

Financial Statements of

**UNITED WAY CENTRAIDE  
SUDBURY AND/ET NIPISSING  
DISTRICTS**

Year ended December 31, 2015

# UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

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## INDEPENDENT AUDITORS' REPORT

To the Members of United Way Centraide Sudbury and/et Nipissing Districts

We have audited the accompanying financial statements of United Way Centraide Sudbury and/et Nipissing Districts, which comprise the statement of financial position as at December 31, 2015, the statements of operations and changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *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 our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Basis for Qualified Opinion*

In common with many charitable organizations, United Way Centraide Sudbury and/et Nipissing Districts derives most of its revenue from the general public in the form of 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 United Way Centraide Sudbury and/et Nipissing Districts and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses and unrestricted net assets.



*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 United Way Centraide Sudbury and/et Nipissing Districts as at December 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

April 20, 2016  
Sudbury, Canada

# UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash	\$ 301,951	\$ 712,235
Temporary investments	573,172	567,175
Pledges receivable - current year's campaign	1,518,326	1,611,496
Pledges receivable - prior year's campaign	27,543	25,824
Prepaid expenses	6,170	7,623
Other accounts receivable	63,918	67,510
	<u>2,491,080</u>	<u>2,991,863</u>
Funds on deposit (note 2)	24,811	24,811
Capital assets (note 3)	30,113	25,964
	<u>\$ 2,546,004</u>	<u>\$ 3,042,638</u>

## Liabilities, Deferred Contributions and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 77,691	\$ 166,747
Deferred revenue (note 4)	281,936	230,398
	<u>359,627</u>	<u>397,145</u>
Deferred capital contributions (note 5)	13,204	2,161
	<u>372,831</u>	<u>399,306</u>
Net assets:		
Unrestricted	2,173,173	2,643,332
Commitments (note 6)		
Subsequent event (note 8)		
	<u>\$ 2,546,004</u>	<u>\$ 3,042,638</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

## Statement of Operations and Changes in Net Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Pledges made and cash donations	\$ 2,160,756	\$ 2,417,500
Less: Pledge loss and other timing differences	(199,099)	(92,307)
Campaign revenue for financial reporting purposes	1,961,657	2,325,193
Other revenue:		
Other programs	51,869	63,802
Grants	36,435	39,239
Other income	11,951	67,345
Interest income	8,870	14,373
Amortization of deferred capital contributions	2,699	540
	2,073,481	2,510,492
Expenses:		
Allocations and distribution of funds (Schedule)	1,535,530	1,468,503
Community investment (Schedule)	482,223	480,391
Fundraising (Schedule)	406,951	390,306
Other programs	91,389	80,254
United Way of Canada fees	17,953	17,211
Amortization of capital assets	9,593	10,274
	2,543,639	2,446,939
Excess (deficiency) of revenue over expenses	(470,158)	63,553
Unrestricted net assets, beginning of year	2,643,332	2,579,778
Unrestricted net assets, end of year	\$ 2,173,173	\$ 2,643,332

See accompanying notes to financial statements.

# UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

## Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ (470,158)	\$ 63,553
Items not involving cash:		
Amortization of capital assets	9,593	10,274
Amortization of deferred capital contributions	(2,699)	(540)
	(463,264)	73,287
Change in non-cash working capital:		
Decrease (increase) in pledges receivable - current year's campaign	93,170	(114,165)
Decrease (increase) in pledges receivable - prior year's campaign	(1,719)	42,805
Decrease (increase) in prepaid expenses	1,453	(248)
Decrease (increase) in other accounts receivable	3,592	(25,324)
Increase (decrease) in accounts payable and accrued liabilities	(89,057)	131,337
Increase (decrease) in deferred revenue	51,538	(63,163)
	(404,287)	44,529
Financing:		
Increase in deferred capital contributions	13,742	-
Investing:		
Purchase of capital assets	(13,742)	(1,168)
Net increase in cash and investments	(404,287)	43,361
Cash and investments, beginning of year	1,304,221	1,260,860
Cash and investments, end of year	\$ 899,934	\$ 1,304,221
Cash and investments consist of:		
Cash	\$ 301,951	\$ 712,235
Temporary investments	573,172	567,175
Funds on deposit	24,811	24,811
	\$ 899,934	\$ 1,304,221

See accompanying notes to financial statements.

# UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements

Year ended December 31, 2015

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## **Nature of operations:**

United Way Centraide Sudbury and/et Nipissing Districts (the "Organization") is incorporated without share capital under the laws of Ontario and its principal activities include the continued financial support to member charitable organizations in the Sudbury and Nipissing districts through public contributions from annual fundraising campaigns. It is a registered charity and is therefore exempt from income tax under Section 149 of the Federal Income Tax Act.

## **1. Significant accounting policies:**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Organization's significant accounting policies are as follows:

### **(a) Revenue recognition:**

- i) The Organization follows the deferral method for accounting for contributions.
- ii) Non-designated campaign pledges and contributions are recognized on an accrual basis, provided the amounts can be reasonably estimated and collection is reasonably assured.
- iii) Campaign contributions designated by donors are reported as deferred revenue on the statement of financial position until the amounts are paid to the designated organizations, at which time the amount of the campaign contribution is recorded as campaign revenue.
- iv) Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

### **(b) Temporary investments:**

Temporary investments are comprised of guaranteed investment certificates, which are highly liquid and are carried at fair value.



# UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 1. Significant accounting policies (continued):

### (c) Capital assets:

Capital assets are recorded at cost. Amortization is provided on the declining-balance basis using the following annual rates:

Asset	Basis	Rate
Furniture and fixtures	Declining-balance	20%
Computer hardware	Declining-balance	20%
Computer software	Declining-balance	33%

### (d) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the reporting periods. Items subject to such estimates and assumptions include the carrying value of capital assets and valuation allowances for pledges and accounts receivable. Actual results could differ from those estimates. These estimates, are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

### (e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry temporary investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

# UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements (continued)

Year ended December 31, 2015

## 2. Funds on deposit:

	2015	2014
Funds held by the Sudbury Community Foundation:		
Tomorrow Fund	\$ 24,811	\$ 24,811

On May 1, 1997, the United Way invested funds into the Tomorrow Fund with the Sudbury Community Foundation. The principal amount invested was \$24,811 and all interest earned has been accrued in accounts receivable each year. The United Way has the ability to demand repayment of the principal amount invested, as well as the interest earned to date at any point in time.

## 3. Capital assets:

	2015		
	Cost	Accumulated amortization	Net book value
Computer equipment and software	\$ 186,325	\$ 156,212	\$ 30,113

	2014		
	Cost	Accumulated amortization	Net book value
Computer equipment and software	\$ 172,584	\$ 146,620	\$ 25,964

# UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements (continued)

Year ended December 31, 2015

## 4. Deferred revenue:

Deferred revenue consists of the following amounts:

- (a) Campaign pledges from donors that are designated to non-member agencies. The pledges are deferred until such time as the funds are received from the donor and paid to the non-member agencies.
- (b) Unexpended government funding that is available to fund future expenses.

The balance of deferred revenue is as follows:

	2015	2014
Designated campaign pledges	\$ 231,936	\$ 230,398
Deferred government funding	50,000	-
	\$ 281,936	\$ 230,398

## 5. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized balance of grants received for capital assets acquisitions. Details of the continuity of this balance are as follows:

	2015	2014
Contributions received	\$ 13,742	\$ -
Balance, beginning of year	2,161	2,701
Less amounts amortized to revenue	(2,699)	(540)
Balance, end of year	\$ 13,204	\$ 2,161

## 6. Commitments:

The Organization is committed to payments under an operating lease for the Sudbury premises through April 30, 2016 as follows:

2016	\$ 8,096
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# UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## **7. Financial risks and concentration of credit risk:**

### **(a) Credit risk:**

Credit risk refers to the risk that a counterpart may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for pledge losses.

### **(b) Liquidity risk:**

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2014.

