

**UNITED WAY OF HALTON HILLS**  
**Financial Statements**  
**Year Ended March 31, 2017**

**UNITED WAY OF HALTON HILLS**

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**Year Ended March 31, 2017**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of  
United Way Of Halton Hills

We have audited the accompanying financial statements of United Way Of Halton Hills, which comprise the statement of financial position as at March 31, 2017 and the statements of revenues and expenditures, 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 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 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.

*(continues)*

*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 of 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 contributions, excess of revenues over expenses, current assets and net assets.

*Qualified Opinion*

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of United Way Of Halton Hills as at March 31, 2017 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.

Halton Hills, Canada  
June 29, 2017

*Grant Thornton LLP*

Chartered Professional Accountants  
Licensed Public Accountants

**UNITED WAY OF HALTON HILLS**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2017**

	2017	2016
<b>FUNDRAISING REVENUE</b>		
Campaign revenue	\$ 205,104	\$ 222,828
Funds received from other United Ways	135,902	162,580
Allowance for pledge loss	300	(5,490)
<b>TOTAL FUNDRAISING REVENUE</b>	<b>341,306</b>	<b>379,918</b>
<b>OTHER REVENUE</b>		
Interest	1,589	2,234
Other contributions including grant income	6,986	5,847
	<b>8,575</b>	<b>8,081</b>
<b>TOTAL REVENUE</b>	<b>349,881</b>	<b>387,999</b>
<b>OPERATING EXPENDITURES</b>		
Fundraising	87,548	88,353
Program	57,011	56,144
	<b>144,559</b>	<b>144,497</b>
<b>NET REVENUE AVAILABLE FOR PROGRAM FUNDING</b>	<b>205,322</b>	<b>243,502</b>
<b>PROGRAM FUNDING</b>		
Schedule of Board Approved Allocations <i>(Schedule 1)</i>	(195,100)	(230,200)
Schedule of Donor Designated Allocations <i>(Schedule 2)</i>	(5,336)	(5,632)
	<b>(200,436)</b>	<b>(235,832)</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER OPERATING EXPENDITURES AND PROGRAM FUNDING</b>	<b>\$ 4,886</b>	<b>\$ 7,670</b>

**UNITED WAY OF HALTON HILLS**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2017**

	General fund	Contingency reserve fund	Invested in capital assets	<b>2017</b>	2016
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 180,432	\$ 90,000	\$ 2,150	\$ <b>272,582</b>	\$ 264,912
Excess of revenue over operating expenditures and program funding	6,106	-	(1,220)	<b>4,886</b>	7,670
Transfer to invested in capital assets	-	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ <b>186,538</b>	\$ 90,000	\$ 930	\$ <b>277,468</b>	\$ 272,582

The accompanying notes are an integral  
part of these financial statements

**UNITED WAY OF HALTON HILLS****Statement of Financial Position****March 31, 2017**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 182,671	\$ 202,737
Campaign pledges receivable (Note 2)	205,139	218,657
Prepaid expenses	4,206	1,349
	<b>392,016</b>	<b>422,743</b>
<b>CAPITAL ASSETS (Note 3)</b>	<b>930</b>	<b>2,150</b>
<b>CASH - CONTINGENCY RESERVE FUND</b>	<b>90,000</b>	<b>90,000</b>
	<b>\$ 482,946</b>	<b>\$ 514,893</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 9,115	\$ 10,531
Government remittances	1,263	1,580
Allocations payable	195,100	230,200
	<b>205,478</b>	<b>242,311</b>
<b>NET ASSETS</b>		
General fund	186,538	180,432
Contingency reserve fund	90,000	90,000
Invested in capital assets	930	2,150
	<b>277,468</b>	<b>272,582</b>
	<b>\$ 482,946</b>	<b>\$ 514,893</b>

LEASE COMMITMENT (Note 4)

**ON BEHALF OF THE BOARD**\_\_\_\_\_  
Director\_\_\_\_\_  
DirectorThe accompanying notes are an integral  
part of these financial statements

