

**UNITED WAY OF PERTH - HURON**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

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## AUDITORS' REPORT

To the Members of  
United Way of Perth - Huron  
Stratford, Ontario

We have audited the accompanying financial statements of **United Way of Perth - Huron**, which comprise the balance sheet as at **March 31, 2014** and the statements of operations, 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.

### 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.

## INDEPENDENT AUDITORS' REPORT - CONTINUED

### Basis for Qualified Opinion

In common with many charitable organizations, the organization derives cash revenue, 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. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, cash flows from operations, assets and net 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 Perth - Huron** as at **March 31, 2014** 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.

Fanner Co.

Professional Corporation

Chartered Accountants

*Authorized to practise public accounting by*

*The Institute of Chartered Accountants of Ontario*

Stratford, Ontario

May 29, 2014

**United Way of Perth - Huron**  
**Balance Sheet**  
As at March 31, 2014

<b>ASSETS</b>					
	<b>General Fund</b>	<b>Capital Asset Fund</b>	<b>Endowment Fund</b>	<b>Total 2014</b>	<b>Total 2013</b>
<b>Current Assets</b>					
Cash	\$ 366,548	\$ -	\$ -	\$ 366,548	\$ 412,539
Cash held in trust	5,728	-	-	5,728	68,673
Short-term investments and accrued interest	845	-	62,327	63,172	60,358
Pledges receivable	428,529	-	-	428,529	419,016
HST receivable	31,902	-	-	31,902	68,199
Prepaid expenses and accounts receivable	68,237	-	-	68,237	32,000
Interfund balances (Note 6)	<u>101,026</u>	<u>(310,761)</u>	<u>209,735</u>	<u>-</u>	<u>-</u>
	<u>1,002,815</u>	<u>(310,761)</u>	<u>272,062</u>	<u>964,116</u>	<u>1,060,785</u>
<b>Property, Plant and Equipment - at cost</b>					
Land	-	100,000	-	100,000	100,000
Building	-	571,672	-	571,672	571,672
Office equipment	-	39,955	-	39,955	39,955
Computer hardware	-	29,719	-	29,719	26,310
Computer software	-	<u>15,556</u>	-	<u>15,556</u>	<u>15,556</u>
	-	756,902	-	756,902	753,493
Less: Accumulated amortization	-	<u>256,539</u>	-	<u>256,539</u>	<u>232,694</u>
	-	<u>500,363</u>	-	<u>500,363</u>	<u>520,799</u>
	<u>\$ 1,002,815</u>	<u>\$ 189,602</u>	<u>\$ 272,062</u>	<u>\$ 1,464,479</u>	<u>\$ 1,581,584</u>

Approved on Behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

(See Accompanying Notes to the Financial Statements)

## United Way of Perth - Huron

### Balance Sheet

As at March 31, 2014

#### LIABILITIES

	General Fund	Capital Asset Fund	Endowment Fund	Total 2014	Total 2013
<b>Current Liabilities</b>					
Line of credit	\$ -	\$ -	\$ -	\$ -	\$ 97,845
Allocations payable	567,380	-	-	567,380	555,000
Liability for designated pledges	30,114	-	-	30,114	35,140
Accounts payable and accrued liabilities	71,843	-	-	71,843	69,445
Funds held in trust	5,728	-	-	5,728	68,673
Deferred grant revenue	<u>41,629</u>	<u>-</u>	<u>-</u>	<u>41,629</u>	<u>61,032</u>
	716,694	-	-	716,694	887,135
Current portion of long-term liabilities	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
	<u>721,694</u>	<u>-</u>	<u>-</u>	<u>721,694</u>	<u>892,135</u>
<b>Long-Term Liabilities</b>					
Heritage loan payable, non-interest bearing, due 2015, payable in monthly instalments of \$ 208.33	3,959	-	-	3,959	6,459
Heritage loan payable, non-interest bearing, due 2020, payable in monthly instalments of \$ 208.33	<u>15,416</u>	<u>-</u>	<u>-</u>	<u>15,416</u>	<u>17,916</u>
	19,375	-	-	19,375	24,375
Less: Current portion	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
	<u>14,375</u>	<u>-</u>	<u>-</u>	<u>14,375</u>	<u>19,375</u>
	<u>736,069</u>	<u>-</u>	<u>-</u>	<u>736,069</u>	<u>911,510</u>
<b>FUND BALANCES</b>					
<b>Fund Balances</b>	<u>266,746</u>	<u>189,602</u>	<u>272,062</u>	<u>728,410</u>	<u>670,074</u>
	<u>\$ 1,002,815</u>	<u>\$ 189,602</u>	<u>\$ 272,062</u>	<u>\$ 1,464,479</u>	<u>\$ 1,581,584</u>

