

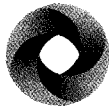
Financial Statements

United Way of Greater Simcoe County

March 31, 2016

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Independent Auditors' Report

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To the Board of Directors of

United Way of Greater Simcoe County

We have audited the accompanying financial statements of United Way of Greater Simcoe County, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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 accounting standards for not-for-profit organizations. 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 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 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

In common with many charitable organizations, the organization derives revenue from donations and fundraising, 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 and fundraising revenues, excess of revenue over expenses, assets and net assets.

Opinion

In our opinion, except for the 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 the organization as at March 31, 2016 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.



Barrie, Canada
June 28, 2016

Chartered Professional Accountants
Licensed Public Accountants

United Way of Greater Simcoe County

Statement of Financial Position

As at March 31

	2016	2015
	\$	Restated \$
ASSETS		
Current		
Cash and cash equivalents <i>[note 3]</i>	1,157,756	1,228,112
Marketable securities <i>[note 4]</i>	49,248	51,485
Pledges receivable <i>[note 5]</i>	725,338	1,005,785
Accounts and grants receivable	40,237	99,136
Prepaid expenses	24,950	15,605
Total current assets	1,997,529	2,400,123
Capital assets <i>[note 6]</i>	141,633	115,593
Restricted asset		
Restricted funds <i>[note 7]</i>	448,374	453,726
	2,587,536	2,969,442
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued charges	179,278	286,984
Accounts payable - Donor's choice	207,745	268,025
Deferred grant and other revenue - short term	1,106,290	954,523
Allocations payable to member agencies <i>[note 8]</i>	807,055	1,000,000
Total current liabilities	2,300,368	2,509,532
Deferred grant and other revenue - long term	32,862	35,081
Total liabilities	2,333,230	2,544,613
Net assets		
Unrestricted net assets	(235,701)	(144,490)
Net assets invested in capital assets	141,633	115,593
Net assets restricted for Collaborative Fund <i>[note 7]</i>	75,000	-
Net assets restricted for Transformation Fund <i>[note 7]</i>	100,000	-
Net assets restricted for Strategic Fund <i>[note 7]</i>	170,000	-
Net assets restricted for Forever Fund <i>[note 7]</i>	3,374	453,726
	254,306	424,829
	2,587,536	2,969,442

See accompanying notes to the financial statements.

On behalf of the Board:


Director


Director

United Way of Greater Simcoe County

Statement of Changes in Net Assets

Year ended March 31

							2016	2015
	Unrestricted net assets	Invested in capital assets	Forever Fund	Collaborative Fund	Transformation Fund	Strategic Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance, as previously stated	(144,490)	115,593	453,726	-	-	-	424,829	475,825
Correction of prior period (Note 14)	-	-	-	-	-	-	-	(91,487)
Opening balance as restated	(144,490)	115,593	453,726	-	-	-	424,829	384,338
Excess of revenues over expenditures for the year	(169,905)	-	-	-	-	-	(169,905)	(10,930)
Realized investment income (loss)	-	-	22,407	-	-	-	22,407	19,965
Unrealized investment income (loss)	-	-	(23,025)	-	-	-	(23,025)	31,456
Net investment in capital assets	(69,010)	69,010	-	-	-	-	-	-
Investment revenue transfer	4,734	-	(4,734)	-	-	-	-	-
Interfund transfer	100,000	-	(445,000)	75,000	100,000	170,000	-	-
Amortization	42,970	(42,970)	-	-	-	-	-	-
Balance, end of year	(235,701)	141,633	3,374	75,000	100,000	170,000	254,306	424,829

See accompanying notes to the financial statements.

United Way of Greater Simcoe County

Statement of Operations

Year ended March 31

	2016	2015 Restated
	\$	\$
REVENUES		
Donations and special events revenue <i>[schedule 1]</i>	1,178,471	1,371,845
Funds transferred from other UWs-C <i>[schedule 1]</i>	520,176	696,101
Funds transferred to other UWs-C <i>[schedule 1]</i>	(4,853)	(5,832)
Campaign revenue	1,693,794	2,062,114
Less: Admin fees charged by UWs-C	(14,237)	(10,552)
Less: Uncollectable pledges <i>[note 10]</i>	(162,995)	(162,551)
Net campaign revenue	1,516,562	1,889,011
Investment income	28	20,323
Administrative fees <i>[schedule 3]</i>	1,009,764	645,920
Loss on disposal of capital assets	-	(2,693)
Other income	4,100	2,026
	2,530,454	2,554,587
Expenditures		
Fundraising expenses <i>[schedule 2]</i>	488,087	662,144
Net revenue available for programs	2,042,367	1,892,443
Program expenses		
Agency allotments <i>[schedule 2]</i>	807,055	1,001,079
Donor's Choice <i>[note 11]</i>	116,380	47,545
Community development programs <i>[schedule 2]</i>	1,288,837	854,749
	2,212,272	1,903,373
	-	-
Excess (shortfall) of revenues over expenditures for the year	(169,905)	(10,930)

See accompanying notes to the financial statements.

