



**UNITED WAY
of Bruce Grey**

Financial Statements

December 31, 2012

UNITED WAY OF BRUCE GREY
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DECEMBER 31, 2012

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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 positions as at January 1, 2011, December 31, 2011 and December 31, 2012, and the statement of operations and changes in fund balances and cash flow statement for the years ended, December 31, 2011 and December 31, 2012, 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.

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 January 1, 2011, December 31, 2011 and December 31, 2012, and the results of its operations and its cash flows for the years then ended December 31, 2011 and December 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.



GAVILLER & COMPANY LLP
LICENSED PUBLIC ACCOUNTANTS
Owen Sound, Ontario
March 20, 2013

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

	Operating Fund \$	Building Fund \$	Endowment Fund \$	2012 \$	2011 \$
ASSETS					
CURRENT:					
Bank	83,845	815	-	84,660	208,711
Accounts Receivable	-	-	-	-	7,551
HST Receivable	15,289	-	-	15,289	12,749
Investments (Note 4)	-	-	5,100	5,100	5,100
Inventory	12,718	-	-	12,718	21,491
Prepaid Expenses	-	-	-	-	2,355
	<u>111,852</u>	<u>815</u>	<u>5,100</u>	<u>117,767</u>	<u>257,957</u>
COMPUTER EQUIPMENT					
Cost	22,133	-	-	22,133	22,133
Accumulated Amortization	<u>(22,133)</u>	<u>-</u>	<u>-</u>	<u>(22,133)</u>	<u>(14,756)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,377</u>
	<u>111,852</u>	<u>815</u>	<u>5,100</u>	<u>117,767</u>	<u>265,334</u>
LIABILITIES AND FUND BALANCES					
CURRENT:					
Accounts Payable and Accrued Liabilities	26,338	-	-	26,338	31,472
Government Remittance Payable	4,254	-	-	4,254	2,779
Community Allocations Payable	82,375	-	-	82,375	44,160
Deferred Revenue	<u>84,040</u>	<u>-</u>	<u>-</u>	<u>84,040</u>	<u>152,893</u>
	<u>197,007</u>	<u>-</u>	<u>-</u>	<u>197,007</u>	<u>231,304</u>
DEFERRED CONTRIBUTIONS (Note 5)	-	-	-	-	6,467
FUND BALANCES:					
Internally Restricted	<u>(85,155)</u>	<u>815</u>	<u>5,100</u>	<u>(79,240)</u>	<u>27,563</u>
	<u>111,852</u>	<u>815</u>	<u>5,100</u>	<u>117,767</u>	<u>265,334</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 \$	2012 \$	2011 \$
REVENUE:					
Campaign	291,440	-	-	291,440	341,425
Special Events	115,028	-	-	115,028	173,380
Funds Transferred From					
Other United Ways	99,454	-	-	99,454	80,798
Investment Income	535	-	-	535	488
Other Revenue (Schedule 2)	340,772	-	-	340,772	247,594
Rental Revenue	-	16,860	-	16,860	19,890
Amortization of Deferred Contributions	6,467	-	-	6,467	6,467
Total Revenue	853,696	16,860	-	870,556	870,042
Fundraising Expenditures (Schedule 3)	174,500	-	-	174,500	149,802
Net Revenue Available for Community Investment	679,196	16,860	-	696,056	720,240
COMMUNITY INVESTMENT EXPENDITURES:					
Community Allocations (Schedule 1)	220,968	-	-	220,968	213,234
Program Expenditures (Schedule 3)	544,954	-	-	544,954	419,154
Building Expenditures (Schedule 3)	-	29,560	-	29,560	42,516
Amortization of Computer Equipment	7,377	-	-	7,377	7,378
	773,299	29,560	-	802,859	682,282
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	(94,103)	(12,700)	-	(106,803)	37,958
INTERFUND TRANSFERS (Note 6)	7,073	(7,073)	-	-	-
FUND BALANCES AT BEGINNING OF YEAR	1,875	20,588	5,100	27,563	(10,395)
FUND BALANCES AT END YEAR	(85,155)	815	5,100	(79,240)	27,563

(See Accompanying Notes to Financial Statements)

