



2009 report to the community

financial statements



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 March 31, 2010 and the statements of operations, changes in net assets and cash flows for the 15-month period 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 March 31, 2010 and the results of its operations and its cash flows for the 15-month period then ended in accordance with Canadian generally accepted accounting principles. As required by the Corporations Act (Ontario), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

The logo for KPMG LLP, featuring the letters 'KPMG' in a large, bold, sans-serif font, with 'LLP' in a smaller, similar font to the right. A horizontal line is drawn underneath the 'KPMG' text.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada
May 14, 2010

Statement of Financial Position

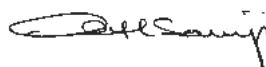
March 31, 2010, with comparative figures for December 31, 2008

(In thousands of dollars)	2010	2008 (Restated note 3)
Assets		
Current assets:		
Cash and cash equivalents	\$ 26,388	\$ 38,422
Campaign pledges receivable	26,079	32,728
Other receivables	735	1,698
Prepaid expenses	433	186
	53,635	73,034
Long-term investments (note 6)	64,909	57,858
Capital assets (note 7)	3,000	2,635
	\$ 121,544	\$ 133,527
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,886	\$ 4,565
Designated and flowthrough gifts payable	11,136	19,464
Deferred campaign revenue	7,971	13,640
	20,993	37,669
Other deferred revenue (note 8)	4,699	4,699
Accrued pension liability (note 9)	937	1,148
Net assets:		
Internally restricted (note 10)	3,000	2,635
The Tomorrow Fund™ Endowment (note 11)	49,482	41,527
Unrestricted net assets (note 12)	42,433	45,849
	94,915	90,011
	\$ 121,544	\$ 133,527

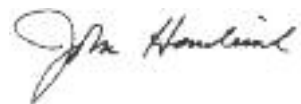
See accompanying notes to financial statements.

On behalf of the Board:

Trustee



Trustee



Statement of Operations

15-month period ended March 31, 2010, with comparative figures for the year ended December 31, 2008

(In thousands of dollars)	2010	2008 (Restated note 3)
Revenue:		
Campaign revenue	\$ 147,623	\$ 120,311
Funds received from other United Ways	709	676
Funds received for other United Ways	(7,756)	(8,929)
Bequests	253	346
Total gifts	140,829	112,404
Pledge shrinkage	(2,286)	(1,429)
Total fundraising revenue	138,543	110,975
Government grants	1,237	1,008
Other income	1,522	311
	2,759	1,319
Investment income (loss)	7,223	(8,376)
Total revenue	148,525	103,918
Distributions and Community Programs:		
Allocations to United Way of Greater Toronto agencies and partners	68,676	54,959
Grant programs	6,700	7,752
Programs delivered by United Way of Greater Toronto	4,708	2,942
One-time donor specified donations to United Way of Greater Toronto programs, agency projects and grant programs	10,852	8,452
Joint Areawide campaign proceeds to partner United Ways	6,503	6,567
Donor designations to:		
United Way of Greater Toronto agencies and partners	3,004	1,838
Other United Ways	2,177	1,354
Other registered charities	21,810	14,351
Allocations and needs assessment, program expenses	3,608	3,171
Total distributions and community programs	128,038	101,386
Operating expenses:		
Fundraising	19,748	16,541
Recovery of joint Areawide campaign costs from partner United Ways	(815)	(515)
	18,933	16,026
Total distributions and expenses	146,971	117,412
Excess (deficiency) of revenue over distributions and expenses	\$ 1,554	\$ (13,494)
Allocated to:		
The Tomorrow Fund™ (note 11)	\$ 4,605	\$ (9,975)
Unrestricted net assets (note 12)	(2,165)	(3,031)
Internally restricted (note 10)	(886)	(488)
	\$ 1,554	\$ (13,494)

See accompanying notes to financial statements.