(See Accompanying Notes to the Financial Statements)

**United Way of Perth - Huron**  
**Statement of Fund Balances**  
For the year ended March 31, 2014

	<b>General Fund</b>	<b>Capital Asset Fund</b>	<b>Endowment Fund</b>	<b>Total 2014</b>	<b>Total 2013</b>
<b>Balance - beginning of year</b>					
<b>As previously stated</b>	\$ 183,757	\$ 213,447	\$ 272,870	\$ 670,074	\$ 639,120
Reallocation of interfund balances	<u>1,111</u>	<u>-</u>	<u>(1,111)</u>	<u>-</u>	<u>-</u>
<b>As restated</b>	<b>184,868</b>	<b>213,447</b>	<b>271,759</b>	<b>670,074</b>	<b>639,120</b>
Excess of revenue over expenditures (expenditures over revenue) for the year	<u>81,878</u>	<u>(23,845)</u>	<u>303</u>	<u>58,336</u>	<u>30,954</u>
<b>Balance - end of year</b>	<b><u>\$ 266,746</u></b>	<b><u>\$ 189,602</u></b>	<b><u>\$ 272,062</u></b>	<b><u>\$ 728,410</u></b>	<b><u>\$ 670,074</u></b>

(See Accompanying Notes to the Financial Statements)

**United Way of Perth - Huron**  
**Statement of Operations**  
For the year ended March 31, 2014

	General Fund	Capital Asset Fund	Endowment Fund	Total 2014	Total 2013
<b>Revenue</b>					
Campaign revenue and designations in	\$ 1,193,265	\$ -	\$ -	\$ 1,193,265	\$ 1,107,223
Memorials and bequests	-	-	303	303	2,080
Grants and payroll recoveries	77,281	-	-	77,281	52,755
Investment and other income	10,937	-	-	10,937	47,548
United Centre (Schedule 1)	24,424	-	-	24,424	39,715
Social Research and Planning Council (Schedule 2)	33,000	-	-	33,000	26,850
Local Community Food Centre (Schedule 3)	481,092	-	-	481,092	338,772
Practice Firm (Schedule 4)	<u>134,590</u>	<u>-</u>	<u>-</u>	<u>134,590</u>	<u>109,784</u>
	1,954,589	-	303	1,954,892	1,724,727
Less: Pledge loss	(39,112)	-	-	(39,112)	(31,134)
Designations to:					
United Way - local	(10,382)	-	-	(10,382)	(18,665)
United Way - national	<u>(18,436)</u>	<u>-</u>	<u>-</u>	<u>(18,436)</u>	<u>(15,032)</u>
<b>Net revenue before direct fundraising and program expenditures</b>	<u>\$ 1,886,659</u>	<u>\$ -</u>	<u>\$ 303</u>	<u>\$ 1,886,962</u>	<u>\$ 1,659,896</u>

(See Accompanying Notes to the Financial Statements)



