

***UNITED WAY OF PETERBOROUGH
AND DISTRICT***
FINANCIAL STATEMENTS
AT DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT**TO THE DIRECTORS OF
UNITED WAY OF PETERBOROUGH AND DISTRICT***Report on the Financial Statements*

We have audited the accompanying financial statements of the United Way of Peterborough and District, which comprise the statement of financial position as at December 31, 2010 and the statements of operations and changes in fund balances, operations and cash flows for the year then ended and 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 generally accepted accounting principles, and for such internal controls 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 the auditors' 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 auditors consider internal controls 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 controls. 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 of our audit opinion.

Basis for Qualified Opinion

In common with most not-for-profit organizations, the United Way of Peterborough and District derives revenue from campaign contributions and donations, the completeness of which is not susceptible of satisfactory audit evidence. Accordingly, our verification of these revenues was limited to the amounts recorded by the Organization and we were not able to determine whether any adjustments might be necessary to the revenues, excess of revenue over expenses, assets and fund balances.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the United Way of Peterborough and District as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles

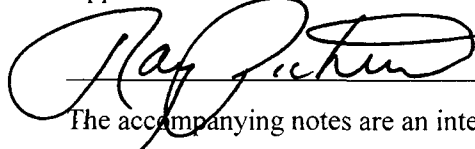
Collins Barrow Kawarthas LLPChartered Accountants
Licensed Public AccountantsPeterborough, Ontario
May 2, 2011

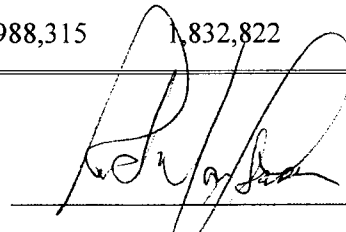
UNITED WAY OF PETERBOROUGH AND DISTRICT

STATEMENT OF FINANCIAL POSITION At December 31, 2010

	Operating Fund \$	Endowment Fund \$	2010 \$	2009 \$
ASSETS				
Current				
Cash	480,910	36,936	517,846	661,535
Investments - short term - Note 3	1,119,087	-	1,119,087	1,114,017
Pledges receivable from prior year's campaign	301,131	-	301,131	225,808
Interest and other receivables	58,793	11,411	70,204	27,696
Prepaid expenses	5,201	-	5,201	5,188
Due from (to) other fund	(8,938)	8,938	-	-
	1,956,184	57,285	2,013,469	2,034,244
Investments - Long Term - Note 3	-	1,775,537	1,775,537	1,746,953
Capital Assets - Note 4	32,131	-	32,131	35,802
	1,988,315	1,832,822	3,821,137	3,816,999
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	255,049	-	255,049	238,739
Deferred contributions - Note 5	8,371	-	8,371	32,987
Deferred campaign contributions	74,110	-	74,110	93,263
	337,530	-	337,530	364,989
Contributed Equity In Capital Assets - Note 6	25,000	-	25,000	25,000
Fund Balances				
Unrestricted	1,445,585	-	1,445,585	1,457,948
Internally restricted - Note 7	180,200	-	180,200	177,219
Externally restricted	-	1,832,822	1,832,822	1,791,843
	1,625,785	1,832,822	3,458,607	3,427,010
	1,988,315	1,832,822	3,821,137	3,816,999

Approved On Behalf Of The Board

 Director

 Director

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF PETERBOROUGH AND DISTRICT

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES For The Year Ended December 31, 2010

