



**UNITED WAY
of Bruce Grey**

Financial Statements

December 31, 2020

UNITED WAY OF BRUCE GREY
TABLE OF CONTENTS
DECEMBER 31, 2020

	Page
Independent auditor's report	1
Statement of financial position	3
Statement of operations and changes in fund balances	4
Statement of cash flow	5
Notes to the financial statements	6
Revenue and expenditures schedules	
Schedule 1 - Grants and other contributions	11
Schedule 2 - Fundraising expenditures	12
Schedule 2 - Community impact expenditures	12

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **United Way of Bruce Grey**:

Qualified Opinion

We have audited the financial statements of **United Way of Bruce Grey** (the Organization), which comprise the statement of financial position as at December 31, 2020 and the statements of operations and changes in fund balances and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 were necessary to revenues, excess of revenues over expenditures, and cash flows for the years ended December 31, 2020 and December 31, 2019 and assets and fund balances as at December 31, 2020 and December 31, 2019. Our audit opinion for both years was modified accordingly because of the possible effect of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly SGB LLP

Licensed Public Accountants
Owen Sound, Ontario
March 24, 2021

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

	Operating Fund \$	Endowment Fund \$	SAFE Fund \$	2020 \$	2019 \$
Assets					
Current					
Cash	455,440	-	41,396	496,836	360,133
Accounts receivable	193,712	-	-	193,712	93,659
HST receivable	18,557	-	-	18,557	8,875
Due from (to) funds	5,469	-	(5,469)	-	-
Investments (Note 3)	-	10,533	-	10,533	9,499
Inventory	44,592	-	-	44,592	17,774
Prepaid expenses	821	-	-	821	6,907
	718,591	10,533	35,927	765,051	496,847
Liabilities					
Current					
Accounts payable and accrued liabilities	45,686	-	-	45,686	29,680
Government remittance payable	10,070	-	-	10,070	7,686
Deferred revenue (Note 4)	391,630	-	35,927	427,557	282,013
	447,386	-	35,927	483,313	319,379
Fund balances	271,205	10,533	-	281,738	177,468
	718,591	10,533	35,927	765,051	496,847

Approved on behalf of the board

_____ Director

_____ Director

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 \$	2020 \$	2019 \$
Revenue					
Campaign	445,226	-	-	445,226	441,932
Grants and other contributions (schedule 1)	1,920,131	-	2,603	1,922,734	626,788
Funds transferred from other United Ways	105,451	-	-	105,451	113,444
Rental revenue	14,400	-	-	14,400	14,860
Investment income	2,283	1,033	-	3,316	3,926
	2,487,491	1,033	2,603	2,491,127	1,200,950
Fundraising expenditures (schedule 2)	152,956	-	-	152,956	135,310
Net revenue available for community impact	2,334,535	1,033	2,603	2,338,171	1,065,640
Community impact expenditures (schedule 2)	2,231,298	-	2,603	2,233,901	1,080,747
Excess of revenue over expenditures (expenditures over revenue)	103,237	1,033	-	104,270	(15,107)
Fund balances at beginning of year	167,968	9,500	-	177,468	192,575
Fund balances at end of year	271,205	10,533	-	281,738	177,468

See accompanying notes to the financial statements

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

	2020	2019
	\$	\$
Cash provided by (used for)		
Operating activities		
Excess of revenue over expenditures (expenditures over revenue)	104,270	(15,107)
Items not involving cash		
Change in		
Accounts receivable	(100,053)	(4,347)
HST receivable	(9,682)	(1,225)
Inventory	(26,818)	(3,766)
Prepaid expenses	6,086	(6,407)
Accounts payable and accrued liabilities	16,007	4,766
Government remittance payable	2,384	(906)
Deferred revenue	145,544	(68,881)
	137,738	(95,873)
Financing and investing activities		
Decrease (increase) in investments	(1,033)	290
Change in cash	136,705	(95,583)
Cash at beginning of year	360,131	455,714
Cash at end of year	496,836	360,131

See accompanying notes to the financial statements

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

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) Cash and cash equivalents

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

(c) 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, 2020

1. Summary of significant accounting policies (continued)

(d) 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 or receivable, if the amount can be reasonably estimated and collection is reasonably assured. 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 deferred 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.

Government subsidies are recognized when there is reasonable assurance that the subsidy will be received and all attached conditions will be complied with. The Company recognizes the subsidy as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

(e) 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.

