

**UNITED WAY OF QUINTE INC.  
FINANCIAL STATEMENTS  
AS AT MARCH 31, 2013**

**UNITED WAY OF QUINTE INC.  
TABLE OF CONTENTS  
AS AT MARCH 31, 2013**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Operations and Changes in Fund Balances	3
Statement of Cash Flows	4
Notes to Financial Statements	5-13
Schedule of Fundraising Expenditures - Schedule 1	14
Schedule of Program Expenditures - Schedule 2	15
Schedule of General and Administrative Expenditures - Schedule 3	16
Schedule of Distributions to Funded Agencies - Schedule 4	17

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
United Way of Quinte Inc.

**Report on the Financial Statements**

We have audited the accompanying financial statements of United Way of Quinte Inc., which comprise the statement of financial position as at March 31, 2013 and the statement of operations and changes in fund balances 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 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.

**Auditor's 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 auditor's 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 auditor considers 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 of Quinte Inc. derives revenue from 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 of Quinte Inc. and we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenditure, assets and fund balances.

**Qualified Opinion**

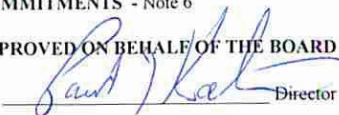

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the financial statements present fairly, in all material respects, the financial position of United Way of Quinte Inc. as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



BELLEVILLE, Canada  
June 6, 2013

Chartered Accountants  
Licensed Public Accountants

UNITED WAY OF QUINTE INC.  
(Incorporated without share capital under the laws of Ontario)  
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2013

	Operating Fund \$	Capital Fund \$	Contingency Fund \$	Bequest and Special Trusts Fund \$	Interfund Eliminations \$	Total 2013 \$	2012 \$
<b>CURRENT ASSETS</b>							
Cash	1,146,417					1,146,417	1,064,727
Portfolio investments - Note 3		165,050	204,414	58,204		427,668	252,874
Accounts receivable	21,302	4,468	4,006	34		29,810	4,854
Pledges receivable (net of allowance of \$50,000)	507,272					507,272	496,374
Prepaid expenses	9,389					9,389	3,846
Due from operating fund			302,054	9,691	(311,745)		
	1,684,380	169,518	510,474	67,929	(311,745)	2,120,556	1,822,675
<b>PROPERTY, PLANT AND EQUIPMENT- at cost less accumulated amortization - Note 4</b>							
		5,111				5,111	265,006
	1,684,380	174,629	510,474	67,929	(311,745)	2,125,667	2,087,681
<b>CURRENT LIABILITIES</b>							
Accounts payable and accrued liabilities	76,301					76,301	72,851
Allocations payable to funded agencies	1,147,400					1,147,400	1,106,950
Donor designated campaign revenues	140,489					140,489	154,977
Deferred revenue							12,263
Due to internally restricted funds	311,745				(311,745)		
Deferred capital contributions - Note 5							82,195
	1,675,935	NIL	NIL	NIL	(311,745)	1,364,190	1,429,236
<b>FUND BALANCES</b>							
Unrestricted	8,445					8,445	11,897
Internally restricted		174,629	510,474	67,929		753,032	646,548
	8,445	174,629	510,474	67,929	NIL	761,477	658,445
<b>COMMITMENTS - Note 6</b>							
<b>APPROVED ON BEHALF OF THE BOARD</b>							
	 Director						
	 Director						
	1,684,380	174,629	510,474	67,929	(311,745)	2,125,667	2,087,681

The accompanying notes form an integral part of these financial statements

UNITED WAY OF QUINTE INC.  
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2013

