

Financial Statements of

UNITED WAY OF YORK REGION

Year ended March 31, 2009



KPMG LLP
Chartered Accountants
Yonge Corporate Centre
4100 Yonge Street Suite 200
Toronto ON M2P 2H3
Canada

Telephone (416) 228-7000
Fax (416) 228-7123
Internet www.kpmg.ca

AUDITORS' REPORT

To the Members of United Way of York Region

We have audited the statement of financial position of United Way of York Region ("UWYR") as at March 31, 2009 and the statements of operations and net assets for the year then ended. These financial statements are the responsibility of UWYR's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, UWYR derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of UWYR and we were not able to determine whether any adjustments might be necessary to revenue, deficiency of revenue over expenses, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which might have been determined to be necessary, had we been able to satisfy ourselves concerning the completeness of donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of UWYR as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Corporations Act (Ontario), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

April 24, 2009

UNITED WAY OF YORK REGION

Statement of Financial Position

March 31, 2009, with comparative figures for 2008

	2009	2008
Assets		
Cash	\$ 1,429,120	\$ 104,336
Investments (note 3)	2,270,834	3,863,061
Donations and other receivables	5,034,714	4,717,752
Prepaid expenses	49,560	38,226
Capital assets (note 4)	6,397	5,045
	<u>\$ 8,790,625</u>	<u>\$ 8,728,420</u>

Liabilities and Net Assets

Liabilities:		
Balance of distributions to UWYR agencies (note 10)	\$ 4,960,509	\$ 4,432,372
Collections designated to other United Ways and agencies	2,259,468	1,977,888
Accounts payable and accrued liabilities	128,646	254,788
Deferred revenue	16,150	11,898
Deferred capital contributions	-	611
	<u>7,364,773</u>	<u>6,677,557</u>
Net assets:		
Operating fund	75,943	702,917
Invested in capital assets	6,397	4,434
Internally restricted (note 1(a)(ii))	1,343,512	1,343,512
	<u>1,425,852</u>	<u>2,050,863</u>

Commitments (note 6)

	<u>\$ 8,790,625</u>	<u>\$ 8,728,420</u>
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See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

UNITED WAY OF YORK REGION

Statement of Operations

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Total gross campaign revenue	\$ 9,315,450	\$ 9,009,223
Net pledge loss	473,409	247,110
Net campaign revenue	8,842,041	8,762,113
Other income	220,958	146,571
Total revenue	9,062,999	8,908,684
Donor designations	2,138,303	1,599,161
Available for expenses, program funding and allocations to agencies	6,924,696	7,309,523
Fundraising expenses	1,676,883	1,647,079
Available for program funding and allocations to agencies	5,247,813	5,662,444
Program funding	422,953	615,558
Allocations to agencies (note 10)	5,449,871	4,194,453
	5,872,824	4,810,011
Excess (deficiency) of revenue over expenses	\$ (625,011)	\$ 852,433

See accompanying notes to financial statements.

UNITED WAY OF YORK REGION

Statement of Net Assets

Year ended March 31, 2009, with comparative figures for 2008

	2009				2008	
	Operating Fund	Agency Emergency Fund	Stabilization Fund	Invested in capital assets	Total	Total
Net assets, beginning of year	\$ 702,917	\$ 100,000	\$ 1,243,512	\$ 4,434	\$ 2,050,863	\$ 1,198,430
Excess (deficiency) of revenue and expenses	(623,364)	--	--	(1,647)	(625,011)	852,433
Invested in capital assets	(3,610)	--	--	3,610	--	--
Net assets, end of year	\$ 75,943	\$ 100,000	\$ 1,243,512	\$ 6,397	\$ 1,425,852	\$ 2,050,863

See accompanying notes to financial statements.

UNITED WAY OF YORK REGION

Notes to Financial Statements

Year ended March 31, 2009

The purpose of United Way of York Region ("UWYR") is to unite donors, volunteers, human service providers and their clients to improve the quality of life in the communities of York Region. UWYR is incorporated under the laws of the Province of Ontario as a not-for-profit organization without share capital and is a registered charity under the Income Tax Act (Canada).

1. Significant accounting policies:

During the year, UWYR adopted the Transparency, Accountability and Financial Reporting ("TAFR") policies for United Ways - Centraides in Canada. These policies enhance transparency of financial information, simplicity in the presentation of financial information and provide more clarity and consistency in financial management and reporting amongst all United Ways - Centraides. These policies do not differ from Canadian generally accepted accounting principles ("GAAP").

TAFR requires the disclosure of centrally coordinated campaign revenue. Included in 2009 gross campaign revenue is \$879,695 of centrally coordinated campaign revenue. The amount for 2008 is not readily available.