**United Way of Perth - Huron**  
**Statement of Operations**  
For the year ended March 31, 2014

	General Fund	Capital Asset Fund	Endowment Fund	Total 2014	Total 2013
<b>Revenue</b>					
Net revenue before direct fundraising and program expenditures (carried forward)	\$ <u>1,886,659</u>	\$ <u>-</u>	\$ <u>303</u>	\$ <u>1,886,962</u>	\$ <u>1,659,896</u>
<b>Direct Fundraising Expenditures</b>					
Advertising	6,660	-	-	6,660	8,965
Supplies	7,932	-	-	7,932	9,348
Meetings, mileage and conferences	3,256	-	-	3,256	3,851
Other	<u>14,238</u>	<u>-</u>	<u>-</u>	<u>14,238</u>	<u>8,719</u>
	<u>32,086</u>	<u>-</u>	<u>-</u>	<u>32,086</u>	<u>30,883</u>
Allocation of administrative expenses including salaries and wages (Schedule 5)	<u>163,144</u>	<u>-</u>	<u>-</u>	<u>163,144</u>	<u>134,272</u>
	<u>195,230</u>	<u>-</u>	<u>-</u>	<u>195,230</u>	<u>165,155</u>
<b>Direct Program Expenditures</b>					
Allocations (Note 11)	564,880	-	-	564,880	555,000
Youth projects and program grants	82,300	-	-	82,300	59,517
211	20,429	-	-	20,429	15,785
United Way of Canada and other dues	7,296	-	-	7,296	12,186
United Centre (Schedule 1)	58,656	23,845	-	82,501	85,410
Social Research and Planning Council (Schedule 2)	54,238	-	-	54,238	61,686
Local Community Food Centre (Schedule 3)	481,092	-	-	481,092	338,772
Practice Firm (Schedule 4)	134,590	-	-	134,590	109,784
Designations to other agencies	25,000	-	-	25,000	44,790
Allocation of administrative including salaries and wages (Schedule 5)	<u>181,070</u>	<u>-</u>	<u>-</u>	<u>181,070</u>	<u>180,857</u>
	<u>1,609,551</u>	<u>23,845</u>	<u>-</u>	<u>1,633,396</u>	<u>1,463,787</u>
Total direct expenditures	<u>1,804,781</u>	<u>23,845</u>	<u>-</u>	<u>1,828,626</u>	<u>1,628,942</u>
<b>Net revenue over expenditures (expenditures over revenue) for the year</b>	<u>\$ 81,878</u>	<u>\$ (23,845)</u>	<u>\$ 303</u>	<u>\$ 58,336</u>	<u>\$ 30,954</u>

(See Accompanying Notes to the Financial Statements)



**United Way of Perth - Huron**  
**Statement of Operations - United Centre (Schedule 1)**  
For the year ended March 31, 2014

	General Fund	Capital Asset Fund	Endowment Fund	Total 2014	Total 2013
<b>Revenue</b>					
Rental income	\$ <u>24,424</u>	\$ -	\$ -	\$ <u>24,424</u>	\$ <u>39,715</u>
<b>Expenditures</b>					
Amortization of property, plant and equipment	-	23,845	-	23,845	24,835
Utilities	8,129	-	-	8,129	6,984
Repairs and maintenance	9,319	-	-	9,319	12,151
Insurance	2,204	-	-	2,204	2,743
Interest and bank charges	814	-	-	814	4,325
Property taxes	6,489	-	-	6,489	-
Salaries, wages, benefits and training	29,806	-	-	29,806	32,889
Recoverable office expenses and other	<u>1,895</u>	<u>-</u>	<u>-</u>	<u>1,895</u>	<u>1,483</u>
	<u>58,656</u>	<u>23,845</u>	<u>-</u>	<u>82,501</u>	<u>85,410</u>
<b>Net (expenditures over revenue) for the year</b>	<u>\$ (34,232)</u>	<u>\$ (23,845)</u>	<u>\$ -</u>	<u>\$ (58,077)</u>	<u>\$ (45,695)</u>

**Purpose of the United Centre**

Commencing in 2003 with the acquisition of real estate at 32 Erie Street, Stratford, Ontario, the United Centre provides subsidized rent and/or share services to start-up and other not-for-profit organizations to assist them in their development. In addition, owning the United Centre reduces operating costs for the United Way of Perth - Huron.

(See Accompanying Notes to the Financial Statements)

**United Way of Perth - Huron**  
**Statement of Operations - Social Research and Planning Council (Schedule 2)**  
For the year ended March 31, 2014

	General Fund	Capital Asset Fund	Endowment Fund	Total 2014	Total 2013
<b>Revenue</b>					
Grants	\$ <u>33,000</u>	\$ -	\$ -	\$ <u>33,000</u>	\$ <u>26,850</u>
<b>Expenditures</b>					
Salaries and benefits	17,848	-	-	17,848	12,823
Report research	25,739	-	-	25,739	23,667
Report consolidation and printing	7,504	-	-	7,504	20,691
Website	249	-	-	249	305
Office	2,406	-	-	2,406	1,816
Miscellaneous	492	-	-	492	2,384
	<u>54,238</u>	<u>-</u>	<u>-</u>	<u>54,238</u>	<u>61,686</u>
<b>Net (expenditures over revenue) for the year</b>	<b>\$ <u>(21,238)</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>(21,238)</u></b>	<b>\$ <u>(34,836)</u></b>

**Purpose of the Social Research and Planning Council**

In 2006, The Social Research and Planning Council was developed to produce research reports containing recommendations, to keep the United Way and other community decision makers informed of the ever changing needs and concerns of our community while promoting changes to service provisions and otherwise.