Statement of Changes in Net Assets

15-month period ended March 31, 2010, with comparative figures for the year ended December 31, 2008

(In thousands of dollars)					2010	2008			
	Internally restricted	Restricted for The Tomorrow Fund™ Endowment	Un- restricted	Total	Internally restricted	Restricted for The Tomorrow Fund™ Endowment	Un- restricted	Total	
		(note 11)				(note 11)	(Restated note 3)		
Net assets, beginning of period	\$ 2,635	\$ 41,527	\$ 45,849	\$ 90,011	\$ 1,688	\$ 51,405	\$ 50,315	\$ 103,408	
Excess (deficiency) of revenue over distributions and expenses	(886)	4,605	(2,165)	1,554	(488)	(9,975)	(3,031)	(13,494)	
Endowment contributions	–	3,350	–	3,350	–	97	–	97	
Invested in capital assets	1,251	–	(1,251)	–	1,435	–	(1,435)	–	
Net assets, end of period	\$ 3,000	\$ 49,482	\$ 42,433	\$ 94,915	\$ 2,635	\$ 41,527	\$ 45,849	\$ 90,011	

See accompanying notes to financial statements.

Statement of Cash Flows

15-month period ended March 31, 2010, with comparative figures for the year ended December 31, 2008

(In thousands of dollars)			2010	2008
				(Restated note 3)
Cash flows from operating activities:				
Excess (deficiency) of revenue over distributions and expenses			\$ 1,554	\$ (13,494)
Items not involving cash:				
Amortization of capital assets			886	488
Unrealized loss (gain) on investments			(10,532)	9,526
Defined benefit pension expense			634	601
Change in non-cash operating working capital			(9,311)	(9,797)
Defined benefit pension contributions			(845)	(568)
Cash flows used in operating activities			(17,614)	(13,244)
Cash flows from financing activities:				
Endowment contributions received			3,350	97
Cash flows from investing activities:				
Purchase of capital assets			(1,251)	(1,435)
Decrease in investments, net			3,481	2,378
Cash flows from investing activities			2,230	943
Decrease in cash and cash equivalents			(12,034)	(12,204)
Cash and cash equivalents, beginning of period			38,422	50,626
Cash and cash equivalents, end of period			\$ 26,388	\$ 38,422

See accompanying notes to financial statements.

Notes to Financial Statements (In thousands of dollars)

1. Purpose of the organization:

The mission of United Way of Greater Toronto ("United Way") is to meet urgent human needs and improve social conditions by mobilizing the community's volunteer and financial resources in a common cause of caring.

United Way is registered as a charitable organization under the Income Tax Act (Canada) (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, United Way must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

During the period, the United Way changed its fiscal year end from December 31 to March 31.

2. Significant accounting policies:

The financial statements have been prepared in accordance with generally accepted accounting principles applied within the framework of the significant Canadian accounting policies summarized below:

(a) Revenue recognition:

United Way follows the deferral method of accounting for campaign revenue.

United Way recognizes unrestricted donations as revenue when received or receivable. A provision for uncollectible pledges is recorded to reduce pledges receivable and revenue.

Restricted donations are treated as follows:

Certain United Ways are requested to act on behalf of employers and employee groups as the co-ordinator of their national campaigns and to receive and disburse funds on behalf of other United Ways within local communities. These campaigns are known as Centrally Coordinated Campaigns ("CCC").

- (i) Funds received from other United Ways:
These funds from other United Ways under the CCC arrangement are reported separately in revenue when received in these financial statements.
- (ii) Funds received for other United Ways:
Funds received by United Way under the CCC arrangement are included in the campaign revenue amount on the statement of operations when distributed. These distributed funds are recorded as a reduction to campaign revenue.
- (iii) Designated donations:
Designated donations and funds received under flowthrough arrangements for other charities that have not been disbursed at period end are recorded

as designated and flowthrough gifts payable on the statement of financial position. Upon disbursement, the payment is recorded as an expense and the donation is recorded as campaign revenue.

(iv) Donations restricted:

Donations restricted for a specific purpose that have not been spent at the end of the period are recorded as deferred campaign revenue on the statement of financial position. They are recognized as campaign revenue when paid.

(v) Grant revenue:

Grant revenue reported in these financial statements represents funds received from provincial and municipal governments. Other income reported in these financial statements represents funds received from foundations and utilities. Government grant revenue and other income are received for programs administered by United Way. The related program expenses and grant disbursements are included in the distributions and community programs section of the financial statements.

(vi) Endowment contributions:

Endowment contributions are recognized as increases in net assets in the period in which they are received. Capital appreciation/depreciation for those funds which are below the distribution threshold are added or deducted from the principal and recognized as direct increases/decreases in net assets in the period in which they are incurred.