	Operating Fund \$	Endowment Fund \$	2010 \$	2009 \$
Revenue				
Campaign contributions	2,039,951	-	2,039,951	2,143,666
Funds received from other United Ways	473,988	-	473,988	381,691
Funds received for other United Ways	-	-	-	(86,416)
Total campaign income	2,513,939	-	2,513,939	2,438,941
Pledge loss	(81,051)	-	(81,051)	(40,397)
Net campaign income	2,432,888	-	2,432,888	2,398,544
Investment income	17,204	118,551	135,755	298,057
Program income	13,959	-	13,959	24,404
Grants - Note 9	202,912	-	202,912	334,341
Nevada income	40,680	-	40,680	30,510
Other contributions	13,054	14,780	27,834	55,153
Total Revenue	2,720,697	133,331	2,854,028	3,141,009
Expenditure				
Community & Program Funding				
Allocations to Member Agencies - Schedule A	1,700,518	-	1,700,518	1,567,596
Designations to Member Agencies - Schedule A	158,576	-	158,576	149,366
Designations to Other United Ways	16,846	-	16,846	12,318
Designations to Other Registered Charities	39,082	-	39,082	51,401
Community Investment - Schedule B	98,900	-	98,900	100,423
Organizational & Community				
Development - Schedule B	234,737	-	234,737	243,225
Labour Program - Schedule B	46,653	-	46,653	41,348
Board and Emergency Fund Grants - Note 7	-	-	-	10,000
Winter Warmth	37,743	-	37,743	49,032
Homelessness Project	83,214	-	83,214	189,000
United Way of Canada Membership Fees	18,266	-	18,266	17,427
Fundraising Expenses				
Investment management fees and non resident taxes	-	13,792	13,792	14,578
Campaign expenses - Schedule B	374,104	-	374,104	363,553
Total Expenditure	2,808,639	13,792	2,822,431	2,809,267
Excess (Deficiency) Of Revenue Over Expenditure For The Year	(87,942)	119,539	31,597	331,742
Fund Balances, Beginning Of Year	1,635,167	1,791,843	3,427,010	3,095,268
Interfund Transfer - Note 8	78,560	(78,560)	-	-
Fund Balances, End Of Year	1,625,785	1,832,822	3,458,607	3,427,010

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF PETERBOROUGH AND DISTRICT

STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2010

	2010 \$	2009 \$
CASH PROVIDED BY (USED IN)		
Cash From Operating Activities		
Excess of revenue over expenditure for the year	31,597	331,742
Amortization	10,353	9,710
Unrealized gain on investments	(41,208)	(197,701)
	742	143,751
Changes in non-cash working capital accounts		
(Increase) decrease in amounts receivable	(117,831)	64,771
(Increase) decrease in prepaid expenses	(13)	(1,945)
Increase (decrease) in accounts payable and deferred contributions	(8,307)	65,191
Increase (decrease) in deferred campaign receipts	(19,153)	(6,736)
	(144,562)	265,032
Cash From Investing Activities		
Purchase of capital assets	(6,682)	(2,170)
Disposal (purchase) of investments	7,555	(250,649)
	873	(252,819)
Net Increase (Decrease) In Cash	(143,689)	12,213
Cash, Beginning Of Year	661,535	649,322
Cash, End Of Year	517,846	661,535

The accompanying notes are an integral part of this financial statement.

UNITED WAY OF PETERBOROUGH AND DISTRICT

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended December 31, 2010

NOTE 1: NATURE OF ENTITY

The United Way of Peterborough and District ("the organization") is a not-for-profit, charitable organization serving Peterborough City and County. The organization has adopted the mission "to improve lives and build communities by engaging individuals and mobilizing collective action".

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, using the significant accounting policies as described below:

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the organization, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified. These funds are classified as follows:

- (i) Operating fund - includes results of day-to-day administrative and operating transactions; and
- (ii) Endowment fund - includes contributions for special purposes which are externally restricted, note 8 provides more detail of this fund.

Realization of Revenue and Expenditure

The United Way of Peterborough and District uses the deferral method of accounting and reports on a fund accounting basis. Restricted contributions are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable. Restricted contributions of the Endowment Fund are recorded as revenue when received. Expenses are recorded as incurred.

Investment income is recognized as revenue when earned in the appropriate fund.

Pledges receivable are adjusted on an annual basis to their estimated net realizable value.

The accounts of the organization do not reflect the value of any donated services, material and facilities.

