

Financial Statements of

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

Year ended December 31, 2013

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

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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 statement of financial position as at December 31, 2013, 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 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 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 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, United Way Centraide Sudbury and/et Nipissing Districts derives most of its revenue from the general public in the form of 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 United Way Centraide Sudbury and/et Nipissing Districts and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses and unrestricted 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, 2013, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

April 9, 2014
Sudbury, Canada

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012
Assets		
Current assets:		
Cash	\$ 527,962	\$ 546,747
Temporary investments	708,087	553,222
Pledges receivable - current year's campaign	1,497,331	1,690,020
Pledges receivable - prior year's campaign	68,629	22,359
Prepaid expenses	7,375	5,744
Other accounts receivable	42,186	41,279
	<u>2,851,570</u>	<u>2,859,371</u>
Funds on deposit (note 2)	24,811	24,811
Capital assets	35,070	49,704
	<u>\$ 2,911,451</u>	<u>\$ 2,933,886</u>

Liabilities, Deferred Contributions and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 35,410	\$ 27,539
Deferred revenue (note 3)	293,561	341,528
	<u>328,971</u>	<u>369,067</u>
Deferred capital contributions	2,701	3,376
	<u>331,672</u>	<u>372,443</u>
Net assets:		
Unrestricted	2,579,779	2,561,443
Commitments (note 5)		
	<u>\$ 2,911,451</u>	<u>\$ 2,933,886</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Statement of Operations and Changes in Net Assets

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Revenue:		
Pledges made and cash donations	\$ 2,203,000	\$ 2,098,000
Less: Pledge recovery (loss) and other timing differences	12,884	(35,328)
Campaign revenue for financial reporting purposes	2,215,884	2,062,672
Other revenue:		
Grants	31,455	-
Amortization of deferred capital contributions	675	844
Other programs	113,680	100,752
Interest income	6,740	14,730
Other income	45,375	48,189
	2,413,809	2,227,187
Expenses:		
Allocations and distribution of funds (Schedule)	1,474,814	1,202,440
Fundraising (Schedule)	357,762	359,004
Community investment (Schedule)	432,516	355,722
Other programs	100,498	84,933
United Way of Canada fees	15,249	13,219
Amortization of capital assets	14,634	9,817
	2,395,473	2,025,135
Excess of revenue over expenses	18,336	202,052
Unrestricted net assets, beginning of year	2,561,443	2,359,390
Unrestricted net assets, end of year	\$ 2,579,779	\$ 2,561,443

See accompanying notes to financial statements.

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 18,336	\$ 202,052
Items not involving cash:		
Amortization of capital assets	14,634	9,817
Amortization of deferred capital contributions	(675)	(844)
	<u>32,295</u>	<u>211,025</u>
Change in non-cash working capital:		
Decrease (increase) in pledges receivable - current year's campaign	192,689	(504,666)
Decrease (increase) in pledges receivable - prior year's campaign	(46,270)	219,575
Increase in prepaid expenses	(1,631)	(2,895)
Increase in other accounts receivable	(907)	(19,710)
Increase in accounts payable and accrued liabilities	7,871	3,546
Increase (decrease) in deferred revenue	(47,967)	79,376
	<u>136,080</u>	<u>(13,749)</u>
Cash flows from investing activities:		
Purchase of capital assets	-	(49,346)
Net increase (decrease) in cash and investments	136,080	(63,095)
Cash and investments, beginning of year	1,124,780	1,187,875
Cash and investments, end of year	<u>\$ 1,260,860</u>	<u>\$ 1,124,780</u>
Cash and investments consist of:		
Cash	\$ 527,962	\$ 546,747
Temporary investments	708,087	553,222
Funds on deposit	24,811	24,811
	<u>\$ 1,260,860</u>	<u>\$ 1,124,780</u>

See accompanying notes to financial statements.

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements

Year ended December 31, 2013

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.