(See Accompanying Notes to the Financial Statements)

**United Way of Perth - Huron**  
**Statement of Operations - Local Community Food Centre (Schedule 3)**  
For the year ended March 31, 2014

	General Fund	Capital Asset Fund	Endowment Fund	Total 2014	Total 2013
<b>Revenue</b>					
Grants and donations	\$ <u>481,092</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>481,092</u>	\$ <u>338,772</u>
<b>Expenditures</b>					
Salaries and benefits	253,656	-	-	253,656	211,102
Office	7,899	-	-	7,899	8,608
Bank charges	611	-	-	611	220
Website	586	-	-	586	74
Advertising, marketing and recruiting	23,025	-	-	23,025	4,728
Repairs and maintenance	21,281	-	-	21,281	9,354
Travel	-	-	-	-	40
Property taxes and utilities	32,475	-	-	32,475	25,103
Food distribution centre	30,597	-	-	30,597	9,587
Food skills programs	6,955	-	-	6,955	3,255
Advocacy and activism	13,765	-	-	13,765	1,667
Community kitchen	38,664	-	-	38,664	11,501
Lease	37,917	-	-	37,917	31,598
Insurance	4,926	-	-	4,926	2,585
Small tools and supplies	2,826	-	-	2,826	19,350
Food fit	5,909	-	-	5,909	-
	<u>481,092</u>	<u>-</u>	<u>-</u>	<u>481,092</u>	<u>338,772</u>
<b>Net revenue over expenditures for the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Purpose of the Local Community Food Centre**

Launched in 2011, the Local Community Food Centre was established to house a food distribution centre which will provide nutritious food for many programs in the region, as well as, provide a community kitchen and garden to assist the community in sharing skills around food. When this project matures, it will become its own charitable organization.

During the year, \$ 21,228 (2013 - \$ 453,054) was spent on leasehold improvements and \$ 3,842 (2013 - \$ 27,968) on equipment purchases. All leasehold improvement and equipment purchases were funded by grant monies.

(See Accompanying Notes to the Financial Statements)

**United Way of Perth - Huron**  
**Statement of Operations - The Practice Firm (Schedule 4)**  
For the year ended March 31, 2014

	General Fund	Capital Asset Fund	Endowment Fund	Total 2014	Total 2013
<b>Revenue</b>					
Grants	\$ 106,932	\$ -	\$ -	\$ 106,932	\$ 105,081
Social enterprise	<u>27,658</u>	<u>-</u>	<u>-</u>	<u>27,658</u>	<u>4,703</u>
	<u>134,590</u>	<u>-</u>	<u>-</u>	<u>134,590</u>	<u>109,784</u>
<b>Expenditures</b>					
Contract labour	90,506	-	-	90,506	83,342
Marketing and networking	7,260	-	-	7,260	5,674
Memberships	-	-	-	-	7,671
Bank charges	288	-	-	288	141
Office	10,720	-	-	10,720	788
Program costs	24,376	-	-	24,376	12,168
Insurance	<u>1,440</u>	<u>-</u>	<u>-</u>	<u>1,440</u>	<u>-</u>
	<u>134,590</u>	<u>-</u>	<u>-</u>	<u>134,590</u>	<u>109,784</u>
<b>Net revenue over expenditures for the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Purpose of the Practice Firm**

In 2011, the Practice Firm was created and is a realistic simulation of a business with all its functions. It is designed to assist young adults in Perth and Huron counties to seize both employment and entrepreneurial opportunities. A social enterprise, Training for Success, has been subsequently developed to sustain this project long-term. Should this project prove sustainable and effective, it will become the program of another charitable organization.

During the year, \$ 7,355 (2013 - \$ nil) was spent on leasehold improvements and \$ 6,219 (2013 - \$ nil) on equipment purchases. All leasehold improvement and equipment purchases were funded by grant monies.