United Way of Greater Simcoe County

Statement of Cash Flows

Year ended March 31

	2016	2015 Restated
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenditures	(169,905)	(10,930)
Amortization	42,970	31,954
Unrealized loss (gain) on marketable securities	2,237	(16,681)
Loss on disposal of capital assets	-	2,693
Investment revenue transfer	4,734	4,734
Prior period adjustment	(122,933)	-
Net change in non-cash working capital balances	92,004	27,742
Cash provided by (used in) operating activities	(150,893)	39,512
INVESTING ACTIVITIES		
Purchase of capital assets	(69,010)	(64,591)
Cash used in investing activities	(69,010)	(64,591)
FINANCING ACTIVITY		
Increase (decrease) in deferred revenue	149,548	(75,991)
Cash used in investing activity	149,548	(75,991)
Net decrease in cash and cash equivalents	(70,355)	(101,070)
Cash and cash equivalents, beginning of year	1,228,112	1,329,182
Cash and cash equivalents, end of year	1,157,757	1,228,112
Represented by		
Cash and cash equivalents	1,031,353	1,002,923
Term deposit	126,403	225,189
	1,157,756	1,228,112

See accompanying notes to the financial statements.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2016

1. OPERATIONS

The United Way of Greater Simcoe County is a non-profit organization incorporated without share capital under the laws of Ontario. Its principal activities include the fund raising for and allocation to non-profit organizations.

The United Way of Greater Simcoe County is a registered public foundation and as such, is exempt from income tax and may issue income tax receipts to donors.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following is a summary of the more significant accounting policies:

Basis of accounting

United Way of Greater Simcoe County follows the accrual method of accounting. The accrual basis recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

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 amounts 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.

The areas most subject to management estimate are in developing the allowance for pledge defaults and the allocation of general and administrative expenditures.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Long-term investments

Long-term investments held within the Restricted Funds are recorded at fair market value and are represented by the following four funds:

The Forever Fund Reserve is an internally restricted fund set up to support community investments for specific operational requirements on an ongoing basis.

The Transformation Fund Reserve is an internally restricted fund set up to support costs associated with realigning the organization to meet strategic business activities.

The Strategic Fund Reserve is an internally restricted fund set up to provide financial flexibility for the growth mandate, unplanned outcomes, capital expenditures or strategic opportunities that may emerge in the future.

The Collaborative Fund Reserve is an internally restricted fund set up to support special initiative community impact partnerships or projects.

Pension plan

The organization maintains a defined contribution plan available to some of its permanent full-time personnel. The expense for the plan is equal to the organization's required contribution for the year.

Capital assets

Capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair market value at the date of acquisition or at a nominal amount when the fair market value of contributed capital assets cannot be determined. Amortization based on the estimated useful life of the asset, with half year rates in the year of acquisition for all classes except leasehold improvements is calculated as follows:

Office equipment	20% diminishing balance basis
Computer equipment	30% diminishing balance basis
Computer software	20% diminishing balance basis
Leasehold improvements	5 year straight-line

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition

The United Way of Greater Simcoe County follows the deferral method of accounting for contributions.

Contributions are recognized as revenue in the appropriate fund. Investment income earned by the fund is recognized as revenue as it is earned.

Pledges are recorded as receivable and recognized as revenue when signed pledge or other documents are received by the United Way. Provision is made for possible cancellation of pledges taken into revenue.

Administrative fees are charged to facilitate and administer funding from grant programs. The fees are recorded as they are earned, which is outlined in the individual grant agreements.

Contributions to, and investment income earned by the Forever Fund are recognized as revenue in the Fund.

Contributed service

The work of United Way of Greater Simcoe County is dependent on the voluntary service of many members and others. Since these services are not normally purchased by the United Way of Greater Simcoe County and because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Campaign revenue

These financial statements reflect the results of the campaign that commenced in 2015 and include Campaign revenue and the related allocations, designations and operating expenditures applicable to that campaign. Comparative figures represent the Campaign that commenced in 2014.

