

# Administration and Audit Committee

United Way of Greater Toronto's financial position is robust, thanks to generous donors, strong financial management, organizational strength and growth in revenues. This healthy fiscal situation provides the means to take a leading role in addressing critical social issues in our city.

## Financial Strength

The financial report includes the fall 2004 fundraising campaign, distribution of funds in 2005 and related operating expenses.

United Way's ability to invest in our community is increasing by diversifying and deepening the source of funds. Individual, workplace and corporate donors contribute to this financial health as well as special events, third party grants and pro-bono support, from legal services to donated media advertising space. Some highlights from 2005:

- United Way's Community Fund is growing, through generous donations and donors are recognizing United Way as the best place to invest for strengthening the community.
- Strong investment returns are contributing to growth.
- Strong management of pledge losses means more dollars to the community. Overall pledge loss is 1.71 per cent.
- We continue to focus on efficiency and effectiveness, with a cost revenue ratio of 13.8 per cent that has decreased from 15.2 per cent in 2003.
- Unrestricted Net Assets are valued at \$10,612,000 which protects against unexpected fluctuations in donations and allows us to ensure sustained funding of our commitment to the community.
- Our endowment fund, The Tomorrow Fund™, has grown to more than \$41 million thanks to the generosity and vision of donors who are investing in our city's future.

Alnasir Samji,  
Chair, Pension and Benefits Committee



Catherine Booth,  
Chair, Information Systems Committee

## 2005 results and recent trends:

Fiscal Year	2005	2004	2003
Total gifts	\$92,601,000	\$87,020,000	\$80,712,000
Total dollars to the community	\$79,013,000	\$75,121,000	\$70,105,000
Cost revenue ratio	13.8%	14.5%	15.2%
Pledge loss ratio	1.71%	1.47%	1.57%
Investment Income	\$4,546,000	\$3,976,000	\$3,262,000

## Governance and Financial Transparency

United Way of Greater Toronto is an independently constituted legal entity, operating with its own board of trustees and audited financial statements. It is also a member of the national United Way movement in Canada. To improve fiscal transparency, at the United Way of Canada/Centraide Canada Annual General Meeting in May 2005, members approved an addendum to the membership agreement, which defines and implements specific financial reporting policies. The goal was to provide comparability among financial statements of United Ways in Canada and to ensure consistent accounting practices and policies across membership. United Way of Greater Toronto was a member of the task force of United Ways that developed these national standards.

One key change is the cost revenue calculation that now reflects the service value to the community of the allocations and stewardship process separate from the costs of fundraising and managing daily operations. The specifics are outlined in note 1 (f) on page 44.



Robert MacLellan,  
Chair, Investment Committee



Robert Harding, F.C.A.  
Vice Chair, Finance and Treasurer

## Operational Capability

In June of 2005, the Board of Trustees recognized that the organization needed to make a significant multi-year investment in data capture and analysis of our donors, agencies and other stakeholders to maximize community impact. Demand from national corporations and organizations also underscored the need for United Way to analyze and report on the impact of corporate and employee giving across the country.

To meet these needs, we have partnered with United Way/Centraide Canada, United Ways of Lower Mainland, Calgary, Edmonton and Winnipeg in a three-year Constituent Relationship Management (CRM) project to jointly develop these capabilities and share project costs. In 2005, a small portion of the project expenses was expended and we expect to spend significantly more in 2006 and 2007. This important investment will enable United Way of Greater Toronto and its partners to proactively and efficiently serve stakeholder needs to achieve broader community impact today and in the future.

We will continue to build on our financial strength with you - our donors, volunteers and staff - to multiply our impact.

A handwritten signature in black ink, appearing to read 'R. Harding'.

Robert Harding, F.C.A.  
Vice Chair, Finance and Treasurer

Chairman, Brookfield Asset Management Inc.

# Financial Statements of United Way of Greater Toronto

---

Year ended December 31, 2005

## AUDITORS' REPORT

To the Board of Trustees of United Way of Greater Toronto

We have audited the statement of financial position of United Way of Greater Toronto as at December 31, 2005 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of United Way of Greater Toronto'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 our opinion, these financial statements present fairly, in all material respects, the financial position of United Way of Greater Toronto as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*

---

Chartered Accountants  
Toronto, Canada  
March 24, 2006