	Operating Fund				Internally Restricted Funds				
	Primary Charitable Activities March 31, 2013 \$	Building Operations March 31, 2013 \$	Total year ended March 31, 2013 \$	Total three-month period ended March 31, 2012 \$	Capital Fund March 31, 2013 \$	Contingency Fund March 31, 2013 \$	Bequests and Special Trusts Fund March 31, 2013 \$	Total year ended March 31, 2013 \$	Total three-month period ended March 31, 2012 \$
<b>REVENUES</b>									
Campaign revenue	1,921,105		1,921,105	50,589					
Revenue from other United Ways	15,892		15,892	728					
<b>Gross campaign revenue</b>	<b>1,936,997</b>	NIL	<b>1,936,997</b>	51,317	NIL	NIL	NIL	NIL	NIL
Less: Uncollectible pledges	(38,889)		(38,889)						
Net campaign revenue	1,898,108	NIL	1,898,108	51,317	NIL	NIL	NIL	NIL	NIL
Amortization and elimination of deferred capital contributions - Note 5					82,195		82,195	609	
Investment income	3,916		3,916	1,378	2,686	10,046	855	13,587	2,383
Other income	89,633		89,633	4,748					
Program income	29,031		29,031	18,839					
Rental income		6,002	6,002	7,243					
<b>EXPENDITURES</b>	<b>2,020,688</b>	<b>6,002</b>	<b>2,026,690</b>	83,585	<b>84,881</b>	<b>10,046</b>	<b>855</b>	<b>95,782</b>	2,992
Fundraising expenditures - Schedule 1	316,976		316,976	50,727					
Building expenditures - Schedule 3		9,454	9,454	7,403					
<b>NET REVENUE AVAILABLE FOR PROGRAMS</b>	<b>1,703,712</b>	<b>(3,452)</b>	<b>1,700,260</b>	25,455	<b>84,881</b>	<b>10,046</b>	<b>855</b>	<b>95,782</b>	2,992
<b>PROGRAM EXPENDITURES</b>									
Allocations and designations - Schedule 2	1,226,790		1,226,790	1,129,824					
United Way of Quinte programs - Schedule 2	374,694		374,694	80,260					
Amortization of property, plant and equipment	1,601,484	NIL	1,601,484	1,210,084	NIL	NIL	NIL	NIL	NIL
Unrealized (gain) loss on portfolio investments					536		536	2,114	
Loss on sale of property, plant and equipment - Note 4					3,166	(1,537)	1,629	(524)	
	89,361		89,361		89,361		89,361		
	1,601,484	NIL	1,601,484	1,210,084	93,063	(1,537)	NIL	91,526	1,590
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>102,228</b>	<b>(3,452)</b>	<b>98,776</b>	(1,184,629)	<b>(8,182)</b>	<b>11,583</b>	<b>855</b>	<b>4,256</b>	1,402
<b>INTERFUND TRANSFERS</b>	<b>(102,228)</b>		<b>(102,228)</b>	1,184,469		<b>102,228</b>	<b>102,228</b>	(1,184,469)	
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>NIL</b>	<b>(3,452)</b>	<b>(3,452)</b>	(160)	<b>(8,182)</b>	<b>113,811</b>	<b>855</b>	<b>106,484</b>	(1,183,067)
<b>FUND BALANCES - BEGINNING OF YEAR</b>		<b>11,897</b>	<b>11,897</b>	12,057	<b>182,811</b>	<b>396,663</b>	<b>67,074</b>	<b>646,548</b>	1,829,615
<b>FUND BALANCES - END OF YEAR</b>	<b>NIL</b>	<b>8,445</b>	<b>8,445</b>	11,897	<b>174,629</b>	<b>510,474</b>	<b>67,929</b>	<b>753,032</b>	646,548