## **8. Subsequent event:**

Subsequent to the year end, the Organization entered into a 10 year lease agreement effective April 1, 2016, for a new location in Sudbury, ON. The new lease agreement has the option to renew for an additional two year period. The annual lease payments for the first year of the lease total \$52,123, which includes six months of free base rent for the months of July 2016 to December 2016.

# UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Schedule of Allocations and Distribution of Funds

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Member Agency Programs:		
Sudbury Action Centre for Youth	\$ 116,648	\$ 115,710
Sudbury Family YMCA	96,910	72,346
Canadian Red Cross Society of Sudbury	96,846	130,020
Better Beginnings Better Futures	96,635	99,913
Elizabeth Fry Society, Sudbury Branch	80,006	51,714
John Howard Society of Sudbury	75,386	67,699
Manitoulin Family Resources Inc.	70,000	59,257
Learning Disabilities	69,953	69,032
Big Brothers Big Sisters Association of Greater Sudbury	68,555	54,240
Maison Vale Inco Hospice	65,373	57,459
Canadian National Institute for the Blind (CNIB)	48,567	62,837
Centre De Santé Communautaire	47,823	46,749
L'Association des jeunes de la rue-Foyer Notre Dame	41,230	40,750
St. John Ambulance	38,181	36,089
Canadian Hearing Society	30,766	29,729
March of Dimes	30,350	-
Le Carrefour Francophone de Sudbury	30,000	22,048
Sudbury YWCA Geneva House	29,075	47,556
Health Science North	24,400	-
Voices for Women - Health Sciences North	24,400	-
Meals on Wheels	14,492	-
Sudbury District Restorative Justice	14,450	14,450
Sudbury Multicultural Folk Arts Association	13,500	14,500
Low Income People Involvement of Nipissing	13,065	15,164
Nipissing Association for Disabled Youth	11,000	10,000
Brain Injury Association Sudbury and District	10,875	21,750
Social Planning Council	10,000	15,000
Aids Committee of North Bay	9,750	4,000
Canadian Blood Services	8,550	-
Inner City Home	7,546	7,560
Jubilee Heritage Family Resource	2,000	2,000
Canadian Mental Health Association	1,853	41,596
Alzheimer Society North Bay & District	1,386	1,875
The Human League Association	762	-
Sudbury Community Foundation	688	-
Autism Ontario North Bay and Area	618	2,250
Art Gallery of Sudbury	473	12,500
Monarch Recovery	332	-
Rockhaven	246	3,512
Family Enrichment Centre	193	19,959
Iris Addiction Recovery for Women	172	699
North Shore Search and Rescue	19	-
Manitoulin Sudbury District Services Board	-	17,500
Volunteer Sudbury	-	10,000
Patrick4Life AIDS Awareness & Education	-	5,000
Sudbury Women's Centre	-	3,450
Autism Ontario Sudbury District	-	1,279
Literacy Alliance of West Nipissing	-	1,000
Packsack Smiles Organization	-	625
Christ Church	-	264
ICAN	-	195
	1,303,074	1,289,276
Other:		
Designations to non-member agencies	188,770	102,227
Community Grants	43,000	67,000
Other	686	10,000
	232,456	179,227
	\$ 1,535,530	\$ 1,468,503

# UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

## Schedule of Expenses

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Community Investment:		
Salaries and employee benefits	\$ 397,714	\$ 384,575
Office supplies and general	33,100	40,209
Rent	20,997	16,179
Conference and travel	15,883	25,148
Professional fees	6,879	6,528
Computer services	-	1,468
Equipment rental	3,743	3,915
Insurance	2,782	1,451
Postage and shipping	1,125	918
	<b>\$ 482,223</b>	<b>\$ 480,391</b>

## Fundraising:

Salaries and employee benefits	\$ 281,824	\$ 295,175
Campaign promotion and supplies	66,318	39,003
Office supplies and general	22,905	18,716
Rent	12,685	16,179
Conference and travel	8,155	6,953
Professional fees	7,414	6,528
Computer services	-	1,468
Equipment rental	3,743	3,915
Insurance	2,782	1,451
Postage and shipping	1,125	918
	<b>\$ 406,951</b>	<b>\$ 390,306</b>