(See Accompanying Notes to the Financial Statements)

**United Way of Perth - Huron**  
**Administrative Expenditures (Schedule 5)**  
For the year ended March 31, 2014

	General Fund	Capital Asset Fund	Endowment Fund	Total 2014	Total 2013
<b>Expenditures</b>					
Salaries, wages, benefits and training	\$ 298,020	\$ -	\$ -	\$ 298,020	\$ 275,794
Office supplies and postage	2,189	-	-	2,189	2,499
Technology	11,500	-	-	11,500	10,641
Professional fees	9,874	-	-	9,874	10,874
Service charges, meetings, insurance and other	<u>22,631</u>	<u>-</u>	<u>-</u>	<u>22,631</u>	<u>15,321</u>
	<u>344,214</u>	<u>-</u>	<u>-</u>	<u>344,214</u>	<u>315,129</u>
Allocated to direct fundraising expenditures	(163,144)	-	-	(163,144)	(134,272)
Allocated to direct program expenditures	<u>(181,070)</u>	<u>-</u>	<u>-</u>	<u>(181,070)</u>	<u>(180,857)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(See Accompanying Notes to the Financial Statements)

**United Way of Perth - Huron**  
**Statement of Cash Flows**  
For the year ended March 31, 2014

	General Fund	Capital Asset Fund	Endowment Fund	Total 2014	Total 2013
<b>Cash Provided By (Used In):</b>					
<b>Operating Activities</b>					
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ 81,878	\$ (23,845)	\$ 303	\$ 58,336	\$ 30,954
Items not requiring cash					
Amortization	-	23,845	-	23,845	24,835
Net changes in non-cash current operating accounts					
Decrease (increase) in pledges receivable	(9,513)	-	-	(9,513)	10,054
Decrease (increase) in prepaid expenses and accounts and HST receivable	60	-	-	60	(59,542)
Change in interfund balances	(102,920)	101,254	1,666	-	-
Increase (decrease) in allocations payable and designated pledges	7,354	-	-	7,354	(35,461)
Increase (decrease) in accounts payable and accrued liabilities	2,398	-	-	2,398	23,761
Increase in deferred revenue	(19,403)	-	-	(19,403)	(37,602)
	<u>(40,146)</u>	<u>101,254</u>	<u>1,969</u>	<u>63,077</u>	<u>(43,001)</u>
<b>Financing Activities</b>					
Payments on loans	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,001)</u>
<b>Investing Activities</b>					
Purchases of property, plant and equipment	-	(42,054)	-	(42,054)	(508,564)
Grant proceeds received for purchase of property, plant and equipment	<u>-</u>	<u>38,645</u>	<u>-</u>	<u>38,645</u>	<u>501,928</u>
	<u>-</u>	<u>(3,409)</u>	<u>-</u>	<u>(3,409)</u>	<u>(6,636)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(45,146)</b>	<b>97,845</b>	<b>1,969</b>	<b>54,668</b>	<b>(54,638)</b>
<b>Cash and cash equivalents - beginning of year</b>	<u><b>412,539</b></u>	<u><b>(97,845)</b></u>	<u><b>60,358</b></u>	<u><b>375,052</b></u>	<u><b>429,690</b></u>
<b>Cash and cash equivalents - end of year</b>	<u><b>\$ 367,393</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 62,327</b></u>	<u><b>\$ 429,720</b></u>	<u><b>\$ 375,052</b></u>

(See Accompanying Notes to the Financial Statements)



**United Way of Perth - Huron**  
**Statement of Cash Flows**  
For the year ended March 31, 2014

**Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents comprise the following balance sheet amounts:**

	General Fund	Capital Asset Fund	Endowment Fund	Total 2014	Total 2013
Cash	\$ 366,548	\$ -	\$ -	\$ 366,548	\$ 412,539
Short-term investments	845	-	62,327	63,172	60,358
Line of credit	-	-	-	-	(97,845)
	<u>\$ 367,393</u>	<u>\$ -</u>	<u>\$ 62,327</u>	<u>\$ 429,720</u>	<u>\$ 375,052</u>

(See Accompanying Notes to the Financial Statements)



**United Way of Perth - Huron**  
**Notes to the Financial Statements**  
For the year ended March 31, 2014

**1. Purpose of the Organization**

The United Way of Perth - Huron is a not-for-profit organization and a registered charity under the Income Tax Act. Its purpose is to raise funds for other local not-for-profit organizations and to invest in community improvement programs. The organization is a registered charity under the Income Tax Act and, as such, is not subject to income tax and may issue income tax receipts to donors.