The annual campaign is conducted to raise support for programs and services provided in the following year by funded agencies, organizations addressing new and emerging needs, and other registered Canadian charities.

Donors are given the opportunity of directing their donations to any registered Canadian charity. These donations are directed to specified agencies independent of allocations determined by the Board of Directors.

UNITED WAY OF PETERBOROUGH AND DISTRICT

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended December 31, 2010

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expense Allocations

In accordance with the United Way of Canada - Centraide Canada's Transparency, Accountability, and Financial Reporting Policies for United Ways formally adopted by the movement in May 2005, United Way of Peterborough and District allocates costs to campaign and community programs. General management and administration costs which do not pertain specifically to campaign and community programs are allocated based on management's estimates of time and dollars spent as indicated below.

	General Management and Administration Costs
Campaign	45%
Community Investment	38%
Organizational & Community Development	12%
Labour	5%

Capital Assets

Capital assets are stated at cost. Conditional contributions described in Note 6 are not deducted from the cost of the assets.

Amortization is provided on a straight-line basis at rates based upon the estimated service lives of the assets as follows:

Building	- 25 years
Furniture and equipment	- 3, 5 and 8 years
Computer software	- 5 years

Financial Instruments

The organization utilizes various financial instruments that are separated into one of the following categories based on the purpose for which the asset was acquired. The organization's accounting policy for each category is as follows:

Held-for-trading: This category is comprised of cash and investments which are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

Receivables: These assets are non-derivative financial assets primarily through service delivery or HST rebates which will be collected after returns/reports have been submitted and approved principally through service delivery. They are initially recognized at cost which approximates fair value, and subsequently adjusted for any provision for impairment. Transaction costs related to receivables are expensed as incurred.

Other financial liabilities: This category includes financial liabilities other than those classified as held-for-trading and comprises trade payables. These liabilities are initially recognized at cost which approximates fair value. Transaction costs related to other financial liabilities are expensed as incurred.

UNITED WAY OF PETERBOROUGH AND DISTRICT

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended December 31, 2010

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Management Estimates

The preparation of the 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 and disclosures of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, pledges receivable, accounts payable and deferred charges, useful lives of capital assets and amortization. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

Income Tax Status

The United Way of Peterborough and District qualifies as a not-for-profit organization as defined by the Federal and Ontario Income Tax Acts and, as such, is not subject to Federal or Provincial income taxes.

Capital Disclosures

The organization considers its capital to be the balance retained in the Fund Balances, which is generally the difference between its assets and liabilities as reported on its Statement of Financial Position. The organization receives funding from grants, campaign contributions, fundraising and other program income.

The organization's objective when managing capital is to safeguard the organization's ability to continue as a going concern, so that it can continue to provide the appropriate level of benefits and services to its beneficiaries and stakeholders.

Management maintains its capital by ensuring that annual operating budgets are developed and approved by the Board of Directors based on known or estimated sources of funding available each year to ensure that the capital of the organization is maintained.

NOTE 3: INVESTMENTS

Investments are recorded at market value.

The investments in the Operating Fund are short-term or cashable, interest bearing notes earning interest in the range of 0.9% to 4.6%. The investments mature in 2011 through to 2012. The cost of these investments is \$1,119,087 (2009 - \$1,114,017).

The investments in the Endowment Fund consist of interest bearing investments and publicly traded shares. The interest bearing investments earn interest in the range of 0.27% to 10% and are due between 2011 and 2053. The cost of these investments is \$1,702,040 (2009 - \$1,630,610).

UNITED WAY OF PETERBOROUGH AND DISTRICT

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended December 31, 2010

NOTE 4: CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value	
			2010 \$	2009 \$
Land	21,000	-	21,000	21,000
Building	74,099	74,099	-	-
Furniture and equipment	101,370	90,239	11,131	14,802
	196,469	164,338	32,131	35,802

NOTE 5: DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent grant revenue comprised of:

	2010 \$	2009 \$
Information Centre	8,121	10,712
Trillium - Outcomes Measurement Project	250	250
Trillium - Food For Kids	-	22,025
	8,371	32,987

NOTE 6: CONTRIBUTED EQUITY IN CAPITAL ASSETS

Contributed equity in capital assets represents conditional contributions received by the organization specifically for the purpose of acquiring such assets. To December 31, 2010, contributions totalling \$25,000 have been received toward the funding of the purchase of the Stewart Street property. The terms on which the contribution was made, state that on wind up of the United Way of Peterborough and District the amount of \$25,000 will be repayable.

