

**United Way of Peterborough
and District
Financial Statements**
For the period ended March 31, 2016

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Independent Auditor's Report

To the Board of Directors of United Way of Peterborough and District

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Peterborough and District, which comprise the statement of financial position as at March 31, 2016, and the statements of operations and changes in fund balances, 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 audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, United Way of Peterborough and District derives revenue from campaign contributions and other 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 revenue, excess of revenue over expenditure, assets and fund balances.



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 statement of financial position of United Way of Peterborough and District as at March 31, 2016 and the statements of operations and fund balances and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

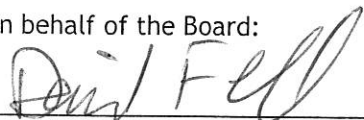
BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Peterborough, Ontario
June 27, 2016

United Way of Peterborough and District Statement of Financial Position

	Operating Fund	Endowment Fund	March 31 2016	March 31 2015
Assets				
Current				
Cash and bank (Note 3)	\$ 389,913	\$ 14,420	\$ 404,333	\$ 270,041
Short term investments (Note 4)	-	101,424	101,424	51,898
Pledges receivable	99,666	-	99,666	92,881
Interest and other receivables	17,451	10,343	27,794	28,335
Prepaid expenses	19,612	-	19,612	35,430
Due from (to) other funds	63,454	(63,454)	-	-
	590,096	62,733	652,829	478,585
Investments (Note 4)	4,040	1,474,304	1,478,344	1,762,302
Capital assets (Note 5)	46,825	-	46,825	59,453
	\$ 640,961	\$ 1,537,037	\$ 2,177,998	\$ 2,300,340
Liabilities and Funds Balances				
Current Liabilities				
Accounts payable and accruals	\$ 181,702	\$ 3,305	\$ 185,007	\$ 139,327
Deferred revenue (Note 6)	31,325	-	31,325	45,449
	213,027	3,305	216,332	184,776
Contributed equity in capital assets (Note 7)	25,000	-	25,000	25,000
	238,027	3,305	241,332	209,776
Fund Balances				
Unrestricted	-	-	-	(323,710)
Internally restricted (Note 8a)	244,742	6,319	251,061	741,219
Externally restricted (Note 8b)	158,192	1,527,413	1,685,605	1,673,055
	402,934	1,533,732	1,936,666	2,090,564
	\$ 640,961	\$ 1,537,037	\$ 2,177,998	\$ 2,300,340

On behalf of the Board:



Director



Director

United Way of Peterborough and District Statement of Operations and Changes in Fund Balances

For the year ended March 31	Operating Fund	Endowment Fund	2016	3 month period ended March 31 2015
Revenue				
Campaign contributions	\$1,462,128	\$ -	\$1,462,128	\$ 233,536
Funds received from other United Ways	444,621	-	444,621	82,213
Total campaign income	1,906,749	-	1,906,749	315,749
Investment income (Note 9)	487	6,402	6,889	28,745
Program income	14,008	-	14,008	1,200
Grants (Note 10)	183,093	-	183,093	37,874
Nevada income	15,076	-	15,076	5,470
Other donations	8,749	12,550	21,299	3,029
Total revenue	2,128,162	18,952	2,147,114	392,067
Expenditures				
Community & Program Funding				
Allocations to Member Agencies				
- Schedule A	1,256,800	-	1,256,800	377,649
Designations to Member Agencies				
- Schedule A	50,507	-	50,507	-
Designations to other charities	20,297	-	20,297	-
General management and				
administration- Schedule B	170,048	-	170,048	37,664
Organizational & community				
development - Schedule B	308,606	-	308,606	62,971
Labour program - Schedule B	56,792	-	56,792	16,140
Homelessness project	125,616	-	125,616	29,636
United Way of Canada membership fees	23,293	-	23,293	5,148
Fundraising				
Investment management fees	-	13,010	13,010	3,495
Campaign expenses - Schedule B	276,043	-	276,043	62,169
Total expenditures	2,288,002	13,010	2,301,012	594,872
Excess (deficiency) of revenue over expenditure	(159,840)	5,942	(153,898)	(202,805)
Fund Balances, Beginning of Period	530,717	1,559,847	2,090,564	2,293,369
Interfund Transfers (Note 11)	32,057	(32,057)	-	-
Fund Balances, End of Period	\$ 402,934	\$1,533,732	\$1,936,666	\$ 2,090,564