Investment income (loss) includes dividends, interest, income distributions from pooled funds, realized gains (losses) and the net change in unrealized gains (losses) for the period.

(b) Cash and cash equivalents:

United Way considers deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less as cash and cash equivalents.

(c) Financial instruments:

Cash and cash equivalents and investments are classified as held-for-trading and stated at fair value. Campaign pledges receivable and other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and designated and flowthrough gifts payable are classified as other financial liabilities, which are measured at amortized cost.

In determining fair values, adjustments have not been made for transaction costs as they are not considered significant. The unrealized gain or loss on investments, being the difference between book value and fair value, is included in investment income in the statement of operations.

Notes to Financial Statements (In thousands of dollars)

Transactions are recorded on a trade date basis.

Fair values of investments are determined as follows:

- (i) Fixed income securities and equities are valued at period-end quoted market prices, where available. Pooled funds are valued based on reported unit values. Where quoted market prices are not available, estimated fair values are calculated using comparable securities.
- (ii) Short-term notes, treasury bills and term deposits maturing within a year are stated at cost, which together with accrued interest income approximates fair value given the short-term nature of these investments.

The fair values of investments are equal to the quoted market value, as disclosed in note 6. The fair values of other financial assets and liabilities, being cash and cash equivalents, campaign pledges receivable, other receivables, accounts payable and accrued liabilities and designated and flowthrough gifts payable, approximate their carrying values due to the relatively short-term nature of these financial instruments.

United Way has adopted The Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 3861, Financial Instruments - Disclosure and Presentation. In accordance with the Accounting Standards Board's decision to exempt not-for-profit organizations from the disclosure requirements with respect to financial instruments contained within Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation, United Way has elected not to adopt these standards in its financial statements.

(d) Capital assets:

Purchased capital assets are stated at acquisition cost and are amortized over their estimated useful lives. Amortization is provided on the following bases and the estimated useful lives of the assets as follows:

Asset	Basis	Rate
Computer equipment and software	Straight line	3-7 years
Furniture and fixtures	Declining balance	15%
Leasehold improvements	Straight line	Term of lease
Vehicle	Declining balance	25%

(e) Volunteer services:

United Way benefits from substantial services in the form of volunteer time. Since these invaluable donated services are not purchased by United Way, they are not recorded in these financial statements.

(f) Employee future benefits:

United Way has a combined registered defined benefit and defined contribution pension plan covering substantially all of its employees and an unregistered defined benefit pension plan. The benefits are based on years of service. The cost of the registered defined benefit and defined contribution plan is currently being funded. The unregistered plan is unfunded; the cost is expensed and accrued annually.

United Way accrues its obligations under its employee pension plans as the employee renders the services necessary to earn the pension. United Way has adopted the following policies:

- (i) The cost of pensions earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, salary escalation and retirement ages.
- (ii) For the purpose of calculating expected return on plan assets, those assets are valued at fair value. The most recent actuarial valuation of the pension plan for funding purposes was as of January 1, 2007. The date of the next required valuation is January 1, 2010. The actuarial valuation is currently in process.
- (iii) The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees, which for the pension plan is 20 years.
- (iv) The unamortized transitional asset is amortized over 20 years.

(g) Calculation of cost revenue ratios:

United Way uses the following method to calculate cost revenue ratios ("CRR"):

	March 31, 2010	December 31, 2008
		(Restated note 3)
Total gifts	\$ 140,829	\$ 112,404
Breakdown of fundraising expenses on statement of operations:		
Direct fundraising expenses	\$ 16,068	\$ 13,422
General management and administrative expenses	3,680	3,119
Total fundraising expenses	\$ 19,748	\$ 16,541
Direct fundraising expenses as a percentage of total gifts	11.4%	11.9%
General management and administrative expenses as a percentage of total gifts	2.6%	2.8%
Total fundraising expenses as a percentage of total gifts	14.0%	14.7%

United Way uses the following method to calculate cost revenue ratios ("CRR"):

Notes to Financial Statements (In thousands of dollars)

(h) Allocation of expenses:

General management and administrative expenses are allocated between fundraising expenses and allocations and needs assessment based on effort.

General management and administrative expenses are allocated as follows:

	March 31, 2010		December 31, 2008	
			(Restated note 3)	
Fundraising	\$ 3,680	84.3%	\$ 3,119	84.3%
Allocations and needs assessment	685	15.7%	538	15.7%

(i) Use of estimates:

The preparation of 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 period. Actual results could differ from those estimates.

