

BRANT UNITED WAY
FINANCIAL STATEMENTS
For the year ended March 31, 2018

BRANT UNITED WAY

For the year ended March 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Brant United Way

We have audited the accompanying financial statements of Brant United Way, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flows for the year 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.

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 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.

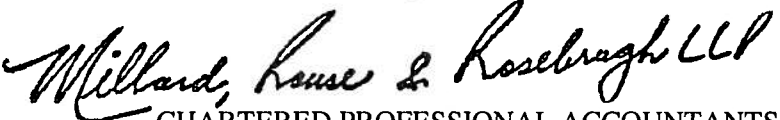
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many non-profit organizations, Brant United Way derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Brant United Way. Therefore, we were not able to determine whether any adjustments might be necessary to net assets as at March 31, 2018 and to fundraising revenue, excess of revenue over expenses and cash flows from operations for the year then ended. Our audit opinion on the financial statements for the year ended March 31, 2017 was also modified accordingly because of the possible effects of this limitation of scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Brant United Way as at March 31, 2018 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.


CHARTERED PROFESSIONAL ACCOUNTANTS

August 22, 2018
Brantford, Ontario

Licensed Public Accountants

BRANT UNITED WAY

STATEMENT OF FINANCIAL POSITION

As at March 31	2018	2017
ASSETS		
Current Assets		
Cash and bank	504,678	400,575
GIC investment	385,246	379,072
Pledges receivable (Note 3)	447,296	644,827
Other receivables	8,769	-
Prepaid expenses	14,611	15,104
Recoverable HST	7,256	5,141
	1,367,856	1,444,719
Property, Plant and Equipment (Note 4)	1,398	1,996
Internally Restricted Reserve Investments		
Cash and bank	166,650	157,257
GIC investment	169,188	174,364
Marketable securities (Note 2(f))	25,018	25,227
Due from unrestricted fund	151,103	155,320
	511,959	512,168
	1,881,213	1,958,883
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	60,454	42,409
Allocations payable	1,122,957	1,162,472
Payroll taxes payable	181	3,832
Deferred revenue	31,640	20,687
Due to internally restricted reserve	151,103	155,320
	1,366,335	1,384,720
Net Assets		
Net assets invested in property, plant and equipment	1,398	1,996
Net assets - internally restricted reserve (Note 8)	511,959	512,168
Net assets - unrestricted	1,521	59,999
	514,878	574,163
	1,881,213	1,958,883

See accompanying notes

BRANT UNITED WAY

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31	Invested in Property Plant and Equipment	Internally Restricted	Unrestricted	Total 2018	Total 2017
Balance - Beginning of Year	1,996	512,168	59,999	574,163	521,930
Excess/(deficiency) of revenue over expense	-	-	(59,285)	(59,285)	52,233
Amortization	(598)	-	598	-	-
Investment income	-	5,348	(5,348)	-	-
Unrealized gain on investments	-	(209)	209	-	-
Transfer from internally restricted	-	(5,348)	5,348	-	-
Balance - End of Year	1,398	511,959	1,521	514,878	574,163

BRANT UNITED WAY

STATEMENT OF OPERATIONS

For the year ended March 31	2018	2017
Revenue		
Donations (Note 2(b))	1,563,734	1,688,154
Funds transferred from other United Ways	56,156	75,875
Gross campaign revenue	1,619,890	1,764,029
Pledge loss	(40,237)	(45,032)
Net campaign revenue	1,579,653	1,718,997
Wage recoveries	11,924	12,870
Donations for campaign salary costs	-	17,536
Investment income	6,312	6,053
Other revenue	10,006	5,000
Winter warmth program	-	14,611
Sponsorships	100	17,751
Investment income - internally restricted reserve	5,348	4,559
Unrealized gain/(loss) on investments - internally restricted reserve	(209)	3,883
	1,613,134	1,801,260
Expenses		
Fundraising expenses (Page 6)	401,030	371,919
Funds Available for Distribution	1,212,104	1,429,341
Distributions and Community Programs and Services Expenses		
Community program expenses (Page 6)	183,577	226,600
Allocations to Agencies/Programs (Note 2(c)) (Page 7)	1,063,732	1,051,000
Community Impact Grants (Note 2(c)) (Page 8)	-	75,000
United Way Canada affiliation fees	15,827	19,485
Donor choice designations to other United Ways	8,253	5,023
	1,271,389	1,377,108
Excess/(deficiency) of Revenue over Expenses	(59,285)	52,233