United Way of Peterborough and District Statement of Cash Flows

For the year ended March 31	Operating Fund	Endowment Fund	2016	3 month period ended March 31 2015
Cash provided by (used in)				
Operating activities				
Excess (deficiency) of revenue over expenses	\$ (159,840)	\$ 5,942	\$ (153,898)	\$ (202,805)
Items not involving cash				
Amortization	12,628	-	12,628	3,318
Change in unrealized loss on investments	-	38,179	38,179	208,130
	(147,212)	44,121	(103,091)	8,643
Changes in non-cash working capital items				
Pledges receivable	(6,785)	-	(6,785)	88,550
Interest and other receivables	7,072	(6,531)	541	16,410
Prepaid expenses	15,818	-	15,818	(21,120)
Accounts payable and accrued liabilities	42,375	3,305	45,680	7,096
Deferred campaign contributions	(14,124)	-	(14,124)	39,953
Due from (to) other funds	204,681	(204,681)	-	-
	101,825	(163,786)	(61,961)	139,532
Investing activities				
Purchase of capital assets	-	-	-	(306)
Net sale (purchase) of investments	(1,805)	198,058	196,253	(225,521)
	(1,805)	198,058	196,253	(225,827)
Financing activities				
Interfund transfers	27,788	(27,788)	-	-
Increase (decrease) in cash during the year	127,808	6,484	134,292	(86,295)
Cash - beginning of year	262,105	7,936	270,041	356,336
Cash - end of year	\$ 389,913	\$ 14,420	\$ 404,333	\$ 270,041

United Way of Peterborough and District Notes to the Financial Statements

March 31, 2016

1. Nature of Operations

United Way of Peterborough and District ("the organization") is a provincially incorporated not-for-profit, charitable organization serving Peterborough City and County. The organization has adopted the mission "to improve lives and build communities by engaging individuals and mobilizing collective action".

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements have been prepared using Canadian Accounting Standards for Not-for-Profit Organizations.

(b) Fund Accounting

In order to ensure observance of limitation and restrictions placed on the use of the resources available to the organization, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified. These funds are classified as follows:

Operating fund - includes the results of day-to-day administrative and operating transactions.

Endowment fund - reflects both externally and internally restricted amounts. The externally restricted component consists of donations that were specifically designated by the donors to be held in perpetuity. The internally restricted component consists of unrestricted donations transferred to the fund, investment income not transferred to the operating fund, and unrealized gains. Donations that have been internally restricted may be disbursed by the organization as approved by the Board of Directors. Interest, dividends and realized gains earned may be disbursed by the organization.

(c) Revenue Recognition

The United Way of Peterborough and District uses the deferral method of accounting. Restricted contributions are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable. Restricted contributions to the Endowment Fund are recorded as revenue when received. Expenses are recorded as incurred.

Investment income is recognized as revenue when earned in the appropriate fund.

Pledges receivable include campaign pledges from other United Ways and corporate and not-for-profit organizations outstanding at the end of the year. Management reviews and adjusts the pledges to their estimated net realizable value.

United Way of Peterborough and District Notes to the Financial Statements

March 31, 2016

2. Summary of Significant Accounting Policies (continued)

(c) Revenue Recognition (continued)

Donors are given the opportunity of directing their donations to any registered Canadian charity. These donations are directed to specified agencies independent of allocations determined by the Board of Directors. Designated donations that have not been disbursed at year end are recorded as deferred campaign contributions on the statement of financial position.

Grant revenue represents funds received from federal, provincial and municipal governments for programs administered by the organization. The related program expenses and grant disbursements are included in the community and program funding section of the statement of operations. Grants are recognized as revenue in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(d) Contributed Services

Donated materials and services are not recorded because the fair market value is not readily determinable.

(e) Expense Allocations

The organization allocates costs to campaign, community programs and general and administrative costs as follows:

	General Management and Administrative Costs (Payroll)	General Management and Administrative Costs (Other)
Campaign	28.0%	30.0%
General management and administration	38.0%	45.0%
Organizational & Community Development	30.7%	22.5%
Labour program	3.3%	2.5%

(f) Capital Assets

Capital assets are recorded at cost. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	25 years
Building equipment	8 years
Office equipment	5 or 8 years

Contributed equity in capital assets represents conditional contributions received by the organization specifically for the purpose of acquiring assets and are not deducted from the cost of the assets.

United Way of Peterborough and District

Notes to the Financial Statements

March 31, 2016

2. Summary of Significant Accounting Policies (continued)

(g) Management 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, pledges receivable, accounts payable and accrued liabilities, deferred campaign contributions, useful lives of capital assets and amortization. Actual results could differ from these and other estimates, the impact of which would be recorded prospectively.

(h) Income Taxes

The United Way of Peterborough and District is registered as a charitable organization under the Income Tax Act (the "Act") and, as such, is exempt from income taxes. In order to maintain its status as a registered charity under the Act, United Way must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

(i) Financial Instruments

All financial instruments are initially recorded at fair value when acquired or issued.

Investments quoted in an active market are subsequently measured at fair value with changes in fair value being recognized on the Statement of Operations in investment income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable.

Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

United Way of Peterborough and District Notes to the Financial Statements

March 31, 2016

3. Cash and Bank

The bank accounts are held at a Canadian chartered bank and earn nominal rates of interest.

4. Investments

	Operating Fund	Endowment Fund	2016	2015
Fixed income	\$ 129	\$ 917,434	\$ 917,563	\$ 274,329
Mutual funds	-	4,961	4,961	728,253
Canadian equities	3,911	418,314	422,225	512,339
Foreign equities	-	235,019	235,019	299,279
	4,040	1,575,728	1,579,768	1,814,200
Less short term	-	101,424	101,424	51,898
Long term	\$ 4,040	\$ 1,474,304	\$ 1,478,344	\$ 1,762,302

Fixed income investments consist of interest-bearing notes earning interest in the range of 1.45% to 5.19% with maturity dates ranging between May 2016 and March 2031.

Cash balances and fixed income investments maturing in the next year are classified as short-term while mutual funds, equities and fixed income investments with later maturity dates are classified as long-term.

5. Capital Assets

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 21,000	\$ -	\$ 21,000	\$ -
Building	74,099	74,099	74,099	74,099
Building equipment	6,314	4,810	6,314	4,456
Office equipment	101,617	77,296	101,617	65,022
	\$ 203,030	\$ 156,205	\$ 203,030	\$ 143,577
Net book value		\$ 46,825		\$ 59,453

United Way of Peterborough and District Notes to the Financial Statements

March 31, 2016

6. Deferred Revenue

Deferred revenue is comprised of the following:

	2016	2015
Designated contributions	\$ 5,965	\$ 20,586
Grants	25,360	24,863
	<u>\$ 31,325</u>	<u>\$ 45,449</u>

7. Contributed Equity in Capital Assets

Contributed equity in capital assets represents conditional contributions received by the organization specifically for the purpose of acquiring such assets. Contributions totaling \$25,000 were received to fund the purchase of the Stewart Street property. The terms on which the contribution was made state that in the event of a wind up of the United Way of Peterborough and District the amount of \$25,000 will be repayable.

United Way of Peterborough and District Notes to the Financial Statements

March 31, 2016

8. Restricted Operating Funds

(a) Internally restricted funds have been restricted by the Board of Directors of the United Way of Peterborough and District and consist of:

	Reserve Fund	Member Agency Hardship Fund	2016	2015
Beginning balance	\$ 687,735	\$ 8,500	\$ 696,235	\$ 721,216
Transfers from/(to) unrestricted	(451,493)	-	(451,493)	(24,981)
Ending balance	<u>\$ 236,242</u>	<u>\$ 8,500</u>	<u>\$ 244,742</u>	<u>\$ 696,235</u>

In accordance with Board policy, the Reserve Fund was created to maintain a maximum of three months of allocation funding to Member Agencies and three months of funding for the organization's operating expenses.

The Partner Agency Hardship Fund is for Partner Agencies to access in the case of an emergency.

(b) Externally restricted funds have been restricted for specific purposes by the donor. The balance consists entirely of the Emergency Disaster Fund which was created as a result of the 2004 Peterborough flood. The purpose of this fund is to assist voluntary sector organizations at a time when a natural disaster impacts the City or County of Peterborough and affects their ability to operate as intended.

9. Investment Income

	Year ended March 31 2016	3 month period ended March 31 2015
Dividends, interest and other	\$ 37,114	\$ 14,435
Realized gains on disposal of investments	7,954	222,440
Change in unrealized losses	(38,179)	(208,130)
	<u>\$ 6,889</u>	<u>\$ 28,745</u>

United Way of Peterborough and District Notes to the Financial Statements

March 31, 2016

10. Grants

	Year ended March 31 2016	3 month period ended March 31 2015
Government of Canada - Homelessness	\$ 146,927	\$ 29,587
City of Peterborough Information Centre	33,316	8,287
Other	2,850	-
	<u>\$ 183,093</u>	<u>\$ 37,874</u>

11. Interfund Transfers

The interest, dividends and realized gains, net of fees, earned in the Endowment Fund are transferred to the Operating Fund on an annual basis, and total \$32,057 (2015 - \$233,153).

12. Change of Reporting Period

In the previous year, the organization received approval from Canada Revenue Agency to change their fiscal year end to March 31.

United Way of Peterborough and District Notes to the Financial Statements

March 31, 2016

13. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise. The value of equity securities changes with stock market conditions, which are affected by market conditions and a general economic outlook. The equity securities are also affected by the future outlook of the company and changes in interest rates (if applicable). The organization is also subject to gains/losses on fluctuations in securities denominated in other than Canadian dollars. These risks are generally outside the control of the organization but are mitigated by the organization's investment policies, which prescribe the asset mix of investments including the amount of foreign content and credit ratings of bond issuers.

