



**UNITED WAY
of Bruce Grey**

Financial Statements

December 31, 2015

UNITED WAY OF BRUCE GREY
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DECEMBER 31, 2015

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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, 2015 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, 2015 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

COLLINS BARROW SGB LLP
LICENSED PUBLIC ACCOUNTANTS
Owen Sound, Ontario
March 30, 2016

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

	Operating Fund \$	Building Fund \$	Endowment Fund \$	Aug 10 Fire Fund \$	2015 \$	2014 \$
ASSETS						
CURRENT:						
Bank	270,499	15,542	-	85,401	371,442	174,144
Accounts Receivable	11,274	-	-	-	11,274	12,946
HST Receivable	12,187	-	-	-	12,187	13,381
Investments (Note 3)	10,496	-	9,846	-	20,342	19,162
Inventory	8,856	-	-	-	8,856	4,786
Prepaid Expenses	1,997	-	-	-	1,997	21,897
	<u>315,309</u>	<u>15,542</u>	<u>9,846</u>	<u>85,401</u>	<u>426,098</u>	<u>246,316</u>
LIABILITIES AND FUND BALANCES						
CURRENT:						
Accounts Payable and Accrued Liabilities	15,978	-	-	-	15,978	27,009
Government Remittance Payable	5,585	-	-	-	5,585	5,348
Deferred Revenue (Note 4)	126,247	-	-	85,401	211,648	116,421
	<u>147,810</u>	<u>-</u>	<u>-</u>	<u>85,401</u>	<u>233,211</u>	<u>148,778</u>
FUND BALANCES	<u>167,499</u>	<u>15,542</u>	<u>9,846</u>	<u>-</u>	<u>192,887</u>	<u>97,538</u>
	<u>315,309</u>	<u>15,542</u>	<u>9,846</u>	<u>85,401</u>	<u>426,098</u>	<u>246,316</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 Fire Fund \$	2015 \$	2014 \$
REVENUE:						
Campaign	230,726	-	-	-	230,726	246,918
Special Events	115,683	-	-	-	115,683	103,509
Funds Transferred From Other United Ways	107,576	-	-	-	107,576	107,003
Investment Income	576	-	536	-	1,112	1,148
Other Revenue (Schedule 2)	432,005	-	-	265,701	697,706	349,944
Rental Revenue	-	14,761	-	-	14,761	19,494
Total Revenue	886,566	14,761	536	265,701	1,167,564	828,016
Fundraising Expenditures (Schedule 3)	123,473	-	-	-	123,473	90,427
Net Revenue Available for Community Investment	763,093	14,761	536	265,701	1,044,091	737,589
COMMUNITY INVESTMENT EXPENDITURES:						
Community Allocations (Schedule 1)	90,000	-	-	-	90,000	89,229
Program Expenditures (Schedule 3)	568,098	-	-	265,701	833,799	471,695
Building Expenditures (Schedule 3)	-	24,943	-	-	24,943	34,420
	658,098	24,943	-	265,701	948,742	595,344
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	104,995	(10,182)	536	-	95,349	142,245
INTERFUND TRANSFERS (Note 5)	(12,855)	12,261	594	-	-	-
FUND BALANCES AT BEGINNING OF YEAR	75,359	13,463	8,716	-	97,538	(44,707)
FUND BALANCES AT END YEAR	167,499	15,542	9,846	-	192,887	97,538

(See Accompanying Notes to Financial Statements)

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

	2015	2014
	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Excess of Revenue over Expenditures	95,349	142,245
Changes in Non-cash Working Capital Balances		
Accounts Receivable	1,671	6,054
HST Receivable	1,194	(3,561)
Inventory	(4,070)	(1,471)
Prepaid Expenses	19,899	(21,359)
Accounts Payable and Accrued Liabilities	74,372	(18,037)
Government Remittance Payable	237	529
Deferred Revenue	9,826	(18,653)
Net Cash Generated Through Operating Activities	198,478	85,747
FINANCING AND INVESTING ACTIVITIES:		
Increase in Investments	(1,180)	(3,268)
INCREASE IN CASH DURING YEAR	197,298	82,479
CASH AT BEGINNING OF YEAR	174,144	91,665
CASH AT END OF YEAR	371,442	174,144

(See Accompanying Notes to Financial Statements)

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

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 is 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. United Way of Grey Bruce is in consultation with the Office of the Public Guardian and Trustee on the surplus in this fund.

(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, 2015

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. All equipment has been fully amortized.

(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, bank, accounts receivable and HST 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, government remittances payable and community allocations payable.

**UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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

	2015	2014
	\$	\$
Operating Fund:		
Investor's Group Financial Services Inc - Short Term Fixed Income Bonds (Cost - \$10,386)	10,496	10,446
Endowment Fund:		
Community Foundation Grey Bruce (Cost - \$7,800)	9,846	8,716
	20,342	19,162
	20,342	19,162

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.

5. INTERFUND TRANSFERS

During the year, \$12,261 was transferred to the Building Fund from the Operating Fund for cash outlays for building expenses.

The net transfer of \$594 from the Operating Fund to the Endowment Fund is comprised of \$1,112 transferred to the Endowment Fund less \$518 investment income deposited to operations.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

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

	2015	2014
	\$	\$
Bruce Grey Child and Family Services	7,500	2,800
Canadian Mental Health Association of Grey Bruce	19,200	18,466
CNIB - Grey Bruce Dufferin	-	2,100
Durham and District Food Bank	7,000	5,000
Georgian Riding Association for Challenged Equestrians	-	2,100
Grey Bruce Eat & Learn	9,300	14,000
Keystone Child Youth and Family Services	10,000	10,000
Light and Life Chapel	2,500	-
Men's Program Grey Bruce	12,500	11,200
Owen Sound & North Grey Union Public Library	1,500	-
Pegasus Riding Association	-	2,100
Safe and Sound	-	1,666
South Grey Bruce Youth Literacy Council	4,000	1,963
St. John Ambulance	2,500	1,167
Women's House Serving Bruce Grey	14,000	16,667
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Funds Distributed to the Community	90,000	89,229
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(See Accompanying Notes to Financial Statements)

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

SCHEDULE 2

	2015	2014
	\$	\$
ATM Project	20,089	6,382
Backpack Program	39,320	42,418
First Nations Project	1,857	-
Community Response	48,107	18,721
Community Foundation Grey Bruce	195	-
FRO Project	2,445	-
Getting Ahead	10,726	6,446
Newcomer Fund	5,000	-
Poverty Task Force	36,198	-
Seniors Advocacy and Awareness Network	12,276	9,856
Society of Energy Professionals	-	19,700
Trillium Grant	33,489	56,555
Utility Assistance Program	222,303	189,866
	432,005	349,944

(See Accompanying Notes to Financial Statements)

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

SCHEDULE 3

	2015	2014
	\$	\$
FUNDRAISING		
Advertising	7,246	6,411
Direct Campaign Costs	44,052	11,366
Wages and Employee Benefits	34,550	26,558
Total Direct Fundraising Expenditures	85,848	44,335
Allocation of Administrative Expenditures (Schedule 4)	37,625	46,092
	123,473	90,427
PROGRAM		
ATM Project	20,178	6,382
Adult Learning	-	6,446
Back Pack Program	42,379	42,418
First Nations Project	1,857	-
Getting Ahead	10,727	-
FRO Project	2,445	-
Independent Project Expenditures	5,103	3,381
Community Response	48,107	18,721
Newcomer Expenditures	5,000	-
Poverty Task Force	36,198	-
Seniors Advocacy and Awareness Network	12,276	9,856
Society of Energy Professionals	195	8,276
Trillium Expenses	33,492	55,709
United Way of Canada Affiliation Fees	10,615	6,260
211 - Community Connection	45,000	45,000
Utility Assistance Program	222,464	189,866
Total Direct Program Expenditures	496,036	392,315
Allocation of Administrative Expenditures (Schedule 4)	72,062	79,380
	568,098	471,695
BUILDING		
Insurance	3,510	3,434
Repairs and Maintenance	12,189	19,318
Utilities	9,244	11,668
	24,943	34,420

(See Accompanying Notes to Financial Statements)

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

	SCHEDULE 4	
ADMINISTRATIVE	2015	2014
	\$	\$
REVENUE:		
Utility Assistance Program	35,551	42,829
Administrative Cost Recovery	74,459	3,839
Miscellaneous Income	2,959	-
	112,969	46,668
EXPENDITURES:		
Bank Interest and Charges	5,581	2,583
Board Expenses	4,027	1,567
Bookkeeping	13,918	10,368
Insurance	878	859
Licenses and Fees	2,211	3,307
Office Supplies	15,186	14,514
Professional Fees	13,772	15,591
Telephone	3,480	2,329
Training	1,513	1,645
Travel and Accommodations	15,859	12,858
Wages and Employee Benefits	146,231	106,519
	222,656	172,140
Net Administrative Expenditures	(109,687)	(125,472)
Less: Allocation to Fundraising Expenditures (Schedule 3)	37,625	46,092
Less: Allocation to Program Expenditures (Schedule 3)	72,062	79,380
	-	-
	-	-

(See Accompanying Notes to Financial Statements)