**2. Fund Accounting**

The organization uses fund accounting. The purpose of each fund is as follows:

- (a) **General Fund - Operating**  
To administer program delivery and administrative activities. This fund reports unrestricted resources.
- (b) **Capital Asset Fund**  
To report the assets, liabilities, revenues and expenses related to the organization's property, plant and equipment.
- (c) **Endowment Fund**  
To report resources contributed under endowment restriction.

**3. Summary of Significant Accounting Policies**

These financial statements have been prepared from information available within the guidelines of Canadian accounting standards for not-for-profit organizations summarized below:

- (a) **Revenue Recognition**  
Pledges made by donors are included in income in the year in which the pledge is made. An allowance of 5% (2013 - 6%) of the campaign total is made against current campaign pledges outstanding. An allowance is made against prior year pledges based on estimated collectibility. After two years, uncollected pledges receivable are written off.
- (b) **Use of Estimates**  
Preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires the Board to make estimates and assumptions that could affect amounts reported as assets, liabilities, revenues and expenses. Due to measurement uncertainty, results could differ from those estimates.
- (c) **Financial Instruments**  
Financial instruments are items which are cash, rights to receive cash or obligations to pay cash at a future date. Unless otherwise noted, it is the Board's opinion that the organization is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of these instruments approximate their carrying value.
- (d) **Amortization**  
Amortization of property, plant and equipment is calculated using the declining-balance method at the rates reflected in the accompanying schedule of property, plant and equipment and amortization.

**United Way of Perth - Huron**  
**Notes to the Financial Statements**  
For the year ended March 31, 2014

**3. Summary of Significant Accounting Policies (continued)**

(e) **Contributed Services**

Volunteers contribute significant hours to the organization annually. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(f) **Investments**

Investments in GIC are reported at fair market value.

**4. Investments**

The organization invests surplus funds when available in guaranteed investment certificates. Interest on the investments is receivable at maturity. The amounts are invested with various maturity dates which are chosen based on expected cash flow needs of the organization. These investment holdings at year end are as follows:

	<b>Total 2014</b>	<b>Total 2013</b>
<b>Short-Term Investments</b>		
Guaranteed investment certificates	\$ <u>63,172</u>	\$ <u>60,358</u>
Market Value	\$ <u>63,172</u>	\$ <u>60,358</u>

**5. Pledges Receivable**

Pledges receivable is comprised of the following:

	<b>Current Year Campaign</b>	<b>Prior Year Campaign</b>	<b>Total 2014</b>	<b>Total 2013</b>
Pledges outstanding	\$ 488,192	\$ 52,011	\$ 540,203	\$ 524,320
Allowance for collection losses (Note 3)	<u>59,663</u>	<u>52,011</u>	<u>111,674</u>	<u>105,304</u>
	<b>\$ <u>428,529</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>428,529</u></b>	<b>\$ <u>419,016</u></b>

**United Way of Perth - Huron**  
**Notes to the Financial Statements**  
For the year ended March 31, 2014

**6. Interfund Balances**

In fiscal year 2003, the Endowment Fund advanced funds to the Capital Fund to facilitate the purchase of "The United Centre" at 32-36 Erie Street, Stratford, Ontario. The repayable portion of \$ 209,507 (2013 - \$ 209,507) bears no interest and has no specific terms of repayment. During the year, the General Fund advanced \$ 101,254 to pay off the line of credit and for capital asset additions. During the year, the Endowment Fund received donations of \$ 303 (2013 - \$ 2,080). The total amount of donations payable to the Endowment Fund as at March 31, 2014 is \$ 228 (2013 - \$ 3,005). The donated amounts currently held in the General Fund bank account will be transferred to the Endowment Fund when sufficient cash exists to purchase another GIC. The capital portion of the Endowment Fund, as at March 31, 2014, was \$ 272,062 (2013 - \$ 271,759). Income generated on the capital may be used towards operating or capital expenditures at the discretion of the board of directors and, therefore, is shown as income in the General Fund.

During the year, it was determined that \$ 1,111 of interest income remained in the Endowment Fund as at March 31, 2013. This amount has been reallocated to the General Fund to be consistent with the purpose of the Endowment Fund.

