

Financial Statements

United Way of Greater Simcoe County

March 31, 2011



Grant Thornton

Independent Auditors' Report

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To the Board of Directors of

United Way of Greater Simcoe County

We have audited the accompanying financial statements of United Way of Greater Simcoe County, which comprise the statement of financial position as at March 31, 2011 and the statements of operations, 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 generally accepted accounting principles, 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 qualified audit opinion.

Basis for qualified opinion

In common with many charitable organizations, the organization derives revenue from donations and fundraising, 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 donation and fundraising revenues, excess of revenue over expenses, assets and net assets.

Opinion

In our opinion, except for the 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 the organization as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Barrie, Canada
June 6, 2011

Chartered Accountants
Licensed Public Accountants

United Way of Greater Simcoe County Statement of Financial Position

As at March 31

	2011	2010
	\$	\$
ASSETS		
Current		
Cash and cash equivalents <i>[note 5]</i>	1,585,257	432,062
Marketable securities <i>[note 6]</i>	18,625	14,324
Pledges receivable <i>[note 7]</i>	739,511	568,072
Accounts and grants receivable	61,364	73,620
Prepaid expenses	18,924	15,487
Total current assets	2,423,681	1,103,565
Capital assets <i>[note 8]</i>	28,073	21,465
Restricted asset		
Investment - Forever Fund <i>[note 11]</i>	341,498	323,047
	2,793,252	1,448,077
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued charges	107,107	69,207
Accounts payable - Donor's choice	92,699	49,746
Deferred grant and other revenue - short term	1,096,106	77,624
Allocations payable to member agencies <i>[note 9]</i>	845,000	674,192
Total current liabilities	2,140,912	870,769
Deferred grant and other revenue - long term	115,684	77,948
Total liabilities	2,256,596	948,717
Net assets		
Unrestricted net assets	167,085	154,848
Net assets invested in capital assets	28,073	21,465
Net assets restricted for endowment purposes <i>[note 11]</i>	341,498	323,047
	536,656	499,360
	2,793,252	1,448,077

See accompanying notes to the financial statements.

On behalf of the Board:

Director

Director

United Way of Greater Simcoe County Statement of Changes in Net Assets

Year ended March 31

				2011	2010
	Unrestricted net assets	Invested in capital assets	Forever Fund	Total	Total
	\$	\$	\$	\$	\$
Opening balance	154,848	21,465	323,047	499,360	374,485
Excess of revenues over expenditures for the year	14,111	-	-	14,111	41,806
Realized investment income (loss)	-	-	(5,646)	(5,646)	11,422
Unrealized investment income (loss)	-	-	28,831	28,831	71,647
Investment in capital assets	(14,270)	14,270	-	-	-
Investment revenue transfer	4,734	-	(4,734)	-	-
Amortization	7,662	(7,662)	-	-	-
Balance, end of year	167,085	28,073	341,498	536,656	499,360

See accompanying notes to the financial statements.

United Way of Greater Simcoe County Statement of Operations

Year ended March 31	2011	2010
	\$	\$
REVENUES		
Donations and special events revenue <i>[schedule 1]</i>	1,233,161	1,167,934
Funds transferred from other UWs-C <i>[schedule 1]</i>	380,140	354,423
Funds transferred to other UWs-C	(57,091)	(18,078)
Campaign revenue	1,556,210	1,504,279
Less: Admin fees charged by UWs-C	(3,462)	(2,574)
Less: Uncollectible pledges <i>[note 12]</i>	(107,643)	(85,830)
Net campaign revenue	1,445,105	1,415,875
Grants <i>[schedule 3]</i>	2,010,242	386,138
Sponsorships	3,590	3,793
Investment income	7,821	5,398
Administrative fees	334,926	80,492
Other income	223,603	53,013
	4,025,287	1,944,709
Expenditures		
Fundraising expenses <i>[schedule 2]</i>	478,821	376,750
Net revenue available for programs	3,546,466	1,567,959
Program expenses		
Agency allotments <i>[schedule 2]</i>	845,000	650,000
Donor's Choice <i>[note 13]</i>	124,999	47,196
Community development programs <i>[schedule 2]</i>	547,114	367,819
Grants <i>[schedule 3]</i>	2,010,242	386,138
New initiatives funding <i>[schedule 2]</i>	5,000	75,000
	3,532,355	1,526,153
Excess of revenues over expenditures for the year	14,111	41,806

See accompanying notes to the financial statements.