**UNITED WAY OF HALTON HILLS****Statement of Cash Flows****Year Ended March 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess of fundraising revenue over operating expenditures and program funding	\$ 4,886	\$ 7,670
Item not affecting cash:		
Amortization of capital assets	1,219	1,585
	<b>6,105</b>	<b>9,255</b>
Changes in non-cash working capital:		
Campaign pledges receivable	13,518	(2,228)
Prepaid expenses	(2,857)	215
Accounts payable	(1,415)	2,535
Government remittances	(317)	(38)
Allocations payable	(35,100)	11,216
	<b>(26,171)</b>	<b>11,700</b>
Cash flow from (used by) operating activities	<b>(20,066)</b>	<b>20,955</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	-	(1,414)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(20,066)</b>	<b>19,541</b>
Cash - beginning of year	<b>292,737</b>	<b>273,196</b>
<b>CASH - END OF YEAR</b>	<b>\$ 272,671</b>	<b>\$ 292,737</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 182,671	\$ 202,737
Cash - Contingency reserve fund	90,000	90,000
	<b>\$ 272,671</b>	<b>\$ 292,737</b>

The accompanying notes are an integral part of these financial statements



**UNITED WAY OF HALTON HILLS****Schedule of Board Approved Allocations  
(Schedule 1)****Year Ended March 31, 2017**

	2017	2016
<b>FUNDED AGENCIES</b>		
Distress Centre North Halton	\$ 39,600	\$ 36,000
Support and Housing Halton	17,000	18,000
Big Brothers and Sisters of Halton	16,700	16,700
Thrive Counselling	15,000	-
Nelson Youth Centres	10,925	10,925
Community Living North Halton	10,750	11,950
Radius Child and Youth Services	10,404	11,404
Links2Care	10,000	34,000
Literacy North Halton	8,323	9,323
Food for Life - Halton	7,870	8,870
Canadian Mental Health Association	7,000	7,000
S.T.R.I.D.E.	6,500	7,000
Halton Child and Youth Services (ROCK)	6,000	6,000
Girls Inc.	5,680	6,680
St. John Ambulance	5,202	5,202
Alcohol, Drug and Gambling Assessment, Prevention and Treatment Service	5,100	6,100
Elizabeth Fry Society	5,000	5,000
Lighthouse Program for Grieving Children	3,121	3,121
Hope Place Centres	2,825	3,825
Acclaim Health	2,100	2,100
Halton Family Services	-	16,000
Food 4 Kids	-	5,000
<b>TOTAL BOARD APPROVED ALLOCATIONS</b>	<b>\$ 195,100</b>	<b>\$ 230,200</b>

The accompanying notes are an integral  
part of these financial statements

**UNITED WAY OF HALTON HILLS****Schedule of Donor Designated Allocations  
(Schedule 2)****Year Ended March 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>DONOR DESIGNATIONS TO OTHER CHARITIES</b>		
Georgetown Bread Basket	\$ 2,000	\$ 2,420
United Way of Kingston	1,000	-
Cancer Assistance Services of Halton Hills	600	440
Upper Credit Humane Society	550	590
United Way of Milton	390	650
Big Brothers Big Sisters	234	1,000
Friends of the Halton Hills Libraries	202	250
United Way of Guelph	130	52
United Way of Oxford County	120	120
United Way of Burlington/GT Hamilton	60	60
Juvenile Diabetes Research Foundation	50	-
Kidney Foundation	-	50
<b>TOTAL DONOR DESIGNATED ALLOCATIONS</b>	<b>\$ 5,336</b>	<b>\$ 5,632</b>

# UNITED WAY OF HALTON HILLS

## Notes to Financial Statements

Year Ended March 31, 2017

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The United Way of Halton Hills is an organization which allocates funds collected from their annual fundraising campaign to funded agencies based on the funding priorities identified by United Way of Halton Hills and the services provided by the agencies. The organization is incorporated under the Ontario Corporations Act as a not-for-profit organization and is exempt from income tax per Section 149(2)(L) of the Income Tax Act.

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

#### Fund accounting

The organization follows the restricted fund method of accounting for contributions.

The operating fund includes the revenue and expenditures related to the operations of the organization. The excess is allocated to the various member agencies and other member organizations.

The contingency reserve fund is set up to be able to be used in the event that, should the United Way of Halton Hills experience a cash shortfall, the organizations relying on the funding would still be able to receive one quarter's funding. The reserve fund is \$90,000 to comply with United Way of Canada's recommended formula.

Revenues and expenditures are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been settled by the receipt or payment of money.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

Financial instruments policy

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

- cash
- accounts receivable
- accounts payable
- government remittances

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, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the organization is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The organization subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost includes cash and accounts receivable.

Financial liabilities measured at amortized cost includes accounts payable and government remittances.

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.

