

Financial Statements of

**UNITED WAY CENTRAIDE
SUDBURY AND/ET NIPISSING
DISTRICTS**

Years ended December 31, 2012 and 2011

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

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KPMG LLP
Chartered Accountants
Claridge Executive Centre
144 Pine Street
Sudbury Ontario P3C 1X3
Canada

Telephone (705) 675-8500
Fax (705) 675-7586
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of United Way Centraide Sudbury and/et Nipissing Districts

We have audited the accompanying financial statements of United Way Centraide Sudbury and/et Nipissing Districts, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, the statements of operations and changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, 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 accounting standards for not-for-profit organizations, 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 audits. We conducted our audits 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 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 in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, United Way Centraide Sudbury and/et Nipissing Districts 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 United Way Centraide Sudbury and/et Nipissing Districts 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 United Way Centraide Sudbury and/et Nipissing Districts as at December 31, 2012, December 31, 2011 and January 1, 2011, and its results of operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small arrowhead pointing to the right.

Chartered Accountants, Licensed Public Accountants

April 10, 2013
Sudbury, Canada

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Statements of Financial Position

December 31, 2012, December 31, 2011 and January 1, 2011

	December 31, 2012	December 31, 2011	January 1, 2011
Assets			
Current assets:			
Cash	\$ 546,747	\$ 620,624	\$ 376,050
Temporary investments	553,222	542,440	539,703
Pledges receivable - current year's campaign	1,690,020	1,185,354	1,257,943
Pledges receivable - prior year's campaign	22,359	241,934	64,871
Prepaid expenses	5,744	2,849	2,849
Other accounts receivable	41,279	21,569	15,140
	<u>2,859,371</u>	<u>2,614,770</u>	<u>2,256,556</u>
Capital assets:			
Computer equipment and software	171,416	122,070	122,070
Less accumulated amortization	<u>121,711</u>	<u>111,894</u>	<u>109,236</u>
	49,705	10,176	12,834
Funds on deposit (note 2)	24,811	24,811	24,811
	<u>\$ 2,933,887</u>	<u>\$ 2,649,757</u>	<u>\$ 2,294,201</u>

Liabilities, Deferred Contributions and Net Assets

Current liabilities:			
Accounts payable and accrued liabilities	\$ 27,540	\$ 23,994	\$ 40,861
Deferred revenue (note 3)	<u>341,528</u>	<u>262,152</u>	<u>249,084</u>
	369,068	286,146	289,945
Deferred capital contributions (note 4)	3,376	4,220	5,275
Net assets:			
Unrestricted	2,561,443	2,359,391	1,998,981
Commitments (note 6)			
	<u>\$ 2,933,887</u>	<u>\$ 2,649,757</u>	<u>\$ 2,294,201</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Statements of Operations and Changes in Net Assets

Years ended December 31, 2012 and 2011

	2012	2011
Revenue:		
Pledges made and cash donations	\$ 2,098,000	\$ 1,945,000
Less: Pledge recovery (loss) and other timing differences	(35,328)	(23,133)
Campaign revenue for financial reporting purposes	2,062,672	1,921,867
Other revenue:		
Grants	-	33,386
Amortization of deferred capital contributions	844	1,055
Other programs	100,752	50,413
Interest income	14,730	5,020
Other income	48,189	51,289
	2,227,187	2,063,030
Expenses:		
Allocations and distribution of funds (Schedule)	1,202,440	1,061,932
Fundraising (Schedule)	359,004	339,045
Community investment (Schedule)	355,722	230,696
Other programs	84,933	55,344
United Way of Canada fees	13,219	12,945
Amortization of capital assets	9,817	2,658
	2,025,135	1,702,620
Excess of revenue over expenses	202,052	360,410
Net assets, beginning of years	2,359,391	1,998,981
Net assets, end of years	\$ 2,561,443	\$ 2,359,391

See accompanying notes to financial statements.

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Statements of Cash Flows

Years ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 202,052	\$ 360,410
Items not involving cash:		
Amortization of capital assets	9,817	2,658
Amortization of deferred capital contributions	(844)	(1,055)
	<u>211,025</u>	<u>362,013</u>
Change in non-cash working capital:		
(Increase) decrease in pledges receivable - current year's campaign	(504,666)	72,589
Decrease (increase) in pledges receivable - prior year's campaign	219,575	(177,063)
Increase in prepaid expenses	(2,895)	-
Increase in other accounts receivable	(19,710)	(6,429)
Increase (decrease) in accounts payable and accrued liabilities	3,546	(16,867)
Increase in deferred revenue	79,376	13,068
	<u>(13,749)</u>	<u>247,311</u>
Cash flows from investing activities:		
Purchase of capital assets	(49,346)	-
	<u>(49,346)</u>	<u>-</u>
Net (decrease) increase in cash and investments	(63,095)	247,311
Cash and investments, beginning of years	1,187,875	940,564
	<u>1,187,875</u>	<u>940,564</u>
Cash and investments, end of years	<u>\$ 1,124,780</u>	<u>\$ 1,187,875</u>
Cash and investments consist of:		
Cash	\$ 546,747	\$ 620,624
Temporary investments	553,222	542,440
Funds on deposit	24,811	24,811
	<u>\$ 1,124,780</u>	<u>\$ 1,187,875</u>

See accompanying notes to financial statements.

