

Financial Statements of

**UNITED WAY OF YORK REGION**

Year ended March 31, 2007



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## 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, 2007 and the statements of operations and changes in fund balances 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 below, 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, excess of revenue over expenses, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which might have been determined as necessary, had we been able to satisfy ourselves concerning the completeness of donations, as referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of UWYR as at March 31, 2007 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 27, 2007

# UNITED WAY OF YORK REGION

## Statement of Financial Position

March 31, 2007, with comparative figures for 2006

						2007	2006
	Operating Fund	Capital Fund	Agency Emergency Fund	Stabilization Fund	Trillium Fund	Total	Total
<b>Assets</b>							
Cash	\$ 70,836	\$ —	\$ —	\$ —	\$ —	\$ 70,836	\$ 54,715
Investments (note 2)	1,757,173	—	100,000	1,089,713	53,981	3,000,867	3,150,389
Donations and other receivables	4,467,111	—	—	—	—	4,467,111	4,246,368
Prepaid expenses	50,559	—	—	—	—	50,559	48,128
Capital assets (note 3)	—	12,609	—	—	—	12,609	25,703
	<u>\$ 6,345,679</u>	<u>\$ 12,609</u>	<u>\$ 100,000</u>	<u>\$ 1,089,713</u>	<u>\$ 53,981</u>	<u>\$ 7,601,982</u>	<u>\$ 7,525,303</u>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Balance of distributions to UWYR agencies	\$ 4,679,130	\$ —	\$ —	\$ —	\$ —	\$ 4,679,130	\$ 4,435,667
Collections designated to other United Ways and agencies	1,445,754	—	—	—	—	1,445,754	1,745,309
Accounts payable and accrued liabilities	200,478	—	—	—	—	200,478	161,838
Deferred revenue	20,317	—	—	—	53,981	74,298	61,426
Deferred capital contributions	—	3,892	—	—	—	3,892	8,479
	<u>6,345,679</u>	<u>3,892</u>	<u>—</u>	<u>—</u>	<u>53,981</u>	<u>6,403,552</u>	<u>6,412,719</u>
Fund balances:							
Invested in capital assets	—	8,717	—	—	—	8,717	17,224
Internally restricted	—	—	100,000	1,089,713	—	1,189,713	1,095,360
	<u>—</u>	<u>8,717</u>	<u>100,000</u>	<u>1,089,713</u>	<u>—</u>	<u>1,198,430</u>	<u>1,112,584</u>
	<u>\$ 6,345,679</u>	<u>\$ 12,609</u>	<u>\$ 100,000</u>	<u>\$ 1,089,713</u>	<u>\$ 53,981</u>	<u>\$ 7,601,982</u>	<u>\$ 7,525,303</u>

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, 2007, with comparative figures for 2006

						2007	2006
	Operating Fund	Capital Fund	Agency Emergency Fund	Stabilization Fund	Trillium Fund	Total	Total
<b>Revenue:</b>							
Current campaign	\$ 8,246,482	\$ -	\$ -	\$ -	\$ -	\$ 8,246,482	\$ 7,341,969
Prior campaign	168,752	-	-	-	-	168,752	437,780
Interest	94,017	-	3,144	31,147	-	128,308	73,109
Grants	-	-	-	-	69,042	69,042	31,000
	8,509,251	-	3,144	31,147	69,042	8,612,584	7,883,858
Pledge loss	(188,606)	-	-	-	-	(188,606)	(221,093)
	8,320,645	-	3,144	31,147	69,042	8,423,978	7,662,765
<b>Expenses (note 4):</b>							
Fundraising costs	1,293,151	-	-	17,412	-	1,310,563	1,311,730
Available for distribution	7,027,494	-	3,144	13,735	69,042	7,113,415	6,351,035
<b>Fund distribution:</b>							
United Way agencies (note 11)	4,500,000	-	-	-	-	4,500,000	4,317,019
Funds designated by donors:							
Member agencies	81,975	-	-	-	-	81,975	121,669
Other United Ways	1,129,288	-	-	-	-	1,129,288	764,592
Non-United Way agencies	747,045	-	-	-	-	747,045	518,370
Programs delivered by							
United Way (note 4)	483,096	-	-	8,616	69,042	560,754	524,929
Amortization	-	8,507	-	-	-	8,507	10,412
	6,941,404	8,507	-	8,616	69,042	7,027,569	6,256,991
Excess (deficiency) of revenue over expenses	\$ 86,090	\$ (8,507)	\$ 3,144	\$ 5,119	\$ -	\$ 85,846	\$ 94,044

See accompanying notes to financial statements.

# UNITED WAY OF YORK REGION

## Statement of Changes in Fund Balances

Year ended March 31, 2007, with comparative figures for 2006

						2007	2006
	Operating Fund	Capital Fund	Agency Emergency Fund	Stabilization Fund	Trillium Fund	Total	Total
Fund balances, beginning of year	\$ -	\$ 17,224	\$ 100,000	\$ 995,360	\$ -	\$ 1,112,584	\$ 1,018,540
Excess (deficiency) of revenue over expenses	86,090	(8,507)	3,144	5,119	-	85,846	94,044
Interfund transfer	(86,090)	-	(3,144)	89,234	-	-	-
Fund balances, end of year	\$ -	\$ 8,717	\$ 100,000	\$ 1,089,713	\$ -	\$ 1,198,430	\$ 1,112,584

See accompanying notes to financial statements.