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# UNITED WAY OF HALTON HILLS

## Notes to Financial Statements

Year Ended March 31, 2017

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Measurement uncertainty

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revisions. Many items in the preparation of these financial statements require management's best estimate based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Examples of significant estimates include:

- the allowance for pledge loss;
- the estimated useful lives of capital assets;
- the allocation of expenditures by function.

#### Interfund transfers

Interfund transfers are not recorded in the statement of operations; they are recorded in the related fund statements as additions or deductions, as applicable.

#### Cash equivalents

Cash equivalents consist of short term investments with an initial maturity of three months or less.

#### Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Computer software	3 years	straight-line method
Furniture and fixtures	2 years	straight-line method

The organization regularly reviews its capital assets to eliminate obsolete items.

#### Revenue recognition

Campaign revenue is recorded when pledged and collection is reasonably assured.

Other income, such as interest revenue, is recognized when it is received.

#### Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty of determining the fair value, contributed services are not recognized or disclosed in the financial statements.

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**UNITED WAY OF HALTON HILLS****Notes to Financial Statements****Year Ended March 31, 2017****2. CAMPAIGN PLEDGES RECEIVABLE**

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	2017	2016
Pledges receivable	\$ 217,515	\$ 228,940
HST recoverable	1,114	3,508
Allowance for pledge loss	(13,491)	(13,791)
	<b>\$ 205,138</b>	<b>\$ 218,657</b>

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**3. CAPITAL ASSETS**

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Computer equipment	\$ 6,625	\$ 5,695	\$ 930	\$ 1,849
Computer software	3,614	3,614	-	301
Furniture and fixtures	574	574	-	-
	<b>\$ 10,813</b>	<b>\$ 9,883</b>	<b>\$ 930</b>	<b>\$ 2,150</b>

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**4. LEASE COMMITMENT**

The organization leases office space and is committed under the terms of a lease agreement that expire October 31, 2021. The minimum lease payments are as follows:

2018	\$ 8,156
2019	8,238
2020	8,320
2021	8,403

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**5. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2017.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from its pledges receivable. An allowance for doubtful pledges is established based upon historical trends.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable, Government remittances and allocations payable.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency rate risk, interest rate risk and other price risk. The organization is not exposed to significant market risk.

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# UNITED WAY OF HALTON HILLS

## Notes to Financial Statements

Year Ended March 31, 2017

### 6. ALLOCATION OF EXPENDITURES BY FUNCTION

The statement of revenue and expenditures presents the expenditures by function. The general management and administration expenditures have been allocated by management to the functions based on an estimated usage by each function. General management and administrative expenditures are allocated as follows:

Fundraising: 58% (2016 - 58%)

Program: 42% (2016 - 42%)

Campaign expenditures are allocated 100% to fundraising.

Allocation expenditures are allocated 100% to program.

Salaries and benefits expenditures are allocated as follows:

Fundraising: 48% (2016 - 48%)

Program: 37% (2016 - 37%)

Administration: 15% (2016 - 15%)

Note that salaries and benefits allocated to administration have been re-allocated in the same manner as other general management and administrative expenditures.

The details of the expenditures allocated are as follows:

	2017	2016
<b>Expenditures</b>		
Salaries and benefits	\$ 75,027	\$ 72,743
Rent	11,799	11,392
Campaign expenses	11,141	13,072
Office	10,764	6,135
Bookkeeping	9,292	10,885
Professional fees	6,936	8,716
Insurance	5,285	5,090
Memberships	3,321	3,625
Telephone	3,299	2,684
Meeting and travel	2,551	5,074
Conferences and training	1,473	1,935
Amortization	1,219	1,585
Volunteer expenses	935	310
Advertising and promotion	646	571
Allocations	486	642
Interest and bank charges	385	38
<b>Total expenditures</b>	<b>144,559</b>	<b>144,497</b>
<b>Allocation</b>		
Fundraising	87,548	88,353
Program	57,011	56,144
<b>Total allocation</b>	<b>\$ 144,559</b>	<b>\$ 144,497</b>



# UNITED WAY OF HALTON HILLS

## Notes to Financial Statements

Year Ended March 31, 2017

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### 7. SUBSEQUENT EVENT

Immediately subsequent to year end the United Way of Halton Hills amalgamated with the United Way of Oakville, the United Way of Burlington & Greater Hamilton and the United Way of Milton with the objective to carry on their operations under a single new organization. The new organization effective, April 1, 2017, is operating under the name of United Way of Halton & Hamilton.

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