



**UNITED WAY
of Bruce Grey**

Financial Statements

December 31, 2021

UNITED WAY OF BRUCE GREY
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DECEMBER 31, 2021

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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 balance sheet as at December 31, 2021 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, 2021, 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, 2021 and December 31, 2020 and assets and fund balances as at December 31, 2021 and December 31, 2020. 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

Chartered Professional Accountants
Licensed Public Accountants
Owen Sound, Ontario
March 30, 2022

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

	Operating Fund \$	Endowment Fund \$	SAFE Fund \$	2021 \$	2020 \$
Assets					
Current					
Cash	1,068,375	-	35,597	1,103,972	496,835
Accounts receivable	29,022	-	-	29,022	193,712
HST receivable	19,728	-	-	19,728	18,557
Due from (to) funds	2,029	-	(2,029)	-	-
Investments (Note 3)	-	11,186	-	11,186	10,532
Inventory	39,691	-	-	39,691	44,592
Prepaid expenses	1,395	-	-	1,395	821
	1,160,240	11,186	33,568	1,204,994	765,049
Liabilities					
Current					
Accounts payable and accrued liabilities	40,664	-	-	40,664	45,683
Government remittance payable	8,326	-	-	8,326	10,070
Deferred revenue (Note 4)	785,871	-	33,568	819,439	427,557
	834,861	-	33,568	868,429	483,310
Fund balances	325,379	11,186	-	336,565	281,739
	1,160,240	11,186	33,568	1,204,994	765,049

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 \$	2021 \$	2020 \$
Revenue					
Campaign	476,732	-	-	476,732	445,226
Grants and other contributions (Schedule 1)	1,110,478	-	2,359	1,112,837	1,922,733
Funds transferred from other United Ways	112,781	-	-	112,781	105,451
Rental revenue	15,200	-	-	15,200	14,400
Investment income	4,229	653	193	5,075	3,316
	1,719,420	653	2,552	1,722,625	2,491,126
Fundraising expenditures (Schedule 2)	154,154	-	-	154,154	152,956
Net revenue available for community impact	1,565,266	653	2,552	1,568,471	2,338,170
Community impact expenditures (Schedule 2)	1,511,093	-	2,552	1,513,645	2,233,899
Excess of revenue over expenditures (expenditures over revenue)	54,173	653	-	54,826	104,271
Fund balances at beginning of year	271,206	10,533	-	281,739	177,468
Fund balances at end of year	325,379	11,186	-	336,565	281,739

See accompanying notes to the financial statements

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

	2021	2020
	\$	\$
Cash provided by (used for)		
Operating activities		
Excess of revenue over expenditures	54,826	104,271
Items not involving cash		
Change in		
Accounts receivable	164,690	(100,053)
HST receivable	(1,171)	(9,682)
Inventory	4,901	(26,818)
Prepaid expenses	(574)	6,086
Accounts payable and accrued liabilities	(5,017)	16,003
Government remittance payable	(1,744)	2,384
Deferred revenue	391,882	145,544
	607,793	137,735
Financing and investing activities		
Increase in investments	(654)	(1,033)
Change in cash	607,139	136,702
Cash at beginning of year	496,835	360,133
Cash at end of year	1,103,974	496,835
Cash consists of		
Cash	1,103,971	496,835
	1,103,971	496,835

See accompanying notes to the financial statements

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

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, 2021

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 Organization 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, 2021

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:

	2021		2020	
	\$	%	\$	%
Fundraising	56,337	22	59,999	23
Community impact	196,204	78	199,608	77
	252,541	100	259,607	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"):

	2021	2020
Total revenue for CRR calculation	1,722,625	2,491,126
Total fundraising expenses (Schedule 2)	154,154	152,956
Total fundraising expenses as a percentage of total revenue	8.9 %	6.1 %

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

	2021	2020
	\$	\$
Endowment fund		
Community Foundation Grey Bruce (cost - \$8,191)	11,186	10,532

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:

	2021	2020
	\$	\$
Deferred revenue at beginning of year	427,557	282,013
Restricted program revenue received during year	1,513,790	1,956,463
Restricted program revenue recognized during year	(1,121,908)	(1,810,919)
Deferred revenue at end of year	819,439	427,557

UNITED WAY OF BRUCE GREY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

5. Financial instruments

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. Impact of COVID-19

The impact of Covid-19 in Canada and on the global economy is significant. As the impacts of Covid-19 continue, there could be further impact on the Organization that could impact the Organization's future operations. At this time, the full potential impact of Covid-19 on the Organization is not known. Given the dynamic nature of these circumstances and the duration of disruption, the related financial impact cannot be reasonably estimated at this time. The Organization will continue to focus on providing services and programs to the community within the guidelines.

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 \$522,731 (2020 \$1,381,782), \$495,148 (2020 \$1,206,329) were expended in the year and \$149,215 (2020 \$175,453) has been deferred.

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

	2021	SCHEDULE 1
	\$	2020
		\$
Backpack Program	70,197	46,069
Bruce Grey United for Newcomers	15,860	98
Children's Alliance	2,734	-
Community Foundation Grey Bruce Grants	18,524	16,708
Financial Literacy Programy	37,753	-
Food Security	42,596	11,427
Government Subsidies	-	112,097
Hope for Our Kids	56,499	55,351
Mattress Program	-	33,008
Miscellaneous	444	75
Pandemic Relief (Note 8)	522,481	1,206,329
Poverty Task Force	62,455	53,838
Reconciliation Garden	26,536	43,439
Rural Pathways for Newcomer	-	134,915
Seniors Fair	21	505
Seniors Centre Without Walls	15,864	417
Utility Assistance Program	238,514	205,855
	1,110,478	1,920,131

See accompanying notes to the financial statements

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

	SCHEDULE 2	
	2021	2020
	\$	\$
FUNDRAISING		
Advertising	4,539	2,618
Allocated administrative expenditures	56,337	59,999
Direct campaign costs	49,825	47,380
Wages and employee benefits	43,453	42,959
	154,154	152,956
COMMUNITY IMPACT		
Allocated administrative expenditures	196,204	199,608
Backpack Program	77,988	80,028
Bruce Grey United for Newcomers	16,254	98
Children's Alliance	2,734	-
Community Impact Grants	120,000	116,863
Financial Literacy Program	37,753	-
Food Security	42,596	11,427
Hope For Our Kids	57,336	55,351
Independent Project Expenditures	9,763	17,042
Mattress Program	-	33,008
Other Programs	25,368	16,783
Pandemic Relief (Note 8)	522,731	1,206,329
Poverty Task Force	62,455	53,838
Reconciliation Garden	28,537	43,439
Rural Pathways for Newcomers	521	134,915
Seniors Centre Without Walls	16,864	417
Seniors Fair	342	505
United Way of Canada Affiliation Fees	10,113	10,792
Utility Assistance Program	238,514	205,855
211 - Community Connection	45,020	45,000
	1,511,093	2,231,298

See accompanying notes to the financial statements