(b) Credit risk

The organization has credit risk related to pledges receivable from prior year's campaign and other receivables, which amount to \$117,118 (2015 - \$117,404). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The organization monitors and assesses the collectability of pledges receivable based on past experience to derive a net realizable value. In the opinion of management the credit risk exposure to the organization is low.

(c) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The organization has foreign fixed income investments and equity securities quoted in an active market of \$235,019 (2015 - \$299,279). The organization's investment policies limit the amount of foreign investment content, which mitigates their exposure of losses related to currency fluctuations in these securities. In the opinion of management the currency risk exposure to the organization is low.

(d) Liquidity risk

The organization has liquidity risk related to accounts payable and accrued liabilities of \$185,007 (2015 - \$139,327). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains an adequate amount of cash to cover operating expenses. In the opinion of management the liquidity risk exposure to the organization is low and is not material.

United Way of Peterborough and District Schedule A - Funds Distributed to Member Agencies

	Allocations	Designations	3 month	
			Year ended March 31 2016	period ended March 31 2015
Big Brothers and Big Sisters Association	\$ 90,000	\$ 1,685	\$ 91,685	\$ 27,411
Canadian Mental Health Association	45,000	654	45,654	20,001
Canadian Red Cross, Peterborough, Community Opportunity & Innovation Network	64,800	88	64,888	11,250
Community Care Peterborough	65,004	700	65,704	16,251
Community Counselling and Resource Centre	90,000	542	90,542	47,739
Community Living Peterborough	48,000	588	48,588	12,000
Down Syndrome Association of Peterborough	-	-	-	11,124
Elizabeth Fry Society of Peterborough	60,000	-	60,000	18,618
Fourcast	45,996	-	45,996	-
John Howard Society of Peterborough	60,000	294	60,294	22,086
Kawartha Food Share	-	327	327	-
Kawartha Sexual Assault Centre	42,996	228	43,224	10,749
Kinark Child & Family Services	45,000	32,940	77,940	-
Learning Disabilities Association of Peterborough	69,000	118	69,118	17,250
Multiple Sclerosis Society	-	88	88	8,499
New Canadians Centre - Peterborough	65,004	988	65,992	16,251
PCCHU (Food for Kids)	10,000	-	10,000	-
PARN	39,000	-	39,000	9,750
Peterborough Community Chaplaincy	54,996	-	54,996	13,749
Peterborough Family Resource Centre	60,000	-	60,000	15,000
Peterborough Social Planning Council	-	1,462	1,462	18,174
Peterborough Youth Services	51,996	1,357	53,353	12,999
Schizophrenia Society of Ontario, Peterborough Chapter	-	248	248	11,250
TRACKS	47,004	-	47,004	-
Trent Child Care Inc.	-	126	126	-
Trent Valley Literacy Association	30,000	988	30,988	7,500
Victorian Order of Nurses, Peterborough, Youth Emergency Shelter of Peterborough Inc.	83,004	3,938	86,942	17,499
Y.W.C.A. of Peterborough, Victoria and Haliburton	90,000	3,148	93,148	32,499
	<u>\$ 1,256,800</u>	<u>\$ 50,507</u>	<u>\$ 1,307,307</u>	<u>\$ 377,649</u>

**United Way of Peterborough and District
Schedule B - Schedule of expenses**

	General Management and Administration	Campaign	Organizational and Community Development	Labour Program	Year ended March 31 2016 Total	3 month period ended March 31 2015 Total
Salaries and employee benefits	\$ 236,436	\$ 114,771	\$ 168,718	\$ 44,017	\$ 563,942	\$ 138,240
Office expenses	28,802	8,413	524	-	37,739	9,812
Building occupancy	57,818	-	-	-	57,818	11,652
Conferences, training and recognition	11,490	1,295	1,459	69	14,313	1,484
Printing and public relations	5,306	5,621	1,000	-	11,927	473
Transportation	1,649	258	525	-	2,432	30
Nevada	-	5,940	-	-	5,940	1,780
Workshop	-	-	2,010	-	2,010	-
Professional fees	10,290	-	-	-	10,290	5,726
Amortization	12,628	-	-	-	12,628	3,318
Marketing and miscellaneous	57,867	13,332	178	-	71,377	818
Special projects	-	-	18,181	-	18,181	3,789
Special events	-	2,674	218	-	2,892	1,822
Administration costs distributed to campaign/programs	422,286	152,304	192,813	44,086	811,489	178,944
	(252,238)	123,739	115,793	12,706	-	-
Total 2016	\$ 170,048	\$ 276,043	\$ 308,606	\$ 56,792	\$ 811,489	\$ -
Total 2015	\$ 37,664	\$ 62,169	\$ 62,971	\$ 16,140	\$ -	\$ 178,944