
UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

FINANCIAL STATEMENTS

March 31, 2016

UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

March 31, 2016

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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To The Members of
United Way of Stormont, Dundas & Glengarry

We have audited the accompanying financial statements of United Way of Stormont, Dundas & Glengarry, which comprise the statement of financial position as at March 31, 2016, and the statements of financial activities, changes in net assets, and cash flows 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 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 auditors' 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 auditors consider internal control relevant to the entity'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 entity's 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

In common with many charitable organizations, the organization derives revenue from donations, 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 and we were not able to determine whether any adjustments might be necessary to donation revenues, net surplus, assets and unrestricted assets.

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 Stormont, Dundas & Glengarry as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations.

May 16, 2016
Cornwall, Ontario

Chartered Professional Accountants
Licensed Public Accountants

UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

STATEMENT OF FINANCIAL POSITION

As at March 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 306,041	\$ 324,775
Term deposits	156,869	155,731
Accounts receivable	11,085	8,557
Pledges receivable (Note 3)	174,236	192,701
Prepaid expenses	6,906	1,351
	655,137	683,115
CAPITAL (Note 4)	15,781	23,354
	\$ 670,918	\$ 706,469
LIABILITIES		
CURRENT		
Accounts payable	\$ 14,402	\$ 10,581
Deferred campaign revenue (Note 5)	601,624	629,975
	616,026	640,556
NET ASSETS		
UNRESTRICTED NET ASSETS	39,111	42,559
INVESTED IN CAPITAL ASSETS	15,781	23,354
	54,892	65,913
	\$ 670,918	\$ 706,469

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

_____ Date

See Accompanying Notes



UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended March 31, 2016

	2016	2015
REVENUE		
Campaign revenues (Note 6)	\$ 629,975	\$ 618,782
Recovery of provisioned pledges from prior campaigns	15,785	27,168
	645,760	645,950
OTHER REVENUE		
Donations and other	67	1,236
Bingo, net proceeds	12,618	17,787
Investment income	2,804	1,678
Winter Warmth	25,244	25,584
	40,733	46,285
TOTAL REVENUE	686,493	692,235
EXPENDITURES		
Fundraising (Schedule 1)	87,375	89,275
Distributions to agencies (Schedule 2)	465,000	450,000
Distributions to programs (Schedule 2)	145,139	149,945
TOTAL EXPENDITURES	697,514	689,220
(DEFICIT) SURPLUS FOR THE YEAR	\$ (11,021)	\$ 3,015

See Accompanying Notes



UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2016

	Unrestricted net assets	Invested in capital assets	2016	2015
Balance, beginning of year	\$ 42,559	\$ 23,354	\$ 65,913	\$ 62,898
(Deficit) surplus for the year	(11,021)	-	(11,021)	3,015
Amortization	7,573	(7,573)	-	-
	(3,448)	(7,573)	(11,021)	3,015
Balance, end of year	\$ 39,111	\$ 15,781	\$ 54,892	\$ 65,913

See Accompanying Notes



UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

STATEMENT OF CASH FLOWS

For the year ended March 31, 2016

	2016	2015
CASH USED IN OPERATING ACTIVITIES		
(Deficit) surplus for the year	\$ (11,021)	\$ 3,015
Item not affecting cash or equivalent		
Amortization	7,573	8,041
Changes in non-cash working capital balances		
Accounts receivable	(2,528)	8,974
Pledges receivable	18,465	(25,004)
Prepaid expenses	(5,555)	4,078
Accounts payable	3,821	(19,240)
Deferred campaign revenue	(28,351)	15,192
DECREASE IN CASH AND EQUIVALENTS	(17,596)	(4,944)
CASH AND EQUIVALENTS, beginning of year	480,506	485,450
CASH AND EQUIVALENTS, end of year	\$ 462,910	\$ 480,506
REPRESENTED BY:		
Cash	\$ 306,041	\$ 324,775
Term deposits	156,869	155,731
	\$ 462,910	\$ 480,506