**United Way of Greater Simcoe County
Statement of Cash Flows**

Year ended March 31	2011	2010
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenditures	14,111	41,806
Amortization	7,662	4,610
Unrealized loss (gain) on marketable securities	(4,301)	(5,215)
Investment revenue transfer	4,734	4,734
Net change in non-cash working capital balances	89,041	4,086
Cash provided by operating activities	111,247	50,021
INVESTING ACTIVITIES		
Re-invested investment income	-	-
Purchase of capital assets	(14,270)	(18,154)
Cash used in investing activities	(14,270)	(18,154)
FINANCING ACTIVITY		
Increase (decrease) in deferred revenue	1,056,218	6,748
Cash used in investing activity	1,056,218	6,748
Net increase in cash and cash equivalents during the year	1,153,195	38,615
Cash and cash equivalents, beginning of year	432,062	393,447
Cash and cash equivalents, end of year	1,585,257	432,062
Represented by		
Cash and cash equivalents	928,375	300,374
Term deposit	656,882	131,688
	1,585,257	432,062

See accompanying notes to the financial statements.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2011

1. OPERATIONS

The United Way of Greater Simcoe County is a non-profit organization incorporated without share capital under the laws of Ontario. Its principal activities include the fund raising for and allocation to non-profit organizations.

The United Way of Greater Simcoe County is a registered public foundation and as such, is exempt from income tax and may issue income tax receipts to donors.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the organization have been prepared in accordance with Canadian generally accepted accounting principles, consistently applied. The following is a summary of the more significant accounting policies:

Basis of accounting

United Way of Greater Simcoe County follows the accrual method of accounting. The accrual basis recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments.

Long-term investments

Long-term investments held within the Forever Fund are recorded at fair market value.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital assets

Capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair market value at the date of acquisition or at a nominal amount when the fair market value of contributed capital assets cannot be determined. Amortization based on the estimated useful life of the asset, with half year rates in the year of acquisition is calculated as follows:

Office equipment	20% diminishing balance basis
Computer equipment	30% diminishing balance basis

Revenue recognition

The United Way of Greater Simcoe County follows the deferral method of accounting for contributions.

Contributions are recognized as revenue in the appropriate fund. Investment income earned by the fund is recognized as revenue as it is earned.

Pledges are recorded as receivable and recognized as revenue when signed pledge or other documents are received by the United Way. Provision is made for possible cancellation of pledges taken into revenue.

Contributions to, and investment income earned by the Forever Fund are recognized as revenue in the Fund.

Pension plan

The organization maintains a defined contribution plan available to some of its permanent full-time personnel. The expense for the plan is equal to the organization's required contribution for the year.

Contributed service

The work of United Way of Greater Simcoe County is dependent on the voluntary service of many members and others. Since these services are not normally purchased by the United Way of Greater Simcoe County and because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Campaign revenue

These financial statements reflect the results of the campaign that commenced in 2010 and include Campaign revenue and the related allocations, designations and operating expenditures applicable to that campaign. Comparative figures represent the Campaign that commenced in 2009.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Allocation of general and administrative expenditures

United Way of Greater Simcoe County provides administration and support to various grant programs. An administration fee is charged to these programs.

Allocations to member and non-member agencies

United Way of Greater Simcoe County provides member agencies with ongoing funding to assist agencies with their service delivery. Agency allocations are determined by the Board of Directors, and are recognized as expenditures of the current campaign. Funds are distributed on an instalment basis over the next fiscal year.

Financial instruments

The financial instruments of the organization consist mainly of cash and cash equivalents, marketable securities, accounts and grants receivable, pledges receivable, fund investments, accounts payable and allocations payable to member agencies. The carrying values of these financial assets and financial liabilities approximate their fair values unless otherwise disclosed. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

The marketable securities and Forever Fund investments have been classified as held for trading.

The fair value of pledges receivable have not been determined as there is no ready market for these financial instruments. The organization is subject to credit risk on pledges receivable from its donors. However, because of the large number of donors, credit risk is reduced at the minimum.

Donated services

The organization is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the organization and because of the difficulty in estimating their fair value, these services are not recorded in these financial statements.

3. FUTURE ACCOUNTING CHANGES

The Canadian Accounting Standards Board has issued new financial reporting standards for not-for-profit organizations which are effective for year-ends commencing on or after January 1, 2012. Early adoption of these reporting standards is permitted.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2011

4. CAPITAL DISCLOSURES

The United Way's main objective when managing capital is to safeguard its ability to continue as a going concern, so that it can ensure the continuation of investment support for the community.

The capital structure of the United Way consists of unrestricted net assets, endowment funds and investment in capital assets. The United Way manages its capital structure and makes adjustments to it in light of economic conditions and the risk characteristics of the underlying assets. The United Way's primary uses of capital are to finance non-cash working capital requirements and capital expenditures which are currently funded from internally generated cash flows.