3. Restatement

During the period, United Way adopted the amendments to CICA Handbook Section 1000. These amendments clarified the criteria for recognition of an asset or liability, removing the ability to recognize assets or liabilities solely on the basis of matching of revenue and expense items. This change has resulted in a retroactive adjustment in the prepaid expenses, fundraising expenses and in the allocations and needs assessment, program expenses and revenue recognition. The changes are identified in the table below.

Unrestricted donations are recorded as revenue in the period that they are received or receivable. Restricted donations that are received by United Way are recorded as revenue when distributed. Upon payment, these donations are recognized as an expense and recorded in revenue. The changes to the prior year numbers are identified in the table below. Changes to the current year numbers have been adjusted directly on the statement of financial position and statement of operations.

December 31, 2008	As reported	Adjustment	Restated
Statement of financial position:			
Campaign pledges receivable	\$ 5,431	\$ 27,297	\$ 32,728
Prepaid expenses	13,351	(13,165)	186
Designated and flowthrough gifts payable	8,305	11,159	19,464
Deferred campaign revenue	52,873	(39,233)	13,640
Unrestricted net assets	3,643	42,206	45,849

Year ended December 31, 2008	As reported	Adjustment	Restated
Statement of operations:			
Campaign revenue	\$ 114,554	\$ 5,757	\$ 120,311
Funds received from other United Ways	464	212	676
Funds received for other United Ways	(5,875)	(3,054)	(8,929)
Pledge shrinkage	(1,507)	78	(1,429)
Allocations to United Way of Greater Toronto agencies and partners	54,419	540	54,959
Joint Areawide campaign proceeds to partner United Ways	6,748	(181)	6,567
Allocations and needs assessment, program expenses	3,031	140	3,171
Fundraising	15,750	791	16,541
Net assets, beginning of 2008	\$ 62,905	\$ 40,503	\$ 103,408

Notes to Financial Statements (In thousands of dollars)

4. Changes in accounting policies:

(a) Amendments to Section 4400, Accounting Standards That Apply to Not-For-Profit Organizations ("Section 4400"):

Effective January 1, 2009, United Way adopted the amendments to CICA Handbook Section 4400. These amendments eliminate the requirement to show net assets invested in capital assets as a separate component of net assets, clarify the requirement for revenue and expenses to be presented on a gross basis when the not-for-profit organization is acting as principal and require a statement of cash flows. Adoption of these recommendations had no significant impact on the financial statements for the period ended March 31, 2010.

(b) Amendments to Section 4470, Disclosure of Allocation Expenses by Not-for-Profit Organizations ("Section 4470"):

Effective January 1, 2009, United Way adopted the amendments to CICA Handbook Section 4470, which establish disclosure standards for organizations that choose to classify their expenses by function and allocate expenses from one function to another.

The applicable disclosure is included in note 2(h).

5. Youth Challenge Fund ("YCF"):

The Province of Ontario (the "Province") established the YCF in 2006 and appointed United Way as the trustee. The Province advanced United Way the sum of an initial \$15,000 and set up an independent board to oversee the operation of the program over a three-year period. As the trustee, United Way is responsible for the operation of the program and financial stewardship of the funds on behalf of the Province. It is anticipated that this program will be extended until 2013.

The financial activities of the YCF are not reported on these financial statements. A separate set of audited financial statements for YCF are produced and filed with the Province.

6. Investments:

	March 31, 2010		December 31, 2008	
	Book value	Fair value	Book value	Fair value
Canadian fixed income securities	\$ 4,863	\$ 4,930	\$ 5,822	\$ 6,122
Pooled fund investments with The Toronto Community Foundation:				
Canadian fixed income securities and cash	20,743	20,582	24,211	23,489
Canadian equities	17,307	17,210	14,825	10,606
U.S. and global equities	22,360	22,187	23,896	17,641
	60,410	59,979	62,932	51,736
	\$ 65,273	\$ 64,909	\$ 68,754	\$ 57,858

The Canadian fixed income securities produce a yield to maturity of 4.08% (December 31, 2008 - 4.02%) and have a weighted average term to maturity of 1.7 years (December 31, 2008 - 2.6 years).

Investments held for The Tomorrow Fund™ total \$49,482 (December 31, 2008 - \$41,527) (note 11).