**7. Line of Credit**

The Scotiabank Visa line of credit has a limit of \$ 150,000 and is secured by a real property first mortgage on the land and building at 32 Erie Street. The line of credit bears interest at 1% above Scotiabank prime interest rate.

**8. Long-Term Liabilities**

Principal repayments on the heritage loans for the next five years are as follows:

2015	\$ 5,000
2016	3,959
2017	2,500
2018	2,500
2019	<u>2,500</u>
	<u>\$ 16,459</u>

**9. Deferred Grant Revenue**

The deferred grant revenue represents government funding received for specific expenses that have not yet been incurred. Deferred revenue as at March 31, 2014 consists of the following:

	2014	2013
Local Community Food Centre	\$ 12,598	\$ 42,984
The Practice Firm	14,041	18,048
General Fund - Trillium Grant	<u>14,990</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 41,629</u></b>	<b><u>\$ 61,032</u></b>

**United Way of Perth - Huron**  
**Notes to the Financial Statements**  
For the year ended March 31, 2014

**10. Commitments**

In 2012, the United Way of Perth - Huron entered into a lease agreement for the Local Community Food Centre. The amount due under the lease is \$ 36,400 per annum and is for a period of 5 years.

**11. Allocations**

As part of its mandate, the organization disbursed funds to other not-for-profit and charitable organizations as follows:

**Member Agencies**

	2014	2013
The Canadian National Institute for the Blind	\$ 30,000	\$ 30,000
Epilepsy Ontario - Perth/Huron/Bruce	-	30,000
St. John Ambulance (Stratford)	6,000	7,200
St. John Ambulance (St. Marys)	6,000	7,200
St. Marys Youth Centre	16,000	15,075
The Stratford-Perth Family Y.M.C.A.	15,000	15,000
Family Services Perth-Huron	134,700	132,400
The Big Brothers and Sisters Association (Stratford)	17,000	15,000
The Big Brothers and Sisters Association (Listowel)	7,500	-
Avon Co-operative Nursery School	1,000	1,000
Community Outreach Services (Milverton)	20,725	15,725
Emily Murphy Centre	24,000	27,000
One Care Home & Community Support Services	52,000	50,120
Partners in Employment	12,000	11,250
Shelterlink	53,000	53,000
St. Johns Preschool	11,285	14,850
The Big Brothers and Sisters Association (North Huron)	15,000	15,000
The Big Brothers and Sisters Association (South Huron)	-	5,000
Huron Hospice	20,000	18,000
Huron Safe Homes for Youth	25,000	21,680
Huron Women's Shelter	20,000	15,000
VON Canada	12,000	9,000
Huron County Food Bank Distribution Centre	17,620	12,000
John Howard Society of London & District	<u>16,550</u>	<u>14,500</u>
Total Member Agency Allocations	<u>532,380</u>	<u>535,000</u>
Total Special Grants	<u>32,500</u>	<u>20,000</u>
Total Allocations	<u>\$ 564,880</u>	<u>\$ 555,000</u>

**12. Comparative Figures**

Certain of the figures on the 2013 statement of operations have been reclassified to conform to the 2014 financial statement presentation.

**United Way of Perth - Huron**  
**Schedule of Property, Plant and Equipment and Amortization**  
 For the year ended March 31, 2014

	As at March 31, 2013			As at March 31, 2014							
	Cost	Accum. Amort.	Unamort. Bal.	Add.	Grants Received	Unamort. Bal.	Rate %	Prov.	Cost	Accum. Amort.	Unamort. Bal.
Land	100,000		100,000			100,000			100,000		100,000
Building	571,672	176,092	395,580			395,580	5	19,779	571,672	195,871	375,801
Office equipment	39,955	22,980	16,975			16,975	10	1,698	39,955	24,678	15,277
Computer hardware	26,310	18,440	7,870	3,409		11,279	20	2,256	29,719	20,696	9,023
Computer software	15,556	15,182	374			374	30	112	15,556	15,294	262
Leasehold improvements				28,584	28,584						
Equipment				10,061	10,061						
	<b>753,493</b>	<b>232,694</b>	<b>520,799</b>	<b>42,054</b>	<b>38,645</b>	<b>524,208</b>		<b>23,845</b>	<b>756,902</b>	<b>256,539</b>	<b>500,363</b>