100	4,768
	5,100	4,768

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

4. 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.

**UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

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.

	2011	2010
	\$	\$
Balance at Beginning of Year	12,935	-
Add: Trillium Grant Received in the Year	-	19,401
Less: Amortization of Deferred Contributions	<u>(6,468)</u>	<u>(6,466)</u>
Balance at End of Year	<u><u>6,467</u></u>	<u><u>12,935</u></u>

6. 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.

7. INTERFUND TRANSFERS

During the year, \$40,534 was transferred to the Building Fund from the Operating Fund for cash outlays for building expenses.

8. MINISTRY OF TRAINING, COLLEGES AND UNIVERSITIES

In August 2011, United Way signed an agreement with the Provincial Government - Minister of Training, Colleges and Universities (the "Ministry") to provide support to the 137 employees who were laid off when Transcom World Wide Inc. Owen Sound location closed. As of December 31, 2011, the Ministry has flowed to United Way \$60,000, of which \$24,668 has been deferred. The contract expires October 31, 2012.

9. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of bank, 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 will be given a choice of adopting International Financial Reporting Standards (IFRS) or Canadian accounting standards for Not-for-Profit organizations. Adoption of a new standard is not expected until the year ending December 31, 2012 and the impact of the changes on the financial statements are not yet determinable.

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

SCHEDULE 1

	2011	2010
	\$	\$
Autism Ontario Grey Bruce Chapter	-	3,000
Big Brothers Big Sisters of Hanover District	13,000	12,200
Bruce Children Are Special Foundation	3,000	3,500
Canadian Mental Health Association of Grey Bruce	16,200	15,700
Children's Aid Society of Owen Sound and the County of Grey	-	21,000
Children's Aid Society of Bruce	2,000	-
Durham and District Food Bank	10,900	10,800
Epilepsy Huron Perth Bruce	5,000	5,000
Family Services Perth Huron	12,000	12,000
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	15,724	15,360
Hearing Healing Hope	3,500	3,500
Keystone Child Youth and Family Services	20,000	19,500
Men's Program Grey Bruce	18,000	-
Owen Sound & North Grey Union Public Library	2,500	2,500
PRANCE	6,510	2,100
Safe and Sound	7,200	7,200
South Grey Bruce Youth Literacy Council	7,500	6,850
St. John Ambulance	10,000	5,000
Tobermory United Church: The Meeting Place	3,200	5,000
The Sanctuary	13,000	5,000
Women's House Serving Bruce Grey	31,000	27,500
Allocations to Member Agencies	208,234	197,530
Allocations to Non-Member Agencies	5,000	6,800
Funds Distributed to the Community	213,234	204,330

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 2

	2011	2010
	\$	\$
Winter Warmth Program	167,786	52,043
Backpack Program	34,499	43,509
Ministry of Training, Colleges and Universities (Note 8)	35,332	-
Seniors Advocacy and Awareness Network	9,977	8,758
Miscellaneous Revenue	-	2,384
	<hr/> 247,594	<hr/> 106,694

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 3

FUNDRAISING

	2011	2010
	\$	\$
Advertising	3,895	4,320
Direct Campaign Costs	34,653	29,433
Wages and Employee Benefits	47,943	31,127
Total Direct Fundraising Expenditures	86,491	64,880
Allocation of Administrative Expenditures (Schedule 4)	63,311	61,798
	149,802	126,678

PROGRAM

	2011	2010
	\$	\$
Back Pack Program	34,499	43,509
Fire Distributions	-	9,460
Restoring the Circle	5,945	7,857
Rural Women Take Action on Poverty	-	500
Seniors Advocacy and Awareness Network	9,977	8,758
Transcom World Wide Program (Note 8)	35,332	-
United Way of Canada Affiliation Fees	3,643	3,133
211 - Community Connection	55,000	55,000
Winter Warmth Program	166,959	61,802
Total Direct Program Expenditures	311,355	190,019
Allocation of Administrative Expenditures (Schedule 4)	107,799	105,224
	419,154	295,243

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 4

ADMINISTRATIVE

	2011	2010
	\$	\$
Bank Interest and Charges	1,902	1,492
Bookkeeping	14,367	13,028
Insurance	1,133	1,455
Licenses and Fees	1,647	1,024
Miscellaneous	467	492
Office Supplies	17,586	14,546
Professional Fees	7,179	9,963
Telephone	4,525	4,703
Training	6,664	1,569
Travel and Accommodations	4,940	7,852
Wages and Employee Benefits	110,700	110,898
Total Administrative	171,110	167,022
Allocation to Fundraising Expenditures (Schedule 3)	(63,311)	(61,798)
Allocation to Program Expenditures (Schedule 3)	(107,799)	(105,224)
	-	-

BUILDING

	2011	2010
	\$	\$
Insurance	4,023	3,287
Building Assessment Cost	773	4,627
Repairs and Maintenance	28,478	13,027
Utilities	9,243	8,425
	42,517	29,366

(See Accompanying Notes to Financial Statements)