7. Capital assets:

	Cost	Accumulated amortization	March 31, 2010	December 31, 2008
			Net book value	Net book value
Computer equipment and software	\$ 6,430	\$ 4,616	\$ 1,814	\$ 1,213
Furniture and fixtures	1,243	803	440	522
Leasehold improvements	1,931	1,186	745	896
Vehicle	36	35	1	4
	\$ 9,640	\$ 6,640	\$ 3,000	\$ 2,635

Notes to Financial Statements (In thousands of dollars)

8. Other deferred revenue:

During 2007, United Way received a \$9,000 legal settlement related to a class action against a utility. United Way was charged with investing the \$9,000 and an amount equal to the estimated annual income from the funds, to be used to assist specific utility customers who qualify under the Winter Warmth Fund program operated by United Way and its affiliates with their bills. The Winter Warmth Fund provides assistance with utility bills to qualifying low-income individuals and families. The Winter Warmth Fund receives other funds in addition to the estimated annual income on the \$9,000.

In the event the Winter Warmth Fund ceases operation, all available funds shall be distributed to Ontario United Way organizations for charitable purposes as each Ontario United Way sees fit. United Way will be entitled to 52% of the distribution

and 44 United Way organizations will be entitled to the remaining 48%. United Way's 52% portion of the original \$9,000 settlement is recorded as investments with the offset to other deferred revenue. The remaining 48% of the investments, that are held in trust on behalf of the United Way organizations, are not recorded in these financial statements. The other deferred revenue will be recorded as revenue, in order to match specified expenditures, in the event the Winter Warmth Fund ceases operations.

Investment income related to the \$9,000 will be used to fund the Winter Warmth Fund program needs, if required. Of investment income on the entire \$9,000, nil (December 31, 2008 - \$112) has been recorded as accounts payable and accrued liabilities in these financial statements.

9. Accrued pension liability:

Information about United Way's defined benefit pension plans is as follows:

	March 31, 2010	December 31, 2008
Accrued pension obligation:		
Balance, beginning of period	\$ 5,216	\$ 6,490
Current service cost	486	532
Interest cost	500	372
Benefits paid	(265)	(251)
Actuarial losses (gains)	1,285	(1,927)
Balance, end of period	7,222	5,216
Plan assets:		
Fair value, beginning of period	4,362	5,262
Annual return on plan assets, net of administrative expense	741	(1,216)
Employer contributions	845	568
Benefits paid	(265)	(252)
Fair value, end of period	5,683	4,362
Funded status - deficit	(1,539)	(854)
Unamortized net actuarial loss (gain)	635	(256)
Unamortized past service cost	137	156
Unamortized transitional asset	(170)	(194)
Accrued pension liability	\$ (937)	\$ (1,148)

United Way's overall deficit amounted to \$505 (December 31, 2008 - surplus of \$64) for its registered defined benefit plan and a deficit of \$1,034 (December 31, 2008 - \$918) for its unregistered defined benefit pension plan.

The accrued pension liability amounted to \$87 (December 31, 2008 - \$433) for the registered defined benefit plan and \$850 (December 31, 2008 - \$715) for the unregistered defined benefit plan.

The significant actuarial assumptions adopted in measuring United Way's accrued pension obligations are as follows:

	March 31, 2010	December 31, 2008
Accrued benefit obligation:		
Discount rate	6.75%	7.25%
Rate of compensation increase	3.50%	3.50%
Benefit costs:		
Discount rate	6.25%	5.50%
Expected long-term rate of return on plan assets	6.00%	6.00%
Rate of compensation increase	3.50%	4.25%

Plan assets consist of:

	March 31, 2010	December 31, 2008
Equity securities	55%	54%
Debt securities	42%	43%
Other	3%	3%
	100%	100%

United Way's net defined benefit pension plan expense is as follows:

	March 31, 2010	December 31, 2008
Current service cost, net of employees' contributions	\$ 486	\$ 532
Interest cost	500	372
Expected return on plan assets	(347)	(315)
Amortization of transitional asset	(20)	(20)
Amortization of unrecognized net actuarial loss	-	17
Amortization of unrecognized past service costs	15	15
Net pension plan expense	\$ 634	\$ 601

United Way contributed \$207 (December 31, 2008 - \$146) to its defined contribution plan.