BRANT UNITED WAY

SCHEDULE OF MANAGEMENT AND ADMINISTRATION EXPENSES

For the year ended March 31	2018	2017
Salaries	84,021	97,966
CPP, EI, WSIB	5,703	8,318
Group insurance and pension	8,607	12,425
Memberships	2,038	2,398
Professional fees	25,569	15,078
Insurance	4,569	4,486
Office equipment lease and service	8,893	7,369
Office expense	16,242	12,928
Postage	5,151	3,854
Bank charges	6,775	4,997
Occupancy costs	34,367	33,773
Telephone	5,474	7,144
Travel allowance and conferences	4,625	4,346
Amortization	598	856
	212,632	215,938
Allocation to fundraising expenses (Note 2(e))	(146,737)	(149,019)
Allocation to community program expenses (Note 2(e))	(65,895)	(66,919)
	-	-

BRANT UNITED WAY

SCHEDULE OF FUNDRAISING EXPENSES

For the year ended March 31	2018	2017
Conference and meetings	-	734
Printing, stationery and office supplies	13,134	14,816
Membership dues and subscriptions	786	3,274
Publicity, education and video	9,711	13,089
Salaries	168,043	118,750
Donated campaign salaries	-	13,286
CPP, EI, WSIB	11,405	10,170
Group insurance and pension	15,788	10,353
Travel	1,854	2,872
Special events	33,572	35,556
	254,293	222,900
Allocation from management and administration expenses (Page 5)	146,737	149,019
	401,030	371,919

SCHEDULE OF COMMUNITY PROGRAM EXPENSES

For the year ended March 31	2018	2017
Salaries	84,021	108,959
CPP, EI, WSIB	5,703	7,699
Group insurance and pension	7,687	7,527
Ontario 211 program	16,281	16,281
Winter warmth program	-	14,611
Community program costs	3,990	4,604
	117,682	159,681
Allocation from management and administration expenses (Page 5)	65,895	66,919
	183,577	226,600

BRANT UNITED WAY

SCHEDULE OF ALLOCATIONS TO AGENCIES/PROGRAMS

For the year ended March 31	2018	2017
Member Agencies:		
Adult Recreation Therapy Centre	66,402	66,402
Big Brothers Big Sisters Grand Erie	50,000	60,000
Boys & Girls Club of Brantford	40,000	34,782
Brant Food for Thought	26,000	25,500
Brant Skills Centre	23,562	23,562
Brantwood Community Services	74,820	74,290
Canadian Hearing Society	67,000	66,300
Canadian Red Cross Society	45,900	77,520
CNIB	47,940	47,940
Community Resource Service	55,177	51,000
Crossing all Bridges Learning Centre Inc.	35,000	35,000
Family Counselling Centre of Brant	147,900	147,900
Kids Can Fly	34,000	34,000
Navy League of Canada - Brantford Branch	23,500	23,460
Nova Vita Domestic Violence Prevention Services	90,564	83,545
Sexual Assault Centre of Brant	45,000	34,680
Victim Services of Brant	57,500	44,000
YMCA of Hamilton/Burlington/Brantford	77,952	78,336
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Donations designated to other Agencies	1,008,217	1,008,217
	55,515	42,783
	<hr/>	<hr/>
	1,063,732	1,051,000
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SCHEDULE OF COMMUNITY IMPACT GRANTS