These financial statements have been prepared in accordance with GAAP applied within the framework of the significant Canadian accounting policies summarized below:

(a) Fund accounting:

UWYR follows the deferral method of accounting for contributions.

(i) Operating Fund:

Revenue and expenses related to campaign activities, program activities and allocations to agencies in the community are reported in the Operating Fund.

(ii) Internally restricted funds:

The Board of Directors have internally restricted the following funds:

(a) Agency Emergency Fund:

The Agency Emergency Fund was established to provide emergency funding to agencies in circumstances which suddenly affect their ability to operate, and which are one-time events.

UNITED WAY OF YORK REGION

Notes to Financial Statements (continued)

Year ended March 31, 2009

1. Significant accounting policies (continued):

(b) Stabilization Fund:

UWYR's goal is to accumulate an amount equal to three months' operating and allocations expenditures as a contingency fund to create stability of agency funding and to fund special initiatives as approved by the Board of Directors.

(iii) Invested in capital assets:

The Capital Fund reports assets, liabilities, revenue and expenses related to UWYR's capital assets.

(b) Revenue recognition:

UWYR recognizes pledges when amounts are pledged. All other donations revenue is recognized when received. A provision is recorded to reduce pledges receivable and revenue for estimated uncollectible pledges.

UWYR is requested by certain employers and employee groups, to act as the co-ordinator of their national campaigns, to receive and disburse funds on behalf of other United Ways within their local communities. Funds received under these centrally co-ordinated campaigns are included in the total gross campaign revenue amount on the statement of operations.

Designated donations and funds received under flowthrough arrangements for other charities that have not been distributed at year end are recorded as collections designated to other United Ways and agencies.

Contributed capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

(c) Contributed services:

Volunteers contribute their time to assist UWYR in carrying out its mission. Because of the difficulty of determining the fair value of contributed services, they are not recognized in the financial statements.

UNITED WAY OF YORK REGION

Notes to Financial Statements (continued)

Year ended March 31, 2009

1. Significant accounting policies (continued):

(d) Financial instruments:

Cash and investments are classified as held-for-trading and stated at fair value. Donations and other receivables are classified as loans and receivables, which are measured at cost. Balance of distributions to UWYR agencies, collections designated to other United Ways and agencies and accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

In determining fair values for investments, adjustments have not been made for transaction costs as they are not considered significant. The unrealized gain or loss on investments, being the difference between book value and fair value, is included in other income in the statement of operations.

Fair values of investments are determined as follows:

- (i) Fixed income securities are valued at year-end quoted market prices, where available. Where quoted market prices are not available, estimated fair values are calculated using comparable securities.
- (ii) Guaranteed income certificates ("GICs") maturing within a year are stated at cost, which together with accrued interest income, approximate fair value given the short-term nature of these investments.

UWYR has adopted The Canadian Institute of Chartered Accountants' Handbook Section 3861, Financial Instruments - Disclosure and Presentation. In accordance with the Accounting Standards Board's decision to exempt not-for-profit organizations from the disclosure requirements with respect to financial instruments contained within Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation, United Way has elected not to adopt these standards in its financial statements.

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Notes to Financial Statements (continued)

Year ended March 31, 2009

1. Significant accounting policies (continued):

(e) Capital assets:

Purchased and donated capital assets in excess of \$1,000 are recorded in the Capital Fund at cost, or fair market value at the time of donation. Amortization is provided on a straight-line basis over the following estimated useful lives of the assets:

Office equipment	3 years
Computer software	3 years
Furniture and fixtures	10 years
Leasehold improvements	Term of lease plus one renewal

(f) Allocation of expenses:

Expenses include salaries and benefits, occupancy and office expenses, staff and volunteer training, direct campaign costs and professional services.

General management and administrative expenses are allocated between fundraising expenses and program funding based on effort.

General management and administrative expenses are allocated as follows:

	2009	2008
Fundraising	72%	67%
Program funding	28%	33%

(g) Use of estimates:

The preparation of 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 year. Actual results could differ from those estimates.

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Notes to Financial Statements (continued)

Year ended March 31, 2009

2. Future accounting changes:

Financial statement presentation by not-for-profit organizations:

Recent amendments to Section 4400, Financial Statement Presentation by Non-for-Profit Organizations, will modify the requirements with respect to various elements of financial statement presentation. These amendments include:

- (a) Reporting certain revenue at its gross amounts in the statement of operations.
- (b) The elimination of the requirement to treat net assets invested in capital assets as a separate component of net assets.
- (c) When a not-for-profit organization classifies its expenses by function and allocates some of its general support costs to another function, disclosing the policy adopted for expenses and amounts allocated from general support costs to other functions.