(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) 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

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

1. Summary of significant accounting policies (continued)

(h) 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:

	2020		2019	
	\$	%	\$	%
Fundraising	59,999	23	53,375	21
Community impact	199,608	77	199,991	79
	259,607	100	253,366	100

(i) 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"):

	2020	2019
Total revenue for CRR calculation (page 4)	2,491,127	1,200,950
Total fundraising expenses (Schedule 2)	152,956	135,310
Total fundraising expenses as a percentage of total revenue	6.1 %	11.3 %

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

	2020	2019
	\$	\$
Endowment fund		
Community Foundation Grey Bruce (cost - \$7,800)	10,533	9,499

4. Deferred revenue

Deferred revenue represents donations and grants restricted by the contributor for a specific purpose that were not spent at year end.

Continuity Schedule as follows:

	2020	2019
	\$	\$
Deferred revenue at beginning of year	282,013	350,894
Restricted program revenue received during year	1,956,463	551,054
Restricted program revenue recognized during year	(1,810,919)	(619,935)
Deferred revenue at end of year	427,557	282,013

5. Financial instruments

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

The Organization's exposure to risks from financial instruments is described as follows:

(a) Credit risk

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.

(b) Liquidity risk

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.

6. Comparative information

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

7. Economic dependence

A significant portion of the Organization's revenue is derived from Bruce Power and its suppliers. The Organization is financially dependent on Bruce Power.

8. Government grants

The Organization applied for the Canada Emergency Wage Subsidy (CEWS), which were launched by the federal government to qualifying employers to subsidize payroll costs during the Covid-19 pandemic. The amounts received under the CEWS programs, while subject to CRA review, are non-repayable. The Organization applied for \$112,097, of which the total amount was recognized as a government grant for the year ended December 31, 2020.

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

9. Significant event

In January 31, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (Covid-19) and declared it a public health event of international concern. On March 11, 2020, WHO declared the global outbreak of Covid-19 a pandemic.

On March 17, 2020, the Ontario government enacted a declaration of emergency to protect the public and ordered specific businesses to close and on March 23, 2020 further ordered mandatory closure of all non-essential workplaces. During this period, the Organization retained all of its employees and continued to operate under strict provincial and public health measures.

On December 26, 2020, a second province wide lock down was enacted once again ordering the closure of all non-essential businesses. On January 12, 2021, the Ontario government declared a second provincial emergency and issued a stay-at-home order.

During the year, substantial pandemic relief funding and donations were received from many of the Organization's government, corporate, individual and agency partners. This funding was flowed to various organizations to assist in supporting vulnerable Canadians during pandemic. The amount of such funding and donations received in the year was \$1,381,782, of that \$1,206,329 were expended in the year and \$175,453 has been deferred.

The Organization has accessed government subsidies, detailed in note 8, to assist organizations in dealing with the Covid-19 crisis. To date, the Covid-19 pandemic has not had a significant negative financial impact on the Organization. However, the pandemic is on-going, and the potential future economic effects cannot be made at this time.

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

	2020	SCHEDULE 1
	\$	2019
		\$
Backpack program	46,069	29,303
Bridges out of poverty	-	7,910
Bruce Grey united for newcomers	98	2,578
Community Foundation Grey Bruce grants	16,708	23,097
Food security	11,427	23,873
Government subsidies - CEWS (note 8)	112,097	-
Hope for our kids	55,351	52,021
Making Grey Bruce Home	-	47,147
Reconciliation garden	43,439	29,016
Miscellaneous	75	1,456
Pandemic relief (note 9)	1,206,329	-
Poverty task force	53,838	50,620
Mattress program	33,008	38,754
Rural pathways for newcomer	134,915	49,073
Seniors fair	505	6,950
Seniors centre without walls	417	-
Utility assistance program	205,855	257,262
	1,920,131	619,060

See accompanying notes to the financial statements

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

	SCHEDULE 2	
	2020	2019
	\$	\$
FUNDRAISING		
Advertising	2,618	3,048
Allocated administrative expenditures	59,999	53,375
Direct campaign costs	47,380	17,876
Wages and employee benefits	42,959	61,011
	152,956	135,310
COMMUNITY IMPACT		
Allocated administrative expenditures	199,608	199,991
Backpack program	80,028	59,723
Bridges out of poverty	-	7,910
Bruce Grey united for newcomers	98	2,578
Community impact grants	116,863	120,500
First nation kin support program	-	1,800
Food security	11,427	23,873
Hope for our kids	55,351	52,021
Independent project expenditures	17,042	45,218
Making Grey Bruce home	-	52,302
Reconciliation garden	43,439	29,016
Other programs	16,783	20,649
Pandemic relief (note 9)	1,206,329	-
Poverty task force	53,838	50,620
Mattress program	33,008	38,754
Rural pathways for newcomers	134,915	49,073
Seniors fair	505	6,950
Seniors centre without walls	417	-
United Way of Canada affiliation fees	10,792	9,777
Utility assistance program	205,855	257,262
211 - community connection	45,000	45,000
	2,231,298	1,073,017

See accompanying notes to the financial statements