For the year ended March 31	2018	2017
Community Impact Grant One Time Funding Allocations:		
Brant Community Church - Food Outreach Program	-	2,000
Brant Community Foundation - Vital signs report	-	7,500
Brant Family and Children's Services Foundation - Children's Educational Colouring Book	-	5,000
Brant Family and Children's Services Foundation - Summer Camp and Mighty Kamptastic	-	4,150
Child Hunger Brantford - Kids Lunch Club	-	10,000
Friendship House of Brant - Kids Cooking Club	-	4,000
Helping Ourselves through Peer Support - After Hours Peer - Support (Canadian Mental Health)	-	10,790
Kids Can Fly - Parachute Program	-	7,000
Lansdowne Children's Centre - Therapeutic Horticulture Program	-	5,200
RPlaces - Anger Management Program (adult mental health)	-	2,000
Strong Start - Letters, Sounds and Words Program	-	4,000
Why Not City Missions - Youth Meal Program	-	2,800
Woodview Mental Health and Autism Services - Camp Unity	-	10,560
	-	75,000

BRANT UNITED WAY

STATEMENT OF CASH FLOWS

For the year ended March 31	2018	2017
Cash Flows From Operating Activities		
Excess/(deficiency) of Revenue over Expenses	(59,285)	52,233
Charges (credits) to income not involving cash		
Amortization	598	856
Unrealized (gain)/loss on investments	209	(3,883)
	(58,478)	49,206
Net change in non-cash working capital balances related to operations	172,972	(256,308)
	114,494	(207,102)
Cash Flows From Investing Activities		
Cash - restricted reserve	(9,393)	1,463
GIC investment - restricted reserve	5,176	(4,957)
	(4,217)	(3,494)
Net Increase in Cash and Cash Equivalents	110,277	(210,596)
Opening Cash and Cash Equivalents	779,647	990,243
Closing Cash and Cash Equivalents	889,924	779,647
Cash and Cash Equivalents Composed of:		
Cash on hand - unrestricted	504,678	400,575
GIC investments - unrestricted	385,246	379,072
	889,924	779,647

See accompanying notes

BRANT UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

1. PURPOSE

The Brant United Way is a registered charity under the Income Tax Act and was incorporated by Letters Patent on May 25, 1946. The Brant United Way exists to connect community resources with community needs for the purpose of enhancing community life and to build a stronger, healthier community. Brant United Way improves people's lives by mobilizing the caring power of the community.

2. 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.

(a) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(b) Revenue Recognition

The Brant United Way follows the deferral method of accounting for contributions.

Pledges received or receivable on account of the current year's campaign are recorded as revenue at the time the pledge is made and are recognized as income in the current year.

A provision for uncollectible pledges is recorded to reduce pledges receivable and revenue.

Certain United Ways are requested to act on behalf of employers and employee groups as the coordinator of their national campaigns and to receive and disburse funds on behalf of other United Ways within local communities. The Brant United Way accounts for these funds as follows:

i) Funds received from other United Ways:

Funds from other United Ways are reported separately in revenue when received.

ii) Funds received for other United Ways:

Funds received for other United Ways are included in the campaign amount when received and reported as a reduction of total campaign revenue.

Grants and sponsorships are recorded in the year in which they are received or receivable. Grants received or receivable relating to property, plant and equipment acquisitions are applied to the cost of the asset and amortized as noted in note 2(d).

Refunds from member agencies and interest income are recognized as revenue as they are received or as they become known to be a receivable.

Donated goods, materials and services, if significant, are recorded in the accounts when a fair value can reasonably be estimated.

Investment income includes dividends and interest.

(c) Member Agency Allocations

Allocations to agencies/programs reflected in the statement of operations are funds committed to fund community organizations as of the fiscal year end to be paid out subsequent to year end and are funded from the most recently completed campaign. The allocation year is from April 1 to March 31, while the campaign year is on a calendar basis.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(d) Property, Plant and Equipment

Property, plant and equipment acquisitions, net of funding or grants received, are stated at cost. Amortization is provided for in the accounts as follows:

Telephone system	30% declining balance
Computer equipment	30% declining balance
Office equipment	30% declining balance

In the year of acquisition, amortization is provided for at one-half of the above rates. No amortization is provided for in the year of disposal.