See Accompanying Notes



UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

FUNDRAISING EXPENDITURES

Schedule 1

For the year ended March 31, 2016

	2016	2015
Advertising	\$ 68	\$ 1,440
Office	-	505
Printing material	2,232	3,819
Professional development and training	1,092	1,013
	3,392	6,777
General administration expenditures (Schedule 3)	83,983	82,498
	\$ 87,375	\$ 89,275

See Accompanying Notes



UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

DISTRIBUTIONS TO AGENCIES AND PROGRAMS

Schedule 2

For the year ended March 31, 2016

	2016	2015
DISTRIBUTIONS TO AGENCIES		
Baldwin House	\$ 17,500	\$ 17,500
Bereaved Families of Ontario	20,000	50,000
Big Brothers and Big Sisters of Cornwall and District	37,500	34,000
Boys and Girls Club of Cornwall/SDG	45,000	40,000
Canadian Hearing Society	13,000	13,000
Canadian Mental Health Association	38,000	38,000
Canadian National Institute for the Blind	18,500	18,500
Canadian Red Cross Society	13,700	17,000
Cornwall Meals on Wheels	36,000	32,500
Counselling and Family Services	55,000	55,000
Equipe Psycho-Sociale	16,000	15,000
Glengarry Inter Agency Group Inc. (Alexandria Youth Centre)	48,000	42,000
Ontario March of Dimes	10,000	10,000
S. D. & G. Developmental Services Centre	20,000	17,000
Sexual Assault & Support Services	24,300	-
The Hub for Beyond 21 Foundation	25,000	23,000
Tri-County Literacy Council	27,500	27,500
	\$ 465,000	\$ 450,000
DISTRIBUTIONS TO PROGRAMS		
Winter Warmth	\$ 21,639	\$ 22,831
Success By 6	2,381	5,110
Other programs	-	4,000
United Way of Canada (Note 9)	5,143	4,078
General administration expenditures (Schedule 3)	115,976	113,926
	\$ 145,139	\$ 149,945

See Accompanying Notes



UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

GENERAL ADMINISTRATION EXPENDITURES

Schedule 3

For the year ended March 31, 2016

	2016	2015
Administration		
Conference, training and sundry	\$ 3,266	\$ 2,767
Insurance	3,763	3,435
Office	19,802	10,384
Printing, postage and stationery	156	2,633
Professional fees	8,874	12,627
Salaries and benefits	132,068	132,592
Telephone and communications	4,877	4,034
	172,806	168,472
Building		
Amortization	7,573	8,041
Rent	17,436	17,508
Repairs and maintenance	2,144	2,403
	27,153	27,952
Total general administration expenditures	199,959	196,424
Allocation to fundraising expenditures (Note 7)	(83,983)	(82,498)
Allocation to program expenditures (Note 7)	(115,976)	(113,926)
	\$ -	\$ -

See Accompanying Notes



UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

1. PURPOSE

The purpose of the organization is to improve lives and build our community. The organization is a registered charity and is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with accounting standards for not-for-profit organizations, using the following significant accounting policies:

(a) Use of estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect revenue and expenditures during the reporting periods. These estimates include the provision for doubtful pledges, and the estimated useful lives of capital assets. Actual results could differ from these estimates.

(b) Revenue recognition

United Way follows the deferral method of accounting for contributions.

- (i) The annual campaign is conducted to raise financial support for member agencies in the following year. Accordingly, contributions and pledges received for the campaign that commenced in the year are reported as deferred revenue and will be included in the next year's revenue when the related agency distributions are made. Restricted contributions, including grants, are recognized as revenue when the related expenditures are incurred.
- (ii) The organization benefits from substantial services in the form of volunteer time. Since these invaluable donated services are not purchased by United Way, they are not recorded in these financial statements.
- (iii) Pledges are recorded as receivable at the time the pledges are made, usually during the annual campaign, with an allowance for uncollectible pledges.

(c) Expense recognition

(i) Fundraising expenses

Fundraising expenses include all expenses directly associated with fundraising and co-fundraising and an allocation of general administration expenses.

(ii) Program expenses

Program expenses include all allocations to agencies and programs directly delivered by the United Way and an allocation of general administration expenses.

