

Financial Statements of

**THE UNITED WAY OF SUDBURY
& DISTRICT / CENTRAIDE
SUDBURY ET DISTRICT**

Year ended December 31, 2011



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INDEPENDENT AUDITORS' REPORT

To the Members of The United Way of Sudbury & District / Centraide Sudbury et District

We have audited the accompanying financial statements of **The United Way of Sudbury & District / Centraide Sudbury et District**, which comprise the statement of financial position as at December 31, 2011, 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 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.

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 disclosure 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, The United Way of Sudbury & District / Centraide Sudbury et District derives most of its revenue from the general public in the form of contributions, 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 United Way of Sudbury & District / Centraide Sudbury et District and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenses and 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 The United Way of Sudbury & District / Centraide Sudbury et District as at December 31, 2011 and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

April 11, 2012
Sudbury, Canada

THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

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Year ended December 31, 2011

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THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

Statement of Financial Position

December 31, 2011, with comparative figures for 2010

	2011	2010
Assets		
Current assets:		
Cash	\$ 620,624	\$ 376,050
Temporary investments	542,440	539,703
Pledges receivable - current year's campaign	1,185,354	1,257,943
Pledges receivable - prior year's campaign	241,934	64,871
Prepaid expenses	2,849	2,849
Other accounts receivable	21,569	15,140
	<u>2,614,770</u>	<u>2,256,556</u>
Capital assets:		
Computer equipment and software	122,070	122,070
Less accumulated amortization	111,894	109,236
	<u>10,176</u>	<u>12,834</u>
Restricted assets:		
Funds on deposit (note 2)	24,811	24,811
	<u>\$ 2,649,757</u>	<u>\$ 2,294,201</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 23,994	\$ 40,861
Deferred revenue (note 3)	262,152	249,084
	<u>286,146</u>	<u>289,945</u>
Deferred capital contributions (note 4)	4,220	5,275
Net assets:		
Unrestricted	2,359,391	1,998,981
Commitments (note 6)		
	<u>\$ 2,649,757</u>	<u>\$ 2,294,201</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

Statement of Operations and Changes in Net Assets

Year ended December 31, 2011, with comparative figures for 2010

	2011	2010
Revenue:		
Reported campaign revenue:	\$ 1,945,000	\$ 1,655,000
Less: Pledge recovery (loss) and other timing differences	(23,133)	(34,971)
Campaign revenue for financial reporting purposes	1,921,867	1,620,029
Grants	33,386	-
Amortization of deferred capital contributions	1,055	1,319
Other programs	50,413	51,953
Investment income	5,020	9,637
Other income	51,289	19,369
	2,063,030	1,702,307
Expenses:		
Allocations and distribution of funds (Schedule)	1,061,932	1,296,869
Fundraising (Schedule)	339,045	309,975
Community investment (Schedule)	230,696	206,249
Other programs	55,344	65,573
United Way of Canada fees	12,945	15,125
Amortization of capital assets	2,658	3,381
	1,702,620	1,897,172
Excess (deficiency) of revenue over expenses	360,410	(194,865)
Net assets, beginning of year	1,998,981	2,193,846
Net assets, end of year	\$ 2,359,391	\$ 1,998,981

See accompanying notes to financial statements.

THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

Statement of Cash Flows

Year ended December 31, 2011, with comparative figures for 2010

	2011	2010
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 360,410	\$ (194,865)
Items not involving cash:		
Amortization of capital assets	2,658	3,381
Amortization of deferred capital contributions	(1,055)	(1,319)
	362,013	(192,803)
Change in non-cash operating working capital:		
Decrease in pledges receivable - current year's campaign	72,589	161,336
Decrease (increase) in pledges receivable - prior year's campaign	(177,063)	13,798
Decrease in prepaid expenses	-	270
Increase in other accounts receivable	(6,429)	(6,016)
Increase (decrease) in accounts payable and accrued liabilities	(16,867)	17,765
Increase (decrease) in deferred revenue	13,068	(62,722)
Increase (decrease) in cash position	247,311	(68,372)
Cash position, beginning of year	940,564	1,008,936
Cash position, end of year	\$ 1,187,875	\$ 940,564
Cash position is comprised of:		
Cash	\$ 620,624	\$ 376,050
Temporary investments	542,440	539,703
Funds on deposit	24,811	24,811
	\$ 1,187,875	\$ 940,564

See accompanying notes to financial statements.

THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

Notes to Financial Statements

Year ended December 31, 2011

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 City of Greater Sudbury 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:

(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) 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%

THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2011

1. Significant accounting policies (continued):

(c) Use of estimates:

The preparation of financial statements in conformity 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 revenue and expenses during the periods specified. Significant items subject to such estimates and assumptions include the carrying value of capital assets and valuation allowances for pledges 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.

(d) Financial instruments:

The Organization accounts for its financial assets and liabilities in accordance with Canadian generally accepted accounting principles.

The financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the statement of financial position at fair value except for loans and receivables, held-for-maturity investments and other financial liabilities which are reported at amortized cost.

The Organization also complies with CICA 3861, "Financial Instruments – Disclosure and Presentation" for the presentation and disclosure of financial instruments and non-financial derivatives.

2. Funds on deposit:

	2011	2010
Funds held by the Sudbury Community Foundation:		
Tomorrow Fund	\$ 24,811	\$ 24,811

THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2011

3. 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:

	2011	2010
Designated campaign pledges	\$ 212,049	\$ 245,016
Deferred government funding	50,103	4,068
	\$ 262,152	\$ 249,084

4. 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:

	2011	2010
Balance, beginning of year	\$ 5,275	\$ 6,594
Less amounts amortized to revenue	(1,055)	(1,319)
	\$ 4,220	\$ 5,275

THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2011

5. Designations to non-member agencies:

Designations to non-member agencies represent funds collected by the Organization specifically designated for charities that are not member agencies. During 2011, the designations to non-member agencies amounted to \$112,992 (2010 - \$154,886) and included amounts paid to the following organizations:

Amyotrophic Lateral Sclerosis Society of Canada	Church of Christ the King
Access Aids - Living Well Fund	College Boreal
All Nations Church	Community Living Greater Sudbury
All Saints Anglican Church	Covenant House
Alzheimer Society Sudbury	Crohn's and Colitis Foundation
Alzheimer Society Sault Ste Marie	David Suzuki Foundation
Amnesty International Canadian Section	Down Syndrome Association of Sudbury
Appui College Notre Dame	Easter Seals Society
Arthritis Society of Sudbury	Ecole St. Joseph
Autism Society Ontario	Elgin Street Mission (Sudbury)
Banque D' aliments Sudbury Food Bank	Elizabeth Fry Society
Better Beginnings Better Future	Engineers Without Borders
Big Brothers Big Sisters Association of Greater Sudbury	Espanola Food Bank
Big Brothers Big Sisters of North Bay and District	Espanola General Hospital
Brain Injury Association of Sudbury	Fondation Emergence Inc
Callander and District Food Bank	Glad Tidings Tabernacle
Camp Quality	Gospel for Asia
Canada Nigeria Community Development	Grace Family Church
Canada Post Foundation for Mental Illness & Mental Health	Habitat for Humanity Sudbury District
Canadian Breast Cancer Foundation	Habitat for Humanity North Bay Blue Sky Region
Canadian Cancer Society - North Bay	Harvest Ministries Sudbury
Canadian Cancer Society - Sudbury	Heart & Soul
Canadian Cancer Society - Oxford Community	Heart and Stroke Sudbury
Canadian Cystic Fibrosis Sudbury	Helping Hands Food Bank
Canadian Diabetes Association of Sudbury	Histiocytosis Association of Canada
Canadian Foundation for the Study of Infant Death	Holy Redeemer Church
Canadian Hearing Society	Hopital Regional de Sudbury Regional Hospital
Canadian Liver Foundation	Inner City Home
Canadian Mental Health Association	International Children's Awareness
Canadian Paraplegic Association	Jane Goodall Institute for Wildlife Research, Education & Conservation
Canadian Red Cross Sudbury	Juvenile Diabetes Foundation
Care Canada	Kidney Foundation of Canada
Catholic Parishes of Onaping Falls and Chartier	Knights and Ladies of Kaleva Inc
Centre Communautaire de Lavigne	L'Arche Sudbury Inc.
Centre Victoria	Laurentian University
Children's Wish Foundation of Canada	Lifewater Canada
Christian Children's Fund of Canada	

THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2011

5. Designations to non-member agencies (continued):

Lupus Ontario	Schizophrenis Society of Ontario
MADD	Scouts Canada
Make a Wish Foundation	Shriners Hospital for Children
Manitoulin Family Resources	Sick Kids Foundation
Meals on Wheels	Special Olympics
Mission Partners International	St. Bartholomew's Church
Multiple Sclerosis Society of Canada - Sudbury Chapter	St. John the Evangelist Church
National Capital Children's Oncology Care Inc.	St. John's Church
National Service Dog Training Centre	St. Kevin's Church
Nature Conservancy of Canada	St. Mark's United Church
New Sudbury Pentecostal	St. Matthews Evangelical Lutheran Church
Nipissing University	St. Paul's Church
North Bay and District Humane Society	St. Pius X Church
North Bay Association for Community Living	St. Stanislaus Church
North Bay Military Family Resource Centre	St. Stephens on the Hill United Church
North Bay Food Bank	Starlite Children's Foundation
Northern Cancer Research Foundation	Sudbury Community Foundation
Northern Ontario Families of Children with Cancer	Sudbury Hospice
Northern Ontario School of Medicine Thunder Bay	Sudbury Right to Life
Ontario March of Dimes	Sudbury Soup Kitchen
One Kids Place Children's Medical Treatment	Sudbury Therapeutic Riding
Ontario Breast Screening Program	Teen Challenge North
Our Children Our Future	Ten Rainbows Foundation
Paroisse Sainte Marie du Sault	The Candlelighters Childhood Cancer Foundation
Paroisse St. Anges	The Human League Association
Paroisse du Sacre Coeur	The Leprosy Mission
Paroisse Notre Dame du Rosaire	The Mended Hearts Inc.
Paroisse St. Vincent de Paul	The Parish Church of St. James Lockerby
Paroisse Ste. Cecile de Dubreuville	The Samaritan Centre
Parkinson Society of Canada	Tori's Buddies Research Fund Incorporated
Pet Save	Transition House of Nipissing
Pregnancy Care Centre of Sudbury	Trinity United Church North Bay
Princess Margaret Hospital Foundation	UNICEF
Prostate Cancer Canada	Unitarian Universalist Church of North Hatley
Raising the Roof Chez Toit	United Way Sault Ste. Marie
Rick Hansen Man in Motion	VON Canada
Ronald McDonald House Charities	War Amps
SPCA	War Child Canada
Sacred Way Ministries	Warm Hearts Palliative Care Givers Sudbury Manitoulin
Salvation Army	Warriors of Hope Breast Cancer Survivors Dragon Boat
Save the Children	Racing Team

THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

Notes to Financial Statements (continued)

Year ended December 31, 2011

5. Designations to non-member agencies (continued):

West Nipissing General Hospital
Wild at Heart Refuge Center
YMCA Sudbury
YWCA Sudbury Genevra House

6. Commitments:

The Organization is committed to payments under an operating lease for the Sudbury premises through July 31, 2016 in the total amount of approximately \$111,870. The Organization is committed to payments under an operating lease for the North Bay premises through November 30, 2013 in the total amount of approximately \$14,078. Combined annual payments for these lease commitments are as follows:

2012	\$	31,753
2013		31,141
2014		24,408
2015		24,408
2016		14,238
	\$	125,948

7. Financial instruments:

The carrying values of cash, temporary investments, pledges and other accounts receivable, funds on deposit and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

8. Capital management:

The Organization defines its capital as its unrestricted net assets and is not subject to external restrictions on its capital.

