

FINANCIAL STATEMENTS

UNITED WAY OF GREATER SIMCOE COUNTY

March 31, 2008

Thomas A. Hards, FCA
Gary F. Pearson, CA, CFP
Michael J. Palmer, CA

27 Clapperton Street, Suite 200
Barrie, Ontario, L4M 3E6
Voice 705-728-3397
Fax 705- 728-2728

AUDITORS' REPORT

To the Board of Directors of
The United Way of Greater Simcoe County

We have audited the statement of financial position of **The United Way of Greater Simcoe County** as at March 31, 2008 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 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 charitable organizations, the organization derives revenue from 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 the organization, and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenues over expenditures, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations as discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Barrie, Ontario,
June 6, 2008

Hards Pearson LLP

Licensed Public Accountants

United Way of Greater Simcoe County

STATEMENT OF FINANCIAL POSITION

As at March 31, 2008

	2008 \$	2007 \$
ASSETS		
Current		
Cash and cash equivalents <i>[note 3]</i>	368,208	142,878
Marketable securities <i>[note 4]</i>	11,595	7,019
Pledges receivable <i>[note 5]</i>	541,644	463,763
Accounts and grants receivable	35,031	127,426
Prepaid expenses	12,065	1,364
Total current assets	968,543	742,450
Capital assets <i>[note 6]</i>	10,051	14,068
Restricted asset		
Investment - Forever Fund <i>[note 9]</i>	311,255	364,100
	1,289,849	1,120,618
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued charges	172,368	165,823
Accounts payable - Donor's choice	34,853	19,109
Deferred grant and other revenue	66,207	58,573
Allocations payable to member agencies <i>[note 7]</i>	608,430	533,028
Total liabilities	881,858	776,533
Net assets		
Unrestricted net assets (shortfall)	86,685	(34,083)
Net assets invested in capital assets	10,051	14,068
Net assets restricted for endowment purposes <i>[note 9]</i>	311,255	364,100
	407,991	344,085
	1,289,849	1,120,618

See accompanying notes

On behalf of the Board:

Director

Director

United Way of Greater Simcoe County

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2008

	Unrestricted net assets \$	Invested in capital assets \$	Forever Fund \$	<u>2008</u> Total \$	<u>2007</u> Total \$
Opening balance	(34,083)	14,068	364,100	344,085	135,701
Excess (shortfall) of revenues over expenditures for the year	110,886	-	-	110,886	136,685
Realized investment income	-	-	5,697	5,697	18,566
Unrealized investment income	-	-	(52,677)	(52,677)	3,133
Investment revenue transfer	5,865	-	(5,865)	-	-
Restricted donations	-	-	-	-	50,000
Amortization	4,017	(4,017)	-	-	-
Balance, end of year	86,685	10,051	311,255	407,991	344,085

See accompanying notes

United Way of Greater Simcoe County

STATEMENT OF OPERATIONS

Year ended March 31, 2008

	2008	2007
	\$	\$
REVENUES		
Donations and special events revenue <i>[schedule 1]</i>	1,030,256	983,649
Funds transferred from other UWs-C <i>[schedule 1]</i>	330,839	268,207
Funds transferred to other UWs-C	(6,318)	(15,303)
Campaign revenue	1,354,777	1,236,553
Less: Uncollectible pledges	(25,762)	(26,553)
Net campaign revenue	1,329,015	1,210,000
Grants <i>[schedule 3]</i>	262,896	373,793
Sponsorships	7,356	-
Interest income	3,046	2,811
Administrative fees	52,381	29,232
Other income	55,146	48,952
	1,709,840	1,664,788
Expenditures		
Fundraising expenses <i>[schedule 2]</i>	289,462	305,981
Administrative <i>[schedule 2]</i>	81,706	66,557
Net revenue available for programs	1,338,672	1,292,250
Program expenses		
Agency allotments <i>[schedule 2]</i>	600,000	520,917
Donor's Choice	82,749	34,636
Community development programs <i>[schedule 2]</i>	232,141	226,219
Grants <i>[schedule 3]</i>	262,896	373,793
New initiatives funding <i>[schedule 2]</i>	50,000	-
	1,227,786	1,155,565
Excess (shortfall) of revenues over expenditures for the year	110,886	136,685