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)

Year ended December 31, 2013

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 assets and valuation allowances for pledges and 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)

Year ended December 31, 2013

2. Funds on deposit:

	2013	2012
Funds held by the Sudbury Community Foundation:		
Tomorrow Fund	\$ 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:

	2013	2012
Designated campaign pledges	\$ 286,096	\$ 273,415
Deferred government funding	7,465	68,113
	\$ 293,561	\$ 341,528

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements (continued)

Year ended December 31, 2013

4. Designations to non-members agencies:

Designations to non-member agencies represent funds collected by the Organization specifically designated for charities that are not member agencies. During 2013, the designations to non-member agencies amounted to \$73,385 (2012 - \$116,528) and included amounts paid to the following organizations:

Agency Name

Algonquin Child & Family Services	Canadian Red Cross - Sudbury
All Nations Church	Centre Communautaire de Lavigne
All Saints Anglican Church Coniston	Centre de Femmes Victoria
Alzheimer Society North Bay & District	Centre de santé communautaire
Alzheimer Society Sudbury Chapter	Childhood Cancer Foundation Canada
Amelia Rising Sexual Assault Center of North Bay	Children's Aid - North Bay
Amnesty International Canadian Section	Children's Wish Foundation of Canada
Animal Welfare Foundation of Canada	Collège Boréal Foundation
Arthritis Society	Community Living Greater Sudbury
Association des jeunes de la rue	Down Syndrome Association of Sudbury
Autism Society Ontario	Elgin Street Mission (Sudbury)
Autism Ontario North Bay and Area	Elizabeth Fry Society
Autism Speaks Canada	Espanola Regional Hospital Foundation
Banque D'aliments Sudbury Food Bank	Family Enrichment Centre
Better Beginnings Better Futures	God's Littlest Angels, Canada
Big Brothers Big Sisters Association of Greater Sudbury	Grace Family Church
Big Brothers Big Sisters Association of North Bay Inc.	Habitat for Humanity Halifax Regional Municipality Association
Birthright of North Bay	Habitat for Humanity North Bay Blue Sky Region
Blue Door Soup Kitchen	Health Sciences North Foundation
Brigantine Inc.	Heart & Stroke Sudbury
Callander and District Food Bank	Helping Hand Foodbank
Calvin Presbyterian Church	Holy Redeemer Church
Camp Quality	International Children's Awareness
Canadian Breast Cancer Foundation	Iris Addiction Recovery For Women
Canadian Cancer Society	John Howard Society of Sudbury
Canadian Cancer Society - North Bay	Juvenile Diabetes Research Foundation
Canadian Cancer Society Sudbury	L'Amie
Canadian Diabetes Association	Last Chance Horse and Pony Rescue
Canadian Mental Health Association North Bay	
Canadian Mental Health Association Sudbury Branch	

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements (continued)

Year ended December 31, 2013

4. Designations to non-members agencies (continued):

Agency Name

Learning Disabilities Association of Sudbury	Salvation Army
Leukemia & Lymphoma Society of Canada	Salvation Army Huntsville Corps
Lifewater Canada	Save the Children Canada
Maison Vale Hospice	Second North River United Baptist Church
Make A Wish Foundation Of Eastern Ontario	Sick Kids Foundation
Mission Partners International	Sierra Club of Canada
Mother's Against Drunk Driving	SPCA
Movember Canada	St. John Ambulance
Multiple Sclerosis Society of Canada Sudbury Chapter	Ste Marguerite D'Youville Fideicommis de Charité
National Capital Children's Oncology Car Care, Inc.	Sudbury Right to Life
Northern Initiative For Social Action	The David Suzuki Foundation
Northern Ontario Families of Children with Cancer	The Hospital for Sick Children
One Kids Place Children's Medical Treatment Centre	The Human League Association
Ontario Federation of Anglers and Hunter	The Northern Cancer Foundation
Ottawa Humane Society	Trinity United Church
Pet Save	True Patriot Love Foundation for Support of Military Families
Plan International Canada Inc.	Victorian Order of Nurses Oxford Branch
Pregnancy Care Centre of Sudbury	West Nipissing General Hospital
Prostate Cancer Canada	Whinnyinginlife
Réseau Access Network	Wild at Heart Refuge Centre
Rick Hansen Man In Motion Foundation	YWCA Sudbury Genevra House
Ronald McDonald House Charities	
Safeguarding Animals In Need Today Society	