Allocation of general and administrative expenditures

The United Way of Greater Simcoe County allocates its costs to two functional areas : Fundraising and Community Development 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. In the current year, the allocation percentages were changed to reflect the growing community development operation. These administrative costs are included in schedule 2 of these financial statements and have been allocated as follows:

	2016	2015
To fundraising expenses	19%	47%
To community development programs	81%	53%

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Allocations to member and non-member agencies

United Way of Greater Simcoe County provides member agencies with ongoing funding to assist agencies with their service delivery. Agency allocations are determined by the Board of Directors, and are recognized as expenditures of the current campaign. Funds are distributed on an installment basis over the next fiscal year.

Financial instruments

The organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The organization accounts for the following as financial instruments:

- cash and cash equivalents
- Marketable securities and investments
- Pledges, accounts and grants receivable
- Accounts payable, accrued charges and allocations payable to member agencies

A financial asset or liability is recognized when the organization becomes party to contractual provisions of the instrument.

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures certain of its financial assets and financial liabilities at amortized cost and marketable securities and investments at fair market value.

The organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2016

3. CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash	1,031,353	1,002,923
Guaranteed Investment Certificate - Royal Bank of Canada, interest at 0.80%	-	82,738
Guaranteed Investment Certificate - Royal Bank of Canada, interest at 0.50%	83,400	-
Guaranteed Investment Certificate - Royal Bank of Canada, interest at 1.45%	-	42,451
Guaranteed Investment Certificate - Royal Bank of Canada, interest at 0.85%	43,003	-
Guaranteed Investment Certificate - Royal Bank of Canada, interest at 1.30%	-	100,000
	1,157,756	1,228,112

The Royal Bank of Canada GICs mature in November 2016 and May 2016 respectively. \$120,000 of the GICs are pledged as security against a line of credit. As at the year-end, the line of credit balance was \$Nil.

4. MARKETABLE SECURITIES

	2016	2015
	\$	\$
RBC Direct Investing Inc.		
Marketable securities	49,248	51,485

The cost of the above marketable securities is \$12,128 (2015 - \$12,128).

5. PLEDGES RECEIVABLE

	2016	2015
	\$	\$
Prior years' campaigns - pledges receivable	67,765	35,000
Current year's campaign - pledges receivable	747,222	1,095,096
Allowance for pledge defaults on current year's campaign	(89,649)	(124,311)
	725,338	1,005,785

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2016

6. CAPITAL ASSETS

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computer hardware	113,379	81,114	32,265	23,210
Computer software	99,197	19,899	79,298	49,894
Office equipment	41,376	27,438	13,938	10,224
Leasehold improvements	79,191	63,059	16,132	32,265
	333,143	191,510	141,633	115,593

7. RESTRICTED FUNDS

	2016		2015	
	Cost	Market value	Cost	Market value
	\$	\$	\$	\$
Cash	1,476	1,476	17,346	17,346
Municipal bonds	68,292	88,211	68,292	91,964
Corporate bonds	139,838	149,644	139,838	152,922
Equities	8,534	21,326	8,534	21,728
Mutual funds	169,997	187,717	136,464	169,766
	388,137	448,374	370,474	453,726

8. COMMITMENTS

The organization has approved funding to certain member agencies for the upcoming year totaling \$807,055 (2015 - \$1,000,000). These agency payments are to be funded by pledges made during the current year fundraising campaign.

In addition, the organization has lease agreements for the rental of facilities in the Township of Springwater and in Collingwood. The minimum annual payments under these leases are \$70,799 and \$3,243 respectively. The leases expire February 2017 and October 2016 respectively.

9. EMPLOYEE FUTURE BENEFITS

During the year, the organization recorded contributions of \$23,053 (2015 - \$25,235) with respect to their defined contribution retirement plan.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2016

10. UNCOLLECTABLE PLEDGES

	2016	2015
	\$	\$
Provision for current campaign	89,649	124,311
Realized pledge loss over (under) amount previously provided	73,346	38,240
	162,995	162,551

11. DONOR'S CHOICE

The organization collects donations on behalf of registered charities at the specific request of the donor. The organization is entitled in certain cases to an administration fee in respect of collecting and disbursing the funds. The donations received (net of the fee) are included in campaign revenue reported on schedule 1.

12. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposures and concentrations at March 31, 2016.

(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's main credit risks relate to its pledges, accounts and grants receivable.