The United Way is not subject to any externally imposed capital requirements and does not presently utilize and quantitative measures to monitor its capital.

5. CASH AND CASH EQUIVALENTS

	2011	2010
	\$	\$
Cash	928,375	300,374
Guaranteed Investment Certificate - Royal Bank of Canada, interest at 3.75%	50,000	50,000
Guaranteed Investment Certificate - Royal Bank of Canada, interest at 0.45%	-	41,674
Guaranteed Investment Certificate - Royal Bank of Canada, interest at 0.40%	-	40,014
Guaranteed Investment Certificate - Royal Bank of Canada, interest at 1.35%	40,175	-
Guaranteed Investment Certificate - Royal Bank of Canada, interest at 1.10%	79,825	-
Guaranteed Investment Certificate - Royal Bank of Canada, interest at 1.20%	250,000	-
Guaranteed Investment Certificate - Scotiabank, interest at 0.9%, maturing in February 2012	236,882	-
	1,585,257	432,062

The Royal Bank of Canada GICs mature in April 2011, May 2011, November 2011 and March of 2012 respectively. \$80,000 of the GICs is pledged as security against a line of credit. As at the year-end, the line of credit balance was \$Nil.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2011

6. MARKETABLE SECURITIES

	2011	2010
	\$	\$
RBC Direct Investing Inc.		
Marketable securities	18,625	14,324

The cost of the above marketable securities is \$12,128.

7. PLEDGES RECEIVABLE

	2011	2010
	\$	\$
Prior years' campaigns - pledges receivable	48,500	27,557
Current year's campaign - pledges receivable	780,789	593,971
Allowance for pledge defaults on current year's campaign	(89,778)	(53,456)
	739,511	568,072

8. CAPITAL ASSETS

	2011		2010	
	Cost	Accumulated depreciation	Net book value	Net book value
	\$	\$	\$	\$
Computer hardware	60,366	41,317	19,049	13,964
Office equipment	25,271	16,247	9,024	7,501
	85,637	57,564	28,073	21,465

9. COMMITMENTS

The organization has approved funding to certain member agencies for the upcoming year totalling \$845,000. These agency payments are to be funded by pledges made during the current year fundraising campaign.

In addition, the organization has an agreement for the rental of facilities in Barrie. The minimum annual payments under the lease are \$71,815. The lease expires February 28, 2012.

10. EMPLOYEE FUTURE BENEFITS

During the year, the organization recorded contributions of \$8,249 (2010 - \$7,962) with respect to their defined contribution retirement plan.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2011

11. FOREVER FUND

	2011		2010	
	Cost	Market value	Cost	Market value
	\$	\$	\$	\$
Cash	2,896	2,896	5,229	5,229
Municipal bonds	46,243	42,125	-	-
Corporate bonds	155,581	158,825	162,511	161,719
Equities	8,534	17,097	8,534	16,940
Mutual funds	115,314	120,555	162,673	139,159
	328,568	341,498	338,947	323,047

The Forever Fund is a restricted fund set up to support community investments on an ongoing basis. Deferred gifts can be designated to the United Way of Greater Simcoe County through the holding account. The deferred gifts are arranged today for future receipt. Funds transferred to the operating fund are based on 50% of the previous year's realized dividend and interest income on the Forever Fund, which goes towards supporting the organization's investment in programming.

12. UNCOLLECTIBLE PLEDGES

	2011	2010
	\$	\$
Provision for current campaign	36,320	53,457
Realized pledge loss over (under) amount previously provided	71,322	32,373
	107,642	85,830

13. DONOR'S CHOICE

The organization collects donations on behalf of registered charities at the specific request of the donor. The organization is entitled in certain cases to an administration fee in respect of collecting and disbursing the funds. The donations received (net of the fee) are included in campaign revenue reported on schedule 1. During the year, current donations and the related allocations to registered charities amounted to \$31,997.

14. COMPARATIVE FIGURES

Certain of the figures presented in the prior year have been reclassified to conform with current year presentation standards.

The New Initiative Funding has now been strategically designated, for the most part, to Agency Allotments.

United Way of Greater Simcoe County

Notes to the Financial Statements

March 31, 2011

15. COST ALLOCATIONS

The United Way of Greater Simcoe County allocates its costs to two functional areas : Fundraising and Community Development Programs. General costs which do not pertain specifically to either function are considered administrative and are allocated to the functional areas based on management's estimates. These administrative costs are included in schedule 2 of these financial statements and have been allocated as follows:

	2011	2010
	\$	\$
To fundraising expenses	47%	47%
To community development programs	53%	53%

A portion of the general expenses and salaries are increased over last year due to increased offsetting grants and administration fees income.