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Notes to Financial Statements (continued)

Year ended December 31, 2013

5. Commitments:

The Organization is committed to payments under an operating lease for the Sudbury premises through July 31, 2016 as follows:

2014	\$	24,408
2015		24,408
2016		14,238
	\$	63,054

6. 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

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Member Agency Programs:		
Canadian Red Cross Society of Sudbury	\$ 138,452	\$ 138,934
Sudbury Action Centre for Youth	105,944	70,000
Better Beginnings Better Futures	95,743	40,447
Sudbury Family YMCA	72,886	72,468
Learning Disabilities	71,097	70,300
John Howard Society of Sudbury	67,489	76,700
Elizabeth Fry Society, Sudbury Branch	60,109	50,284
Canadian National institute for the Blind (CNIB)	60,004	60,464
Sudbury YWCA Genevra House	45,996	48,578
Centre De Santé Communautaire	45,844	50,240
Canadian Mental Health Association	42,127	44,392
Big Brothers Association	40,444	58,261
L'Association des jeunes de la rue-Foyer Notre Dame	40,000	40,325
Maison Vale Inco House	37,609	45,888
Canadian Hearing Society	32,298	32,299
St. John Ambulance	32,274	35,241
Manitoulin Family Resources Inc.	22,500	-
Art Gallery of Sudbury	21,000	20,000
Sudbury Multicultural - Folk Arts Association	20,500	20,500
Low Income People Involvement of Nipissing	19,190	8,000
Sudbury District Restorative Justice	14,450	14,450
Rockhaven	13,080	13,500
ICAN	11,614	10,092
Nipissing Association for Disabled Youth	10,000	10,000
Patrick4Life AIDS Awareness & Education	10,000	-
Inner City Home	7,402	8,470
Family Enrichment Centre	4,706	5,000
Autism Ontario North Bay and Area	3,854	5,771
Alzheimer Society North Bay & District	3,388	-
North Shore Search and Rescue	3,110	9,383
Jubilee Heritage Family Resource	2,000	5,020
Packsack Smiles Organization	1,875	1,000
Amelia Rising Sexual Assault Centre	875	2,625
The Human League Association	793	-
Iris Addiction Recovery for Women	340	795
Association des Juenes de la	237	-
Le Carrefour Francophone de Sudbury Inc.	74	480
	1,179,304	1,069,906
Other:		
Designations to non-member agencies (note 4)	73,385	116,528
Community Grants	213,000	-
Other	9,125	16,006
	295,510	132,534
	\$ 1,474,814	\$ 1,202,440

UNITED WAY CENTRAIDE SUDBURY AND/ET NIPISSING DISTRICTS

Schedule of Expenses

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Fundraising:		
Salaries and employee benefits	\$ 273,503	\$ 280,565
Campaign promotion and supplies	25,606	30,472
Office supplies and general	21,060	15,204
Rent	11,497	15,387
Conference and travel	9,333	5,058
Professional fees	6,419	4,748
Computer services	4,360	868
Equipment rental	3,938	5,844
Insurance	1,749	683
Postage and shipping	297	175
	\$ 357,762	\$ 359,004

Community Investment:

Salaries and employee benefits	\$ 337,584	\$ 271,065
Office supplies and general	57,339	51,894
Rent	11,497	15,387
Conference and travel	9,333	5,058
Professional fees	6,419	4,748
Computer services	4,360	868
Equipment rental	3,938	5,844
Insurance	1,749	683
Postage and shipping	297	175
	\$ 432,516	\$ 355,722