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements

Years ended December 31, 2012 and 2011

Nature of operations:

United Way Centraide Sudbury and/et Nipissing Districts (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 Sudbury and Nipissing districts 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.

Effective on January 1, 2012, the Organization adopted the revised standards for Canadian generally accepted accounting principles for Not-For-Profit organizations under Part III of the CICA Handbook. The effect of this adoption did not require any retrospective adjustment to the recorded values of assets, liabilities, deferred contributions and net assets at the Transition Date (January 1, 2011) from the accounting basis for the fiscal year ended December 31, 2011.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Organization's significant accounting policies are as follows:

(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) Temporary investments:

Temporary investments are comprised of various mutual funds, which are highly liquid and are carried at fair value.

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

1. Significant accounting policies (continued):

(c) 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%

(d) Use of estimates:

The preparation of the 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 reporting periods. Items subject to such estimates and assumptions include the carrying value of capital asset and valuation allowances for accounts 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.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry temporary investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

2. Funds on deposit:

	December 31, 2012	December 31, 2011	January 1, 2011
Funds held by the Sudbury Community Foundation: Tomorrow Fund	\$ 24,811	\$ 24,811	\$ 24,811

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:

	December 31, 2012	December 31, 2011	January 1, 2011
Designated campaign pledges	\$ 273,415	\$ 212,049	\$ 245,016
Deferred government funding	68,113	50,103	4,068
	\$ 341,528	\$ 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:

	December 31, 2012	December 31, 2011	January 1, 2011
Balance, beginning of year	\$ 4,220	\$ 5,275	\$ 6,594
Less amounts amortized to revenue	(844)	(1,055)	(1,319)
	\$ 3,376	\$ 4,220	\$ 5,275

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 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 2012, the designations to non-member agencies amounted to \$116,528 (2011 - \$112,992) and included amounts paid to the following organizations:

Agency Name

All Nations Church	Manitoulin Family Resources Inc.
Alzheimer Society North Bay & District	Meals on Wheels
Alzheimer Society Sudbury Chapter	Miners for Cancer
Amyotrophic Lateral Sclerosis Society of Canada	Mother's Against Drunk Driving
Anishinabek Nation 7th Generation Charity	Multiple Sclerosis Society of Canada Sudbury Chapter
Autism Society Ontario	North Bay & District Hospital Foundation
Banque D'aliments Sudbury Food Bank	The Northern Cancer Research Foundation
The Barbara Turnbull Foundation	One Kids Place Children's Medical Treatment Centre
Blue Door Soup Kitchen	Ontario March of Dimes
Canada Post Foundation for Mental Illness & Mental Health	Ontario Provincial Police Memorial Foundation
Canadian Cancer Society Sudbury	Ontario Provincial Police Youth Foundation
Canadian Cancer Society Ontario Division	Ottawa Sids Society
Canadian Centre for Abuse Awareness	The Parish Church of St. James, Lockerby
Canadian Diabetes Association of Sudbury	Parkinson Society of Canada
Canadian Feed the Children	Paroisse Ste Cécile de Dubreuilville
Canadian Hard of Hearing Association	Pet Save
Canadian Parapalegic Association	Pregnancy Care Centre of Sudbury
Canadian Wild Life Federation	The Princess Margaret Hospital Foundation
Carrefour Francophone de Sudbury	Prostate Cancer Canada
The Catholic Parishes of Onaping Falls and Cartier	Ronald McDonald House Charities
Chapleau Pentecostal Church	Safeguarding Animals In Need Today Society
Child & Family Centre	Salvation Army
College Boréal Foundation	The Samaritan Centre
Community Living Espanola	Sick Kids Foundation
Community Living Greater Sudbury	SPCA
Croatian Catholic Church Sveti Marko	Special Olympics
Crohn's & Colitis Foundation of Canada	St. Bartholomew's Church
Cystic Fibrosis Canada	St. John The Evangelist Church
Doctors Without Borders	St. John's United Church
Down Syndrome Association of Sudbury	St. Mary's Ukrainian Catholic Church
Easter Seals Canada Timbres de Pâques Canada	St. Matthew's Evangelical Lutheran Church
Elgin Street Mission (Sudbury)	St. Paul's Church
Espanola Regional Hospital Foundation	St. Peter's United Church
The Gathering Place	St. Pius X Church
Gospel for Asia	St. Stephen's On The Hill United Church
Greenwood Avenue Baptist Church	Ste Marguerite D'Youville Fideicommiss de Charitâ
Heart & Stroke Sudbury	Ten Rainbows Children's Foundation
Independence Centre & Network	Turner Syndrome Society of Canada
International Children's Awareness	Voice for Hearing Impaired Children
Iris Addiction Recovery For Women	VON Canada - Ontario Branch, Greater Sudbury Site
Juvenile Diabetes Research Foundation	Walden Day Care Centre Inc
Kidney Foundation of Canada	War Amputations of Canada
Labrador Retriever Adoption Service Inc.	West Nipissing General Hospital
L'Arche Sudbury Inc	Wild at Heart Refuge Centre
	World Wildlife Fund Canada