See accompanying notes

United Way of Greater Simcoe County

STATEMENT OF CASH FLOWS

Year ended March 31, 2008

	2008 \$	2007 \$
OPERATING ACTIVITIES		
Excess (shortfall) of disbursements over receipts	110,886	136,685
Amortization	4,017	4,255
Unrealized gain on marketable securities	(453)	-
Investment revenue transfer	5,865	-
Net change in non-cash working capital balances	101,504	(19,577)
Cash provided by operating activities	221,819	121,363
INVESTING ACTIVITIES		
Purchase of marketable securities	(4,123)	(7,019)
Purchase of capital assets	-	(6,592)
Cash used in investing activities	(4,123)	(13,611)
FINANCING ACTIVITY		
Increase (decrease) in deferred revenue	7,634	(132,791)
Cash used in investing activity	7,634	(132,791)
Net increase (decrease) in cash and cash equivalents during the year	225,330	(25,039)
Cash and cash equivalents, beginning of year	142,878	167,917
Cash and cash equivalents, end of year	368,208	142,878
Represented by		
Cash and cash equivalents	27,101	24,445
Term deposit	341,107	118,433
	368,208	142,878

See accompanying notes

United Way of Greater Simcoe County

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2008

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the organization have been prepared in accordance with Canadian generally accepted accounting principles. 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, 2008

2. SUMMARY OF 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 ran in the 2007 fiscal year and include Campaign revenue and the related allocations, designations and operating expenditures applicable to that campaign. Comparative figures represent the Campaign that ran during the 2006 fiscal year.

United Way of Greater Simcoe County

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2008

2. SUMMARY OF 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 company 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 fair value of pledges receivable have not been determined as there is no ready market for these financial instruments. The company 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.

3. CASH AND CASH EQUIVALENTS

	2008	2007
	\$	\$
Cash	27,101	17,426
Term deposit - Royal Bank of Canada, interest at 3%	40,000	100,000
Term deposit - Royal Bank of Canada, interest at 3%	301,107	25,452
	<u>368,208</u>	<u>142,878</u>

The term deposits mature in January and March of 2009 respectively. \$25,000 of the term deposit 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, 2008

4. MARKETABLE SECURITIES

	2008	2007
	\$	\$
RBC Direct Investing Inc.		
Marketable securities	11,595	7,019

The historical cost of the above marketable securities is \$10,874.

5. PLEDGES RECEIVABLE

	2008	2007
	\$	\$
Fiscal 2006 campaign - pledges receivable	-	16,511
Fiscal 2007 campaign - pledges receivable	78,340	489,252
Allowance for pledge defaults	(31,101)	(42,000)
Fiscal 2008 campaign - pledges receivable	533,146	-
Allowance for pledge defaults	(38,741)	-
	541,644	463,763

6. CAPITAL ASSETS

			2008	2007
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computer hardware	37,629	29,204	8,425	12,036
Office equipment	14,734	13,108	1,626	2,033
	52,363	42,312	10,051	14,069

United Way of Greater Simcoe County

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2008

7. COMMITMENTS

The organization has approved funding to certain member agencies for the upcoming year totalling \$600,000. These agency payments are to be funded by pledges made during the current year fundraising campaign. In addition, there is an amount of \$8,430 representing donor's choice funding to certain member agencies.

In addition, the organization has an agreement for the rental of facilities in Barrie. The minimum annual payments under the lease are \$63,011. The lease expires March 31, 2009.

8. EMPLOYEE FUTURE BENEFITS

During the year, the organization recorded contributions of \$9,265 (2006 - \$7,028) with respect to their defined contribution retirement plan.

9. FOREVER FUND

	2008		2007	
	Historical Cost	Carrying Amount	Historical Cost	Carrying Amount
	\$	\$	\$	\$
Forever Fund				
Cash	2,275	2,275	5,751	5,751
Corporate bonds	155,920	147,056	162,275	173,094
Equities	23,674	28,434	23,674	35,178
Mutual funds	157,650	133,490	151,104	150,077
	<u>339,519</u>	<u>311,255</u>	<u>342,804</u>	<u>364,100</u>

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. Interest generated from the fund goes towards supporting the organization's investment in programming.