The Organization has in place an annual budgeting process to assist in determining the funds required in order to meet working capital requirements.

The Organization's objective when managing its capital is to maximize investment income without compromising the maintenance of its capital.

THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

Schedule of Allocations and Distribution of Funds

Year ended December 31, 2011, with comparative figures for 2010

	2011	2010
Member Agency Programs:		
Canadian Red Cross Society of Sudbury	\$ 93,837	\$ 120,207
Canadian National institute for the Blind (CNIB)	60,688	77,498
Sudbury Family YMCA	58,094	71,829
Sudbury Action Centre for Youth	55,383	70,000
Learning Disabilities	55,127	60,881
Victorian Order of Nurses - Adult Care	47,289	11,907
Canadian Mental Health Association	42,325	56,667
Big Brothers Association	41,702	53,492
John Howard Society of Sudbury	40,993	52,441
Centre De Sante Communautaire	40,614	50,799
Elizabeth Fry Society, Sudbury Branch	35,591	45,237
Maison Vale Inco House	34,229	38,350
Better Beginnings Better Futures	33,900	43,456
L'Association des jeunes de la rue-Foyer Notre Dame	31,958	40,205
St. John Ambulance	30,213	38,615
Iris Addiction Recovery for Women	28,758	36,500
Canadian Hearing Society	28,046	28,434
Sudbury YWCA Geneva House	27,718	56,786
North Shore Search and Rescue	19,949	7,684
ICAN	16,684	20,294
Le Carrefour Francophone de Sudbury Inc.	16,254	20,515
Sudbury Multicultural - Folk Arts Association	16,134	20,500
Sudbury District Restorative Justice	14,449	18,360
Rockhaven	10,283	13,000
Autism Ontario North Bay and Area	10,000	-
Low Income People Involvement of Nipissing	10,000	-
Nipissing Association for Disabled Youth	10,000	-
Inner City Home	8,286	10,612
Art Gallery of Sudbury	7,000	7,000
The Human League Foundation	6,272	31,894
Jubilee Heritage Family Resource	3,935	5,193
Family Enrichment Centre	3,854	3,000
Crisis Centre North Bay	3,741	-
Packsack Smiles Organization	2,000	-
Multiple Sclerosis Society	189	8,020
Sudbury Women's Centre	-	7,578
Volunteer Sudbury	-	10,000
	945,497	1,136,954
Other:		
Designations to non-member agencies (note 5)	112,992	154,886
Other	3,443	5,029
	116,435	159,915
	\$ 1,061,932	\$ 1,296,869

THE UNITED WAY OF SUDBURY & DISTRICT / CENTRAIDE SUDBURY ET DISTRICT

Schedule of Expenses

Year ended December 31, 2011, with comparative figures for 2010

	2011	2010
Fundraising:		
Salaries and employee benefits	\$ 253,499	\$ 227,504
Office supplies and general	28,421	35,031
Campaign promotion and supplies	22,833	19,674
Rent	12,330	11,439
Conference and travel	9,754	1,134
Professional fees	5,325	7,215
Equipment rental	2,423	2,104
Insurance	1,599	1,682
Computer services	1,591	2,405
Postage and shipping	1,270	1,787
	\$ 339,045	\$ 309,975
Community investment:		
Salaries and employee benefits	\$ 163,103	\$ 142,545
Office supplies and general	33,602	35,938
Rent	12,029	11,439
Conference and travel	9,754	1,134
Professional fees	5,325	7,215
Equipment rental	2,422	2,104
Insurance	1,599	1,682
Computer services	1,591	2,405
Postage and shipping	1,271	1,787
	\$ 230,696	\$ 206,249