(iii) Allocated expenses

Expenses identifiable to fundraising or specific programs are charged directly. The remaining expenses are allocated between fundraising and programs based on management's estimate of employees' time.

UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash on deposit, and term deposits.

(e) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Leaseholds	5 years straight-line
Computer equipment	30% diminishing balance
Furniture	20% diminishing balance
Telephone system	30% diminishing balance

3. PLEDGES RECEIVABLE

Pledges receivable are shown net of a provision for uncollectible pledges. The provision for uncollectible pledges is \$15,000 (2015 - \$30,000).

4. CAPITAL

	Cost	Accumulated Amortization	Net 2016	Net 2015
Leaseholds	\$ 32,084	\$ 19,250	\$ 12,834	\$ 19,250
Computer equipment	3,315	2,178	1,137	1,624
Furniture	1,171	571	600	751
Telephone system	3,529	2,319	1,210	1,729
	\$ 40,099	\$ 24,318	\$ 15,781	\$ 23,354

5. DEFERRED CAMPAIGN REVENUE

Changes in deferred campaign revenue are as follows:

	2016	2015
Balance, beginning of year	\$ 629,975	\$ 614,782
Add: Amount received related to the following year	427,388	437,274
Add: Pledges receivable related to the following year	174,236	192,701
Less: Amount recognized as revenue during the year	(629,975)	(614,782)
Balance, end of year	\$ 601,624	\$ 629,975

UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

6. CAMPAIGN REVENUES

The revenue reported in the Statement of Financial Activities includes the restricted portion of the previous year's campaign. The following schedule provides a reconciliation between the 2015 campaign results and the gross campaign revenue reported as at March 31, 2016.

	2016	2015
Annual Campaign Achievement	\$ 678,515	\$ 689,819
Less:		
Special gifts restricted to specific programs	(18,721)	(6,000)
Provision for uncollectible pledges	(15,000)	(30,000)
Special events expenses	(43,170)	(23,844)
Current year's deferred designated campaign revenue	(601,624)	(629,975)
Add:		
Prior year's deferred campaign revenue	629,975	614,782
Designated campaign revenue	-	4,000
Gross campaign revenues recognized in fiscal year	\$ 629,975	\$ 618,782

Special events are held with the intent to raise the profile and support the objectives of the organization. Total revenues from these events were \$72,601, offset by expenses of \$43,170.

7. GENERAL ADMINISTRATION EXPENDITURES

The United Way allocates its costs to two functional areas, fundraising and programs. General costs which do not pertain specifically to either function are considered administrative and are allocated to the functional areas based on management's estimates. General administration expenses are allocated as follows:

	2016	2015
Fundraising	42 %	42 %
Programs	58 %	58 %
	100 %	100 %

8. AGENCY ALLOCATIONS

For the next fiscal year, the United Way is planning to distribute \$445,000 from the annual campaign achievement to its member agencies, subject to the collection of outstanding pledges.

9. TRANSACTIONS WITH RELATED ORGANIZATIONS

The United Way of Stormont, Dundas & Glengarry submits annual membership dues to the United Way of Canada/Centraide Canada. Total dues paid were \$5,143 (2015 - \$4,078).

UNITED WAY OF STORMONT, DUNDAS & GLENGARRY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

10. OPERATING LEASE

The organization has entered into an operating lease for the premises. The operating lease commitment is as follows:

2017	\$	15,600
2018	\$	15,600
2019	\$	2,600

11. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the statement of financial position date.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with financial liabilities. The organization meets its liquidity requirements by preparing and monitoring detailed forecast of cash flows from operations and holding assets that can be readily converted into cash.

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 the event of non-performance by counterparties in connection with its pledges receivable. Pledges receivable arise from pledges made by the public during the annual campaign. The maximum exposure to credit risk is the carrying value of pledges receivable on the statement of financial position.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization's interest-bearing assets include term deposits.

The organization has fixed interest rates on its term deposits. Consequently, the exposure to fluctuations in future cash flows, with respect to these instruments, as a result of changes in market interest rates, is limited.