UNITED WAY OF PETERBOROUGH AND DISTRICT

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended December 31, 2010

NOTE 7: INTERNALLY RESTRICTED FUNDS

Internally restricted funds have been restricted by the Board of Directors of the United Way of Peterborough & District and consist of:

	Emergency Disaster Fund \$	Board Grants Fund \$	Emergency Fund \$	Total 2010 \$	Total 2009 \$
Fund Balance, beginning of year	149,069	19,650	8,500	177,219	184,655
Contribution from unrestricted fund	-	-	-	-	-
Interest allocation	2,981	-	-	2,981	2,564
Funds distributed	152,050	19,650	8,500	180,200	187,219
	-	-	-	-	10,000
	152,050	19,650	8,500	180,200	177,219

The Emergency Disaster Fund was created as a result of the 2004 Peterborough Flood. The United Way of Peterborough & District established the fund which was initiated from the balance of funds donated to the United Way of Peterborough & District in 2005 of \$136,436. The purpose of this fund is to assist voluntary sector organizations at a time when a natural disaster impacts the City or County of Peterborough and affects their ability to operate as intended. This fund will be increased through investment income and will not be replenished. Interest on the fund for 2010 has been calculated at 2% in the amount of \$2,981.

The Board Grants Fund is intended to be accessed by the community for special projects in community problem solving and priority needs.

The Emergency Fund is for Member Agencies to access in the case of an emergency.

NOTE 8: INTERFUND TRANSFER

During 1991, the organization established an Endowment Fund now known as the "Forever Fund". The fund is separate and apart from all other funds. The principal received is to be maintained as a long-term asset while the interest and dividends earned may be disbursed by the organization. The interest and dividends earned are transferred from the Endowment Fund to the Operating Fund on an annual basis.

UNITED WAY OF PETERBOROUGH AND DISTRICT

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended December 31, 2010

NOTE 9: GRANTS

	2010 \$	2009 \$
Trillium - Outcomes Measurement Project	18,496	47,134
Homelessness	84,472	190,844
Winter Warmth	37,743	49,227
City of Peterborough Information Centre	32,591	30,000
Trillium - Food For Kids	23,798	11,075
Other	5,812	6,061
	202,912	334,341

NOTE 10: AMORTIZATION

	2010 \$	2009 \$
Amortization has been allocated to various classifications in the Statement of Operations and Changes in Fund Balances as follows:		
Furniture and equipment	10,353	9,710

NOTE 11: FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, investments, pledges receivables, interest and other receivables and accounts payable. Investments are recorded at fair value. All other financial instruments are recorded at carrying value which approximates their fair value. The organization does not have any significant concentration of currency risk.

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Investments are subject to interest rate risk as their value will fluctuate with changes in the interest rate.

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization has exposure to credit risk as they rely on donors to fulfil their pledged amount.

NOTE 12: COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

UNITED WAY OF PETERBOROUGH AND DISTRICT**Schedule A****SCHEDULE OF FUNDS DISTRIBUTED TO MEMBER AGENCIES
For The Year Ended December 31, 2010**