Notes to Financial Statements (In thousands of dollars)

10. Internally restricted net assets:

Internally restricted net assets represent the amount invested in capital assets.

11. The Tomorrow Fund™ Endowment:

The Tomorrow Fund™ Endowment represents internally and externally restricted amounts. Externally restricted amounts refer to those gifts which have been specifically directed to The Tomorrow Fund™ by the donor. Internally restricted amounts are those which were given by donors to United Way without such a direction, and have been transferred to The Tomorrow Fund™ by the Board. The Board of Trustees may make the internally restricted portion of The Tomorrow Fund™ available, should the circumstances warrant.

The Tomorrow Fund™ Endowment consists of the following:

	March 31, 2010	December 31, 2008
Externally restricted	\$ 17,423	\$ 15,577
Internally restricted	32,059	25,950
	<u>\$ 49,482</u>	<u>\$ 41,527</u>

The following amounts were transferred between the unrestricted net assets and The Tomorrow Fund™ Endowment:

	March 31, 2010	December 31, 2008
Investment income on:		
Internally restricted funds	\$ 5,792	\$ (5,760)
Externally restricted funds	335	(2,359)
Bequests	253	346
Distributions	(1,775)	(2,202)
Transfer from unrestricted net assets to The Tomorrow Fund™ Endowment	\$ 4,605	\$ (9,975)

Endowment contributions of \$3,350 (December 31, 2008 - \$97) and capital gains on investments that must be added to the principal of \$6,127 (December 31, 2008 - \$407 capital loss) have been added to The Tomorrow Fund™ Endowment. These amounts are not included in revenue in the statement of operations, but have been added directly to The Tomorrow Fund™ Endowment assets as stated in note 2(a).

12. Unrestricted net assets:

Unrestricted net assets are comparable to the retained earnings of a for-profit organization. The Board has balanced this need for stability of operations and agency funding with a desire to maximize current funding to the community.

13. One-time donor specified donations to United Way of Greater Toronto programs, agency projects and grant programs:

United Way receives special one-time gifts from donors. These special gifts are targeted to specific programs, capital projects or grant programs managed by United Way or its member agencies. United Way works with special gifts donors to match their specific giving interest to United Way funding priorities in the community.

14. Commitments:

(a) Multi-year funding agreements:

United Way has entered into agreements with certain member agencies and partners to set their allocations over two to five-year terms. The agreements can be renewed by mutual consent.

Funding commitments for the next two years are as follows:

2011	\$ 39,936
2012	36,540
	<u>\$ 76,476</u>

(b) Long-term lease:

United Way leases office premises and certain computer equipment under long-term operating leases expiring up to May 31, 2022. Rental payments, excluding operating costs and realty taxes, over the next five years and thereafter are as follows:

2011	\$ 907
2012	969
2013	1,148
2014	1,183
2015	1,079
Thereafter	8,469
	<u>\$ 13,755</u>

(c) Specific project funding:

In 2007, United Way initially approved financial support from The Tomorrow Fund™ of \$2,690 to establish facilities primarily for community and social services and community development planning grants. In 2010 an addition of \$3,990 was approved. These projects are anticipated to be completed by 2013. In fiscal 2010, \$1,675 (December 31, 2008 - \$250) has been expensed towards the project.

Notes to Financial Statements (In thousands of dollars)

15. Financial instruments:

(a) Investment risk management:

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to interest rate and market risk.

United Way mitigates these risks with an investment policy designed to limit exposure and concentration while achieving optimal return within reasonable risk tolerances.

(b) Credit risk:

Campaign pledges receivable and other receivables are subject to credit risk. Cash and cash equivalents are held in credit-worthy financial institutions.

(c) Market and interest rate risks:

The risks associated with the investments are the risks associated with the securities in which the funds are invested. The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issue the securities. The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities. The value of securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

16. Disclosure in compliance with Imagine Canada's Ethical Fundraising and Financial Accountability Code:

During 2007, United Way adopted the "Ethical Fundraising and Financial Accountability Code" (the "Code") of Imagine Canada. During calendar year 2009, United Way issued \$75,224 of charitable tax receipts. Other financial disclosures required by the Code are located elsewhere in these financial statements.

17. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current period.



Without you, there would be no way.

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* United Way Toronto is the operating name of United Way of Greater Toronto.