The accompanying notes form an integral part of these financial statements



**UNITED WAY OF QUINTE INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2013**

	Operating Fund March 31, 2013 \$	Capital Fund March 31, 2013 \$	Contingency Fund March 31, 2013 \$	Bequests and Special Trusts Fund March 31, 2013 \$	Total year ended March 31, 2013 \$	Total three-month period ended March 31, 2012 \$
<b>OPERATING ACTIVITIES</b>						
Increase (decrease) in fund balances	(3,452)	(8,182)	113,811	855	103,032	(1,183,227)
Adjustments for items which do not affect cash						
Amortization of property, plant and equipment		536			536	2,114
	<u>(3,452)</u>	<u>(7,646)</u>	<u>113,811</u>	<u>855</u>	<u>103,568</u>	<u>(1,181,113)</u>
Net change in non-cash working capital balances related to operations						
Accounts receivable	(19,579)	(4,468)	(927)	17	(24,957)	19,481
Pledges receivable	(10,898)				(10,898)	304,866
Prepaid expenses	(5,543)				(5,543)	520
Increase (decrease) in due from operating fund			(102,228)	(1,784)	(104,012)	1,183,039
Accounts payable and accrued liabilities	3,443				3,443	(27,732)
Government remittances payable						(1,132)
Allocations payable to funded agencies	40,450				40,450	853,389
Deferred campaign revenues	(14,481)				(14,481)	48,408
Deferred revenue	(12,263)				(12,263)	(18,737)
Deferred capital contributions		(82,195)			(82,195)	(609)
Increase (decrease) in due to internally restricted funds	<u>104,013</u>				<u>104,013</u>	<u>(1,183,039)</u>
	<u>85,142</u>	<u>(86,663)</u>	<u>(103,155)</u>	<u>(1,767)</u>	<u>(106,443)</u>	<u>1,178,454</u>
<b>CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>						
	<u>81,690</u>	<u>(94,309)</u>	<u>10,656</u>	<u>(912)</u>	<u>(2,875)</u>	<u>(2,659)</u>
<b>INVESTING ACTIVITIES</b>						
Proceeds on sale of property, plant and equipment		169,998			169,998	
Loss on sale of property, plant and equipment		89,361			89,361	
Net change in portfolio investments		(165,050)	(10,656)	912	(174,794)	(2,324)
<b>CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES</b>						
	<u>NIL</u>	<u>94,309</u>	<u>(10,656)</u>	<u>912</u>	<u>84,565</u>	<u>(2,324)</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>						
	<u>81,690</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>81,690</u>	<u>(4,983)</u>
<b>CASH AND EQUIVALENTS - BEGINNING OF YEAR</b>						
	<u>1,064,727</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>1,064,727</u>	<u>1,069,710</u>
<b>CASH AND EQUIVALENTS - END OF YEAR</b>						
	<u>1,146,417</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>1,146,417</u>	<u>1,064,727</u>
<b>REPRESENTED BY:</b>						
Cash	<u>1,146,417</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>1,146,417</u>	<u>1,064,727</u>

The accompanying notes form an integral part of these financial statements

**UNITED WAY OF QUINTE INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**1. NATURE AND PURPOSE OF THE CORPORATION**

The United Way of Quinte Inc. is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

The United Way of Quinte Inc. provides leadership in a collaborative endeavour with its member agencies and others to increase the capacity of our community to respond to human service needs.

Having received permission from the Canada Revenue Agency, the United Way of Quinte Inc. changed its year end to March 31st in order to better match its campaign revenues with distributions to funded agencies. As a result, the comparative financial statements recognize funded agency allocations for a three-month period without corresponding campaign revenue, which was recorded in the prior year.

**2. SIGNIFICANT ACCOUNTING POLICIES**

Outlined below are those accounting policies adopted by the organization considered to be particularly significant:

**(a) Basis of Accounting**

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

**(b) Accounting Estimates**

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-For-Profit Organizations 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 revenues and expenses during the year. Significant items subject to such estimates and assumptions include valuation of pledges receivable and equipment. Actual results could differ from those estimates.

**(c) Fund Accounting**

The organization maintains the following funds:

- (i) The Operating Fund accounts for the organization's day-to-day operating and administrative activities. In order to provide the readers of these financial statements with additional information, the organization has segregated operations (on a columnar basis) into "Primary Charitable Activities" and "Building Operations". The revenues and expenses (excluding amortization) considered to be applicable to the operation of the organization's real property are included in the column titled "Building Operations".

**UNITED WAY OF QUINTE INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(c) Fund Accounting (Cont'd)**

- (ii) The Capital Fund accounts for the purchase and disposal of property, plant and equipment. Contributions restricted for the purchase of property, plant and equipment are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related property, plant and equipment.
- (iii) The Contingency Fund accounts for annual surpluses/deficits transferred from the Operating Fund. Investment income is recognized as revenue in the year.
- (iv) The Bequests and Special Trusts Fund accounts for monies left to the organization substantially from benefactors' estates and trusts. The organization has restricted these donations, including the investment income earned thereon, to be used for specific programs and projects, as determined from time to time.

**(d) Contributed Services**

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

**(e) Portfolio Investments**

Portfolio investments are acquired substantially for their income earning potential and are initially recorded at their acquisition cost. Portfolio investments are subsequently adjusted to fair value as at the date of the statement of financial position, and the corresponding unrealized gains and losses are recorded in income.

**(f) Property, Plant and Equipment**

Purchased property, plant and equipment are recorded at cost. Contributed property, plant and equipment are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of a piece of property, plant or equipment are capitalized. When a piece of property, plant and equipment no longer contributes to the organization's ability to provide services, its carrying amount is written down to its residual value. Any gains or losses on disposal are charged to operations.