United Way of Greater Simcoe County
Schedule of Gross Campaign Achievement

Schedule 1

Year ended March 31

	2011	2010
	\$	\$
Revenue		
Cash and pledged donations	1,175,257	1,031,009
Special events revenue		
Estate on the Bay Gala	-	62,294
Warden's Gala Dinner	57,904	74,631
Donations	1,233,161	1,167,934
Other		
Funds transferred from other UWs-C	380,140	354,423
	380,140	354,423
Gross campaign achievement	1,613,301	1,522,357

**United Way of Greater Simcoe County
Schedule of Expenditures**

Schedule 2

Year ended March 31

	2011	2010
	\$	\$
Agency allotments		
Amyotrophic Lateral Sclerosis Society of Canada	32,000	-
Big Brothers Big Sisters of North Simcoe	25,000	22,800
Big Brothers Big Sisters Barrie	30,000	-
Borden Family Resource Centre	30,000	32,800
The Boys & Girls Club	35,450	-
Canadian Hearing Society	34,000	23,660
Canadian Mental Health	40,492	61,546
Canadian National Institute for the Blind	45,000	24,000
Canadian Red Cross Society	-	23,000
Catholic Family Life	77,901	39,173
Community Link North Simcoe	59,888	33,380
CONTACT	40,000	40,749
David Busby Street Centre	60,000	65,838
Deaf Access Simcoe	86,083	58,333
Elizabeth Fry Society	-	22,800
Epilepsy (Ontario) Simcoe County	-	15,000
Family Services - York region	-	23,077
Georgian Triangle Housing	8,000	-
Gilda's Club	34,865	-
Hospice Simcoe	-	31,545
Independent Living Services	34,681	-
Krasman Centre	10,000	-
Midland Area Reading Council	50,000	-
Season Centre for Grieving Children	40,000	-
Simcoe Community Services	60,000	57,699
Simcoe County Assoc. for the Physically Disabled	-	15,800
St. John Ambulance Society	11,640	26,000
The YMCA of Simcoe/Muskoka	-	32,800
	845,000	650,000

**United Way of Greater Simcoe County
Schedule of Expenditures (Continued)**

**Schedule 2
Page 2**

Year ended March 31

	2011	2010
	\$	\$
Community development		
General and office	82,669	65,074
Salaries and employee benefits	245,437	173,455
Admin fee on grant income	29,332	14,536
Community impact co-ordinator	42,720	-
Strategic planning	2,500	8,542
United Way of Canada - membership fees	11,812	10,723
Alliance project	63,535	29,527
Telephone - 211 Expenses	20,000	20,011
Training and consulting	49,109	45,951
	547,114	367,819
Fundraising		
General and office	112,120	93,038
Direct campaign costs	20,070	20,341
Special event related costs	11,979	46,993
Salaries and employee benefits	334,652	216,378
	478,821	376,750
New initiatives		
Barrie Community Health Centre	-	5,100
Barrie Literacy Council	-	6,000
Catholic Family Life	-	8,000
Elizabeth Fry Society	-	8,000
Georgian Triangle Housing Resource Centre	-	5,600
Hospice Huronia	-	2,300
Huronian Restorative Justice Project	-	5,000
Information Orillia	-	5,200
Lance Krasman Memorial Centre for Community Health	-	5,000
Matthews House Hospice	-	5,000
Metis Nation of Ontario	-	7,500
Simcoe County Association for the Physically Disabled	-	4,000
Autism Ontario Simcoe County Chapter	-	4,300
Canine Opportunity People Employment	-	4,000
Child, Youth and Family Services Coalition of Simcoe	5,000	-
	5,000	75,000

United Way of Greater Simcoe County
Schedule of Grant Revenue and Expenditures

Schedule 3

Year ended March 31

	2011	2010
	\$	\$
REVENUE		
Eat Well to Excel	114,463	122,756
Homelessness Partnership Strategy - Outreach	1,308,993	11,235
Feasibility Study	-	17,968
Social Enterprise	-	22,146
Orillia Community Kitchen	248	1,759
Miscellaneous Grants	-	588
Homelessness Partnership Strategy	84,701	84,700
Winter Warmth	501,837	124,986
	2,010,242	386,138
Expenditures		
Eat Well to Excel	114,463	122,756
Homelessness Partnership Strategy - Outreach	1,308,993	11,235
Feasibility Study	-	17,968
Social Enterprise	-	22,146
Orillia Community Kitchens	248	1,759
Miscellaneous Grants	-	588
Homelessness Partnership Strategy	84,701	84,700
Winter Warmth	501,837	124,986
	2,010,242	386,138