(e) Allocation of Costs

The organization provides administrative support to campaign fundraising and community program services. Administration costs are allocated to these programs based on the service volume of each program.

(f) Financial Instruments

Brant United Way measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

The financial assets subsequently measured at amortized cost include cash, term deposits and pledges receivable. The financial liabilities measured at amortized cost include the trade accounts payable, allocations payable and accrued liabilities. Marketable securities are measured at market value which approximates fair value. (2018 and 2017 cost - \$7,709). The annual change in fair value is reported in the statement of operations.

(g) Cash and Cash Equivalents

Cash and cash equivalents are composed of cash on hand, bank balances and GIC investments with a maturity period of six months or less from the date of acquisition.

3. PLEDGES RECEIVABLE	2018	2017
2018 campaign	1,550	-
2017 campaign	469,690	6,296
2016 campaign	52,242	641,596
2015 campaign	-	69,100
	523,482	716,992
Allowance for uncollected pledges - 2017	40,237	-
Allowance for uncollected pledges - 2016	35,949	36,960
Allowance for uncollected pledges - 2015	-	35,205
	447,296	644,827

BRANT UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

4. PROPERTY, PLANT AND EQUIPMENT	Cost	Accumulated Amortization	2018	2017
Telephone system	4,135	4,129	6	9
Computer equipment	19,703	19,026	677	966
Office equipment	7,151	6,436	715	1,021
	30,989	29,591	1,398	1,996

5. RELATED PARTY TRANSACTIONS

During the year the Brant United Way made no purchases of products or services from companies in which a member of the board is either an owner, partner or senior manager of the company.

	2018	2017
CKPC	-	6,135

The related party transactions were incurred in the normal course of operations and are recorded at the exchange value. This value corresponded to the consideration agreed upon by the parties and is determined based on the costs incurred. At year end, no amounts were due from or to related parties.

6. FINANCIAL INSTRUMENTS

The significant risks to which the organization is exposed are market risk and credit risk.

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. The organization's investment in publicly traded securities exposes the organization to market risk as this investment is subject to price changes in the open market. The organization does not use derivative financial instruments to alter the effects of this risk. As a result of the organization's investment policies, the risk of significant market losses is considered remote.

Credit Risk

The organization's exposure to credit risk relates to its pledges receivable. The risk of significant credit loss is considered remote.

There has been no change to these risks compared to the prior year.

BRANT UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

7. COMMITMENTS

The Brant United Way is committed to the lease of business premises in Brantford for ten years. The minimum annual lease costs are \$16,007 - \$24,738 over the term of the lease and the lease expires on September 30, 2021. Additionally, the organization is committed to the lease of office equipment for a period of five years. The minimum annual lease costs are \$5,406 and the lease expires on July 11, 2020.

The Brant United Way is committed to the support of Ontario 211 Services. The minimum annual contribution costs are \$16,281 over the term of the agreement, which expires on March 31, 2020.

8. INTERNAL RESTRICTION ON NET ASSETS

The board of directors of Brant United Way has implemented a policy to establish a restricted reserve fund to maintain operational and financial stability. The restricted reserve fund is available to cover an unexpected significant financial event, including but not limited to, the potential dissolution of Brant United Way, a major shortfall in an annual campaign or unexpected necessary expenditures, all of which would affect the ability of Brant United Way to financially support its member agencies. It is also available to cover the Community Impact Grants if the organization determines that there is a need that cannot be funded from current operations.

The use of this internally restricted fund is at the discretion of the board of directors.

9. COMPARATIVE FIGURES

Certain of the prior year's figures, provided for purposes of comparison, have been reclassified to conform with the current year's presentation.