# UNITED WAY OF YORK REGION

Notes to Financial Statements

Year ended March 31, 2007

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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:

### (a) Fund accounting:

UWYR follows the deferral method of accounting for contributions.

#### (i) Operating Fund:

Revenue and expenses related to campaign activities are reported in the Operating Fund.

#### (ii) Capital Fund:

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

#### (iii) 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.

#### (iv) 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.

# UNITED WAY OF YORK REGION

Notes to Financial Statements (continued)

Year ended March 31, 2007

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## 1. Significant accounting policies (continued):

### (v) Trillium Fund:

The Trillium Foundation committed \$304,000 over five years ending December 13, 2007. The purpose of the grant is to strengthen organizational effectiveness of non-profit agencies through volunteer and staff training and consultative services.

### (b) Revenue recognition:

UWYR recognizes pledges when amounts are pledged. All other donations revenue is recognized when received. Any revenue and expenses relating to subsequent campaign years is deferred until the corresponding campaign year. A provision is recorded to reduce pledge receivables and revenue for estimated uncollectible pledges.

Restricted donations and pledges are recognized as revenue in the year in which the related expenses are incurred. The unspent amounts are treated as deferred revenue.

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.

### (d) Investments:

Investments are classified as held for trading and stated at fair value. In determining fair values, 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 interest revenue in the statement of operations.

# UNITED WAY OF YORK REGION

Notes to Financial Statements (continued)

Year ended March 31, 2007

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## 1. Significant accounting policies (continued):

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 ("GIC's") 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.

### (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:

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

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### (f) 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.

# UNITED WAY OF YORK REGION

Notes to Financial Statements (continued)

Year ended March 31, 2007

## 2. Investments:

Investments include GIC's and fixed income bankers' acceptances.

These investments bear average effective interest rates from 4.21% to 4.30% (2006 - 3.10% to 3.85%) with maturity dates from April 2007 to February 2008.

At March 31, 2006, they also include a donation of common shares with a cost and market value \$11,403.

## 3. Capital assets:

			2007	2006
	Cost	Accumulated amortization	Net book value	Net book value
Office equipment	\$ 218,017	\$ 214,299	\$ 3,718	\$ 9,784
Computer software	73,443	70,507	2,936	8,946
Furniture and fixtures	4,439	2,633	1,806	2,249
Leasehold improvements	5,755	1,606	4,149	4,724
	\$ 301,654	\$ 289,045	\$ 12,609	\$ 25,703

## 4. Expenses:

Expenses include salaries and benefits, occupancy and office expenses, staff and volunteer training, direct campaign costs and professional services. These costs are allocated between fundraising, programs and management and administration to reflect the actual activity performed and related direct cost.

## 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 \$42,773 (2006 - \$33,833).

# UNITED WAY OF YORK REGION

Notes to Financial Statements (continued)

Year ended March 31, 2007

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## 6. Lease obligation:

Minimum lease obligations for office premises are approximately as follows:

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2008	\$ 148,000
2009	151,000
2010	41,000
2011	4,000
2012	4,000
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	\$ 348,000

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## 7. Financial instruments:

The fair values of cash, donations and other receivables, balance of distributions to UWYR agencies, collections designated to other United Ways and agencies and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these financial instruments.

Donations and other receivables are subject to credit risk. Cash and investments are held at creditworthy financial institutions.

The value of GIC's and fixed income securities will generally rise if interest rates fall and fall if interest rates rise.

## 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, 2007.

# UNITED WAY OF YORK REGION

Notes to Financial Statements (continued)

Year ended March 31, 2007

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**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. Comparative figures:**

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

# UNITED WAY OF YORK REGION

Notes to Financial Statements (continued)

Year ended March 31, 2007

## 11. Distribution of Campaign 2006 proceeds:

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Alzheimer Society York Region	\$	33,669
Big Brothers Big Sisters of York Region		85,816
Canadian Hearing Society - York Region		175,849
Canadian Mental Health Association - York Region		99,012
Canadian National Institute for the Blind		132,891
Canadian Red Cross Society (Region of York Branch)		130,894
Carefirst Seniors & Community Services Association		77,518
Catholic Community Services of York Region		89,950
Centre for Information & Community Services of Ontario (York Regional Office)		146,960
C.H.A.T.S. (Community Home Assistance to Seniors)		215,274
Community Living Newmarket/Aurora District		111,858
Community Living York South		217,853
COSTI		64,941
Family Services York Region		729,854
Georgina Association for Community Living		30,627
Girls Incorporated of York Region		92,191
Helpmate Community Information & Volunteer Bureau		25,743
Hospice Georgina/Chippewas of Georgina Island		37,722
Jericho Youth Centre		87,854
Jewish Family & Child Service (York Region Branch)		85,377
Job Skills		84,044
Learning Centre for Georgina		102,673
Learning Disabilities Association (York Region)		76,366
Literacy Council York Simcoe		27,367
Palliative Care Network		55,880
Pathways for Children, Youth and Families of York Region, Inc.		37,789
Rose of Sharon Services for Young Mothers		77,019
Sandgate, Women's Shelter of Georgina		149,969
Social Services Network York Region		66,667
The Vitanova Foundation		50,460
The York Centre for Children, Youth and Families		47,311
Toronto Chinese Community Services Association		33,162
Transit Georgina		41,453
Transitional and Supportive Housing Services of York Region		332,593
Victim Services of York Region Inc.		24,872
Women's Centre of York Region		29,018
Yellow Brick House		127,781
York Region Food Network		50,000
York Region Abuse Program		121,480
Grant Stream Funding		292,243
	\$	4,500,000

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