	Allocations \$	Designations \$	2010 \$	2009 \$
Big Brothers and Big Sisters Association	109,644	7,464	117,108	110,663
Canadian Hearing Society	-	-	-	11,222
Canadian Mental Health Association	78,300	9,288	87,588	90,486
Canadian Red Cross, Peterborough, Haliburton and District	51,978	648	52,626	51,471
COIN	22,464	336	22,800	-
Community Care Peterborough	60,246	12,297	72,543	66,816
Community Counselling and Resource Centre	182,688	3,781	186,469	182,774
Community Living Peterborough	39,246	5,876	45,122	43,964
Down Syndrome Association of Peterborough	27,246	2,737	29,983	25,370
Elizabeth Fry Society of Peterborough	70,242	3,429	73,671	72,880
John Howard Society of Peterborough	72,492	3,058	75,550	61,950
Kairos Non-Profit Housing	12,228	3,557	15,785	17,151
Kawartha Child Care Services	39,384	3,425	42,809	28,155
Kawartha Food Share	50,002	11,609	61,611	62,013
Kawartha Sexual Assault Centre	41,352	3,281	44,633	44,644
Kinark Child & Family Services	30,000	10,876	40,876	40,285
Learning Disabilities Association of Peterborough	58,254	4,971	63,225	60,674
Multiple Sclerosis Society	32,502	3,809	36,311	36,570
New Canadians Centre - Peterborough	14,250	5,571	19,821	13,469
Nursery Two Inc.	62,088	3,648	65,736	63,684
Peterborough Aids Resource Network	17,964	4,724	22,688	21,275
Peterborough Community Chaplaincy	51,252	888	52,140	42,529
Peterborough Family Resource Centre	60,000	4,335	64,335	42,108
Peterborough Social Planning Council	72,696	1,518	74,214	71,888
Peterborough Youth Services	53,874	4,797	58,671	57,189
St. John Ambulance	-	236	236	564
Schizophrenia Society of Ontario, Peterborough Chapter	43,848	4,060	47,908	42,579
Telecare Distress Centre of Peterborough Inc.	-	201	201	2,354
Trent Child Care Inc.	16,422	2,427	18,849	17,793
Victorian Order of Nurses, Peterborough, Victoria and Haliburton	24,372	993	25,365	20,809
Youth Emergency Shelter of Peterborough Inc.	22,896	4,591	27,487	26,953
YMCA of Peterborough	77,004	1,993	78,997	76,924
Y.W.C.A. of Peterborough, Victoria and Haliburton	205,584	28,152	233,736	209,756
	1,700,518	158,576	1,859,094	1,716,962

Note: The Canadian Hearing Society is no longer a Member Agency.

Trent Valley Literacy Association became a Member Agency in 2009 however there were no allocations or designations to the Association in 2009 or 2010.

UNITED WAY OF PETERBOROUGH AND DISTRICT

Schedule B

SCHEDULE OF EXPENSES

For the Year Ended December 31, 2010

	General Management and Administration \$	Campaign \$	Community Investment \$	Organization & Community Development \$	Labour \$	2010 Total \$	2009 Total \$
Salaries and Employee Benefits	194,897	151,534	-	141,002	33,455	520,888	487,354
Office Expenses	17,344	18,464	-	494	20	36,322	40,148
Building Occupancy	22,161	-	-	-	-	22,161	26,718
Conferences, Training and Recognition	5,969	8,447	-	2,480	7	16,903	24,352
Printing and Public Relations	739	20,967	-	1,400	15	23,121	25,797
Transportation	653	1,436	-	2,268	143	4,500	4,069
Nevada Expense	-	19,171	-	-	-	19,171	19,046
Workshop Expenses	-	-	-	412	-	412	6,704
Professional Fees	7,206	-	-	-	-	7,206	6,490
Amortization	10,353	-	-	-	-	10,353	9,710
Marketing and miscellaneous	940	7,506	-	21,888	-	30,334	19,120
Special Projects	-	-	-	33,562	-	33,562	54,386
Special Events	-	29,461	-	-	-	29,461	24,655
	260,262	256,986	-	203,506	33,640	754,394	748,549
Administration Costs Distributed to Campaign/Programs	(260,262)	117,118	98,900	31,231	13,013	-	-
Totals for 2010	-	374,104	98,900	234,737	46,653	754,394	
Totals for 2009	-	363,553	100,423	243,225	41,348		748,549