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

	2012 \$	2011 \$
CASH FROM OPERATING ACTIVITIES:		
Excess of Revenue over Expenditures (Expenditures over Revenue)	(106,803)	37,958
Amortization of Deferred Contributions	(6,467)	(6,467)
Amortization of Computer Equipment	7,377	7,378
	<u>(105,893)</u>	<u>38,869</u>
 Changes in Non-cash Working Capital Balances		
Accounts Receivable	7,551	(7,551)
HST Receivable	(2,540)	(3,702)
Inventory	8,772	(7,286)
Prepaid Expenses	2,355	362
Accounts Payable and Accrued Liabilities	(5,133)	(3,773)
Government Remittance Payable	1,475	830
Community Allocations Payable	38,215	5,080
Deferred Revenue	(68,853)	80,768
	<u>(124,051)</u>	<u>103,597</u>
Net Cash Generated Through (Used in) Operating Activities		
FINANCING AND INVESTING ACTIVITIES:		
Loss on Investments	-	(332)
	<u>-</u>	<u>(332)</u>
 INCREASE IN CASH DURING YEAR	 (124,051)	 103,265
CASH AT BEGINNING OF YEAR	208,711	105,446
	<u>208,711</u>	<u>105,446</u>
CASH AT END OF YEAR	84,660	208,711
	<u>84,660</u>	<u>208,711</u>

(See Accompanying Notes to Financial Statements)

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

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, 2012

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, which for computer equipment and software is 3 years.

(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 as fair value is readily available. Changes in fair value are recognized in net income. Financial assets measured at amortized cost include, bank, accounts receivable and HST receivable. Financial liabilities measured at amortized cost include accounts payable, government remittances payable and community allocations 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.

(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.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

2. ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective January 1, 2012 the Organization adopted Canadian accounting standards for not-for-profit organizations issued by the Accounting Standards Board (AcSB). These standards replaced the previously applied standards known as Canadian generally accepted accounting principles. The opening statement of financial position prepared under the new standards does not differ from the closing 2010 statement of financial position, as previously disclosed and is as follows:

	Operating Fund	Building Fund	Endowment Fund	2010
	\$	\$	\$	\$
ASSETS				
CURRENT				
Bank	102,866	2,580	-	105,446
HST Receivable	9,048	-	-	9,048
Investments	-	-	4,768	4,768
Inventory	14,205	-	-	14,205
Prepaid Expenses	2,617	100	-	2,717
	<u>128,736</u>	<u>2,680</u>	<u>4,768</u>	<u>136,184</u>
COMPUTER EQUIPMENT				
Cost	22,133	-	-	22,133
Accumulated Amortization	<u>(7,378)</u>	<u>-</u>	<u>-</u>	<u>(7,378)</u>
	<u>14,755</u>	<u>-</u>	<u>-</u>	<u>14,755</u>
	<u>143,491</u>	<u>2,680</u>	<u>4,768</u>	<u>150,939</u>
LIABILITIES AND FUND BALANCES				
CURRENT:				
Accounts Payable and				
Accrued Liabilities	35,245	-	-	35,245
Government Remittances Payable	1,949	-	-	1,949
Deferred Revenue	<u>72,125</u>	<u>-</u>	<u>-</u>	<u>72,125</u>
	109,319	-	-	109,319
DEFERRED CONTRIBUTIONS	12,935	-	-	12,935
FUND BALANCES:				
Internally Restricted	<u>(17,843)</u>	<u>2,680</u>	<u>4,768</u>	<u>(10,395)</u>
	<u>104,411</u>	<u>2,680</u>	<u>4,768</u>	<u>111,859</u>

3. 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.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

4. INVESTMENTS

	2012	2011
	\$	\$
Community Foundation Grey Bruce (Cost - \$5,000)	5,100	5,100

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

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.

	2012	2011
	\$	\$
Balance at Beginning of Year	6,467	12,935
Add: Trillium Grant Received in the Year	-	-
Less: Amortization of Deferred Contributions	(6,467)	(6,468)
Balance at End of Year	-	6,467

6. INTERFUND TRANSFERS

During the year, \$7,073 was transferred to the Building Fund from the Operating Fund for cash outlays for building expenses.

7. 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. The program was completed October 31, 2012. During 2012, the Ministry had flowed to United Way an additional \$70,000. As of December 31, 2012 all money has been spent.

8. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of bank, accounts receivable, HST receivable, investments, accounts payable, government remittances payable and community allocations payable. The Organization's exposure to risks from financial instruments is described as follows:

Liquidity Risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization believes this will not be a problem as future cash flows will satisfy its obligations.

9. 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

	2012	2011
	\$	\$
Big Brothers Big Sisters of Hanover District	15,000	13,000
Bruce Children Are Special Foundation	13,000	3,000
Canadian Mental Health Association of Grey Bruce	28,000	16,200
Central Westside United	1,410	-
Children's Aid Society of Bruce	-	2,000
CNIB - Grey Bruce Dufferin	5,000	-
Durham and District Food Bank	9,500	10,900
Epilepsy Huron Perth Bruce	-	5,000
Family Services Perth Huron	-	12,000
Georgian Riding Association for Challenged Equestrians	10,000	8,000
Grey Bruce Eat & Learn	24,960	15,724
Hearing Healing Hope	-	3,500
Keystone Child Youth and Family Services	18,000	20,000
Men's Program Grey Bruce	18,000	18,000
Owen Sound & North Grey Union Public Library	2,000	2,500
PRANCE	1,220	6,510
Safe and Sound	6,000	7,200
South Grey Bruce Youth Literacy Council	10,000	7,500
St. John Ambulance	7,250	10,000
Tobermory United Church:The Meeting Place	4,500	3,200
The Sanctuary	-	13,000
Warton & District Family Literacy	5,000	-
Women's House Serving Bruce Grey	37,700	31,000
Allocations to Member Agencies	216,540	208,234
Allocations to Non-Member Agencies	4,428	5,000
Funds Distributed to the Community	220,968	213,234

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 2

	2012	2011
	\$	\$
Backpack Program	31,601	34,499
Ministry of Training, Colleges and Universities (Note 7)	94,668	35,332
Owen Sound Youth Coalition	500	
Seniors Advocacy and Awareness Network	8,345	9,977
Trillium Grant	49,932	-
Winter Warmth Program	155,726	167,786
	340,772	247,594

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 3

	2012	2011
	\$	\$
FUNDRAISING		
Advertising	7,823	3,895
Direct Campaign Costs	28,684	34,653
Wages and Employee Benefits	67,178	47,943
Total Direct Fundraising Expenditures	103,685	86,491
Allocation of Administrative Expenditures (Schedule 4)	70,815	63,311
	<u>174,500</u>	<u>149,802</u>
PROGRAM		
Back Pack Program	38,310	34,499
Owen Sound Youth Coalition	500	-
Restoring the Circle	-	5,945
Seniors Advocacy and Awareness Network	8,345	9,977
Trillium Expenses	49,932	-
Transcom World Wide Program (Note 7)	96,941	35,332
United Way of Canada Affiliation Fees	6,260	3,643
211 - Community Connection	55,000	55,000
Winter Warmth Program	169,089	166,959
Total Direct Program Expenditures	424,377	311,355
Allocation of Administrative Expenditures (Schedule 4)	120,577	107,799
	<u>544,954</u>	<u>419,154</u>
BUILDING		
Insurance	3,181	4,023
Building Assessment Cost	-	773
Repairs and Maintenance	18,490	28,477
Utilities	7,889	9,243
	<u>29,560</u>	<u>42,516</u>

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 4

ADMINISTRATIVE

	2012	2011
	\$	\$
REVENUE:		
Winter Warmth Administration	8,977	-
Miscellaneous Income	7,068	-
	<u>16,045</u>	<u>-</u>
EXPENDITURES:		
Bank Interest and Charges	1,636	1,902
Bookkeeping	11,150	14,367
Insurance	1,469	1,133
Licenses and Fees	4,105	1,647
Miscellaneous	2,054	467
Office Supplies	20,207	17,586
Professional Fees	22,021	7,179
Telephone	4,615	4,525
Training	2,206	6,664
Travel and Accommodations	8,597	4,940
Wages and Employee Benefits	129,377	110,700
	<u>207,437</u>	<u>171,110</u>
Net Administrative Expenditures	(191,392)	(171,110)
Less: Allocation to Fundraising Expenditures (Schedule 3)	70,815	63,311
Less: Allocation to Program Expenditures (Schedule 3)	<u>120,577</u>	<u>107,799</u>
	<u>-</u>	<u>-</u>

(See Accompanying Notes to Financial Statements)