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

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 \$87,462. 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 \$6,733. Combined annual payments for these lease commitments are as follows:

2013	\$	31,141
2014		24,408
2015		24,408
2016		14,238
	\$	94,195

7. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2012.

(c) Interest rate risk:

The Organization is not exposed to any significant interest rate risk.

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Schedule of Allocations and Distribution of Funds

Years ended December 31, 2012 and 2011

	2012	2011
Member Agency Programs:		
Canadian Red Cross Society of Sudbury	\$ 138,934	\$ 93,839
John Howard Society of Sudbury	76,700	40,993
Sudbury Family YMCA	72,468	58,094
Learning Disabilities	70,300	55,127
Sudbury Action Centre for Youth	70,000	55,383
Canadian National institute for the Blind (CNIB)	60,464	60,688
Big Brothers Association	58,261	41,702
Centre De Santé Communautaire	50,240	40,614
Elizabeth Fry Society, Sudbury Branch	50,284	35,591
Sudbury YWCA Geneva House	48,578	27,718
Maison Vale Inco House	45,888	34,229
Canadian Mental Health Association	44,392	42,325
Better Beginnings Better Futures	40,447	33,900
L'Association des jeunes de la rue-Foyer Notre Dame	40,325	31,958
St. John Ambulance	35,241	30,213
Canadian Hearing Society	32,299	28,046
Sudbury Multicultural - Folk Arts Association	20,500	16,134
Art Gallery of Sudbury	20,000	7,000
Sudbury District Restorative Justice	14,450	14,449
Rockhaven	13,500	10,283
ICAN	10,092	16,684
Nipissing Association for Disabled Youth	10,000	10,000
North Shore Search and Rescue	9,383	19,949
Inner City Home	8,470	8,286
Low Income People Involvement of Nipissing	8,000	10,000
Autism Ontario North Bay and Area	5,771	10,000
Jubilee Heritage Family Resource	5,020	3,935
Family Enrichment Centre	5,000	3,854
Amelia Rising Sexual Assault Centre	2,625	-
Packsack Smiles Organization	1,000	2,000
Iris Addiction Recovery for Women	795	28,758
Le Carrefour Francophone de Sudbury Inc.	480	16,254
Crisis Centre North Bay	-	3,741
Multiple Sclerosis Society	-	189
The Human League Foundation	-	6,272
Victorian Order of Nurses - Adult Care	-	47,289
	1,069,906	945,497
Other:		
Designations to non-member agencies (note 5)	116,528	112,992
Other	16,006	3,443
	132,534	116,435
	\$ 1,202,440	\$ 1,061,932

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Schedule of Expenses

Years ended December 31, 2012 and 2011

	2012	2011
Fundraising:		
Salaries and employee benefits	\$ 280,565	\$ 253,499
Campaign promotion and supplies	30,472	22,833
Rent	15,387	12,330
Office supplies and general	15,204	28,421
Equipment rental	5,844	2,423
Conference and travel	5,058	9,754
Professional fees	4,748	5,325
Computer services	868	1,591
Insurance	683	1,599
Postage and shipping	175	1,270
	\$ 359,004	\$ 339,045

Community Investment:

Salaries and employee benefits	\$ 271,065	\$ 163,103
Office supplies and general	51,894	33,602
Rent	15,387	12,029
Equipment rental	5,844	2,422
Conference and travel	5,058	9,754
Professional fees	4,748	5,325
Computer services	868	1,591
Insurance	683	1,599
Postage and shipping	175	1,271
	\$ 355,722	\$ 230,696