(b) Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The organization is exposed to this risk mainly in respect of its allocations payable to member agencies, accounts payable - Donor's choice and accounts payable and accrued liabilities.

(c) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to other price risk on the market prices of the investments in marketable securities and fund investments.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2016

13. CORRECTION OF ERROR

During the year, the organization became aware that it had incorrectly administered certain special event donations provided through The Government of Canada Workplace Charitable Campaign (GCWCC). The terms of the agreement between the organization and GCWCC required a portion of the amounts collected to be shared with a third party. These amounts were not remitted to the third party throughout a period covering 2009 through 2014. In the current year, the full amount owing over this period has been accrued and partially paid. The impact on the amounts reported in prior years is as follows:

Decrease in opening net assets as of April 1, 2014	\$91,487
Decrease in Donation and special events revenue for the year ended March 31, 2015	\$31,446
Increase in Accounts payable and accrued charges as at March 31, 2015	\$122,933

14. COMPARATIVE FIGURES

Certain of the figures presented in the prior year have been reclassified to conform with current year presentation standards.

United Way of Greater Simcoe County
Schedule of Gross Campaign Achievement

Schedule 1

Year ended March 31	2016	2015
	\$	\$
Revenue		
Campaign gifts	663,227	604,875
Campaign pledges	441,568	598,866
Invitational golf tournament	-	20,000
100 K for United Way	33,110	46,295
Warden's Gala Dinner	32,776	74,890
Celebration and spirit awards	1,830	-
Major gifts and partnerships for special events	5,000	-
Third party special events	960	26,919
Donations and fundraising	1,178,471	1,371,845
Other		
Funds transferred to other UWs-C	(4,853)	(5,832)
Funds transferred from other UWs-C	520,176	696,101
Gross campaign achievement	1,693,794	2,062,114

United Way of Greater Simcoe County
Schedule of Expenditures

Schedule 2

Year ended March 31	2016	2015
	\$	\$
Agency allotments		
Big Brothers Big Sisters Barrie	161,393	177,607
Borden Family Resource Centre	29,894	32,565
The Boys & Girls Club of North Simcoe	38,025	42,050
Canadian Hearing Society	23,400	25,000
Canadian Mental Health	29,988	33,571
Canadian Mental Health, York Region	54,000	60,000
Canadian National Institute for the Blind	27,900	30,000
Catholic Family Services of Simcoe County	82,800	90,000
Child Youth and Family Services Muskoka	-	32,325
Community Reach	95,055	153,550
CONTACT South Simcoe	-	2,000
Deaf Access Simcoe	48,600	52,602
Georgian Triangle Residential	39,600	41,000
Gateway Centre for Learning	23,400	25,000
Independent Living Services	-	19,730
John Howard Society of Simcoe County	48,600	52,000
Season Centre for Grieving Children	22,500	25,000
Simcoe Community Services	63,900	70,000
Youth Haven Barrie	18,000	18,000
Total allotment payable	807,055	1,000,000
Underallotment to agencies in previous years	-	1,079
Total allotment expenditure	807,055	1,001,079

**United Way of Greater Simcoe County
Schedule of Expenditures (Continued)**

**Schedule 2
Page 2**

Year ended March 31

2016

2015

\$

\$

Community development

Amortization	34,806	19,478
General and office	347,524	267,557
Salaries and employee benefits	858,329	526,164
United Way of Canada - membership fees	15,678	16,550
Telephone - 211 Expenses	32,500	25,000
	1,288,837	854,749

Fundraising

Amortization	8,163	12,477
General and office	96,530	138,395
Direct campaign costs	6,616	7,930
Special event related costs	26,461	57,650
Salaries and employee benefits	350,317	445,692
	488,087	662,144

United Way of Greater Simcoe County**Schedule 3****Schedule of Administrative Fees on Grants Administered**

Year ended March 31

	2016		2015	
	Grant Administered	Admin fee	Grant Administered	Admin fee
	\$	\$	\$	\$
Eat Well to Excel	26,855	-	11,234	-
Homelessness Partnership Strategy	923,818	159,144	893,009	174,444
Orillia Community Kitchens	-	-	2,042	-
LEAP Emergency Financial Assistance	4,624,547	815,550	2,672,894	471,476
OESP Administrative fee	-	35,070	-	-
	5,575,220	1,009,764	3,579,179	645,920

The organization administers certain grant funding on behalf of grantors to support the programs detailed above. In its capacity as agent in administering these grants, the organization receives an administrative fee. The grants received and disbursed are reported on a net basis in the statement of operations.