10. 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 reflected in Schedule 1 along with the related allocations. During the year \$91,739 of gross donations were collected, administration fees were \$2,672 and net allocations of \$89,067 were allocated to 102 agencies.

11. COMPARATIVE FIGURES

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

SCHEDULE OF GROSS CAMPAIGN ACHIEVEMENT

Year ended March 31, 2008

	2008	2007
	\$	\$
Revenue		
Unrestricted cash and pledged donations	849,831	901,235
Donations - Donor's Choice	89,067	49,939
Special events revenue		
Corporate Commando	14,045	19,075
Golf lottery	5,840	10,585
Warden's Gala Dinner and other events	71,473	2,815
Donations	1,030,256	983,649
Other		
Funds transferred from other UWs-C	330,839	268,207
	330,839	268,207
Gross campaign achievement	1,361,095	1,251,856

SCHEDULE OF EXPENDITURES

Year ended March 31, 2008

	2008	2007
	\$	\$
Administrative		
General and office	22,758	15,033
Miscellaneous administrative	6,772	-
Salaries and employee benefits	52,176	51,524
	81,706	66,557
Agency allotments		
Big Brothers of North Simcoe	10,000	9,500
Big Sisters of Huronia	10,000	9,500
Borden Family Resource Centre	30,000	30,000
Canadian Hearing Society	18,425	17,000
Canadian Mental Health	55,915	34,000
Canadian National Institute for the Blind	64,750	64,750
Canadian Red Cross Society	34,000	19,000
Catholic Family Life	25,000	22,000
Community Link North Simcoe	19,000	17,750
CONTACT	22,000	12,000
David Busby Street Centre	60,000	53,750
Deaf Access Simcoe	46,850	44,750
Elizabeth Fry Society	21,000	19,500
Epilepsy (Ontario) Simcoe County	18,000	18,000
Family Services - York region	19,300	17,000
Hospice Simcoe	29,450	27,750
Simcoe Community Services	49,950	47,750
Simcoe County Assoc. for the Physically Disabled	12,360	12,000
St. John Ambulance Society	24,000	24,000
The YMCA of Simcoe/Muskoka	30,000	25,000
	600,000	525,000
Amounts over (under) paid in respect of commitments	-	(4,083)
	600,000	520,917

SCHEDULE OF EXPENDITURES (CONTINUED)

Year ended March 31, 2008

	2008	2007
	\$	\$
Community development		
General and office	42,672	53,061
Salaries and employee benefits	97,830	96,608
United Way of Canada - membership fees	9,713	9,345
Alliance project	30,051	17,662
Telephone - 211 Expenses	20,000	20,000
Training and consulting	31,875	29,543
	<u>232,141</u>	<u>226,219</u>
Fundraising		
General and office	76,809	95,510
Direct campaign costs	14,767	8,731
Special event related costs	21,791	4,710
Write down of board games	-	23,135
Salaries and employee benefits	176,095	173,895
	<u>289,462</u>	<u>305,981</u>
New initiatives		
Alzheimer Society of Simcoe	1,250	-
Big Brothers and Sisters of South Simcoe	8,000	-
Georgian Bay Native Friendship Centre	8,000	-
Hospice Huronia	8,000	-
Midland Area Reading Council	5,750	-
Orillia Museum of Art and History	8,000	-
St. Vincent de Paul Society	3,000	-
The Friends supporting those with long-term health care	8,000	-
	<u>50,000</u>	<u>-</u>

SCHEDULE OF GRANT REVENUE AND EXPENDITURES

Year ended March 31, 2008

	2008	2007
	\$	\$
REVENUE		
Eat Well to Excel	134,845	111,968
RHF Youth	-	90,033
RHF Non-designated	-	100,376
SCPI	74,367	52,275
Winter Warmth	53,684	19,141
	262,896	373,793
Expenditures		
Eat Well to Excel	134,845	111,968
RHF Youth	-	90,033
RHF Non-designated	-	100,376
SCPI	74,367	52,275
Winter Warmth	53,684	19,141
	262,896	373,793