The new standard applies to financial statements relating to the fiscal years beginning on or after January 1, 2009. UWYR is evaluating the impact of the amendments on its financial statements.

3. Investments:

Investments include GICs and fixed income bankers' acceptances.

These investments bear average effective interest rates from 0.45% to 2.00% (2008 - 3.00% to 3.82%) with maturity dates from April 1, 2009 to April 1, 2010 (2008 - April 1, 2008 to April 1, 2009).

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Notes to Financial Statements (continued)

Year ended March 31, 2009

4. Capital assets:

			2009	2008
	Cost	Accumulated amortization	Net book value	Net book value
Office equipment	\$ 221,628	\$ 218,144	\$ 3,484	\$ 611
Computer software	73,443	73,443	—	—
Furniture and fixtures	4,439	3,121	1,318	1,562
Leasehold improvements	5,755	4,160	1,595	2,872
	\$ 305,265	\$ 298,868	\$ 6,397	\$ 5,045

Depreciation expense for the year is \$1,647 (2008 - \$4,283).

5. Employee future benefits:

Employees of UWYR are eligible to be members of the Retirement Benefit Plan for the Employees of The United Way/Centraide of Canada and Participating Member Agencies, which is a multi-employer defined benefit plan. Employer contributions made to the plan during the year amounted to \$42,865 (2008 - \$52,528).

6. Lease obligation:

Minimum lease obligations for office premises are approximately as follows:

2010	\$ 173,000
2011	180,000
2012	180,000
2013	176,000
2014	176,000
Thereafter	44,000
	\$ 929,000

UNITED WAY OF YORK REGION

Notes to Financial Statements (continued)

Year ended March 31, 2009

7. Financial instruments:

(a) Investment risk management:

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to interest rate and market risk.

UWYR mitigates these risks with an investment policy designed to limit exposure and concentration while achieving optimal return within reasonable risk tolerances.

(b) Credit risk:

Campaign pledges receivable and other receivables are subject to credit risk. Cash and cash equivalents are held in credit-worthy financial institutions.

(c) Market and interest rate risk:

The risks associated with the investments are the risks associated with the securities in which the funds are invested. The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issue the securities. The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities. The value of securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

8. Credit facility:

UWYR has an arrangement with its banker providing for an operating credit facility in the amount of \$180,000, bearing interest at the bank's prime lending rate. Borrowings under the credit facility are secured by a general security agreement covering all UWYR's assets. No amounts were outstanding under this facility at March 31, 2009 and it was not drawn upon during the year.

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Notes to Financial Statements (continued)

Year ended March 31, 2009

9. Statement of cash flows:

A statement of cash flows has not been included in these financial statements as it would not provide any additional meaningful information.

10. Allocation to Agencies:

2008 campaign:	
Alzheimer Society of York Region	\$ 33,669
Big Brothers Big Sisters of York	85,816
Blue Door Shelters	372,593
Canadian Mental Health Association, York Region Branch	192,956
Canadian Red Cross Society - Region of York Branch	130,894
Carefirst Seniors & Community Services of York Region	140,851
Catholic Community Services of York Region	104,450
Centre for Information and Community Services of Ontario	146,960
Chinese Family Services of Ontario	50,000
CNIB-Ontario Central Region	132,891
Community Home Assistance to Seniors (CHATS)	238,605
Community Living Georgina	30,627
Community Living Newmarket/Aurora District	111,858
Community Living York South	217,853
COSTI Immigrant Services	119,941
Family Services York Region	754,429
Girls Incorporated of York Region	92,191
Hospice Georgina	37,722
Jericho Youth Services	87,854
Jewish Family and Child Service of Greater Toronto	85,377
Job Skills	84,044
Learning Centre for Georgina	102,673
Learning Disabilities Association of York Region	76,366
Literacy Council York-Simcoe	27,367
Palliative Care Network for York Region	13,970
Pathways for Children, Youth and Families of York Region Inc.	104,137
Rose of Sharon Services for Young Mothers	77,019
Sandgate, Women's Shelter of York Region	149,969
Social Services Network	66,667
The AIDS Committee of York Region	40,000
The Canadian Hearing Society - Simcoe York Region	175,849
The Cross-Cultural Community Services Association	33,162
The Vitanova Foundation	50,460
The York Centre for Children, Youth and Families	138,811
Victim Services of York Region Inc.	121,122
Vita Community Living Services	75,397
Women's Centre of York Region	29,018
Yellow Brick House	192,781
York Region Abuse Program	184,160
York Region Food Network	50,000
2008 Campaign total allocation	4,960,509
Prior campaign	489,362
Total 2008 allocation	\$ 5,449,871