Property, plant and equipment are amortized on a straight-line basis using the following annual rates:

<b>Asset</b>	<b>Rate</b>
Office furniture and equipment	Over 5 years
Computer equipment	Over 2 years



**UNITED WAY OF QUINTE INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(g) Revenue Recognition for Campaign Proceeds, Pledges and Campaign Expenses**

The organization follows the deferred method of accounting for contributions.

The organization holds several fundraising events annually. Proceeds from special events and one-time donations generated during the calendar year are recognized as revenue in the year in which they are received. Fundraising and program expenditures are expensed as incurred. Campaign pledges are recognized in the year in which the pledge is made.

Campaign pledges receivable at the end of the year reflect amounts outstanding from the current and the two preceding campaigns, less an allowance for estimated pledge losses. Uncollectible pledges are written off.

All campaign pledges, proceeds from special events and one-time donations are considered available for unrestricted use with the exception of donor designations.

Donor designations represent donations made by individuals and corporations which are designated to be distributed to other United Ways, Funded Agencies of the United Way and/or other Registered Canadian charitable organizations. These donations are set up when received or receivable and are considered restricted and recorded as deferred campaign revenues. Upon collection of these designated donations, payment is made to the designated party and the donation is recorded as revenue and the payment as an expense.

**(h) Donated Assets, Materials and Services**

The organization receives gifts in kind from some donors, primarily for campaign costs of printing, supplies and public relations. These amounts are excluded from revenues and expenses.

The organization is participating with certain businesses whereby goods and materials are donated and offered to member agencies. These amounts are excluded from revenues and expenses.

The organization receives gifts in kind from donors for fundraising events throughout the year with no cost value. These amounts are excluded from revenues and expenses.

The organization received donations relating to office rental space and cleaning expenses in the amount of \$35,500 (2012 - \$Nil). This amount has been included in other income.

**(i) Funded Agency Allocations**

Funded agency allocations are allocated funds that are committed to funded community organizations effective April 1 each year for the subsequent twelve months, funded from the most recently completed campaign. The allocation year runs from April 1 to March 31, while the campaign year is on a calendar basis. Funded agency allocations are recorded in the statements of operations in the year in which they are approved by the Board. Allocation payments are made on a monthly basis.

**UNITED WAY OF QUINTE INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(j) Cash and Equivalents**

Cash and equivalents consist of cash on deposit, term deposits, and money market instruments with maturity dates of less than three months.

**(k) Financial Instruments**

**(i) Measurement of Financial Instruments**

The organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in excess (deficiency) of revenues over expenditures.

Financial assets measured at amortized cost include cash, accounts receivable, and due from operating fund.

Financial assets measured at fair value include portfolio investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, allocations payable to funded agencies and due to internally restricted funds.

**(ii) Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is reflected in excess (deficiency) of revenues over expenditures. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in excess (deficiency) of revenue over expenditures, up to the amount previously recognized as impaired.

**UNITED WAY OF QUINTE INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**3. PORTFOLIO INVESTMENTS**

(a) The cost and market values of portfolio investments as at March 31 are as follows:

	2013		2012	
	Cost \$	Market Value \$	Cost \$	Market Value \$
Cash	3,133	3,133	4,283	4,283
Corporate debt securities	420,246	416,572	244,306	246,634
Money Market Funds	7,963	7,963	1,957	1,957
	<b>431,342</b>	<b>427,668</b>	250,546	252,874

(b) The debt securities have various maturity dates ranging from April, 2013 to January, 2018, with effective interest rates ranging from 1.75% to 5.15%. Any of the longer term investments may be liquidated in the short-term, based on the organization's needs.

**4. PROPERTY, PLANT AND EQUIPMENT**

	2013		2012	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Land			50,375	
Building			252,273	43,289
Office furniture and equipment	24,533	19,422	24,533	18,886
Computer equipment			11,955	11,955
	<b>24,533</b>	<b>19,422</b>	339,136	74,130
Cost less accumulated amortization	<b>\$ 5,111</b>		\$ 265,006	

During the year, the United Way of Quinte Inc. sold their land and building and moved operations to a new leased facility as described in Note 6 to these financial statements. Proceeds of the sale amounted to \$169,998 and deferred capital contributions described in Note 5 to these financial statements have been brought into income at an amount of \$82,195. The result of these transactions is a loss on sale of property, plant and equipment of \$89,361.

**UNITED WAY OF QUINTE INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**5. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred contributions related to property, plant and equipment represent externally restricted contributions related to the building. The changes in the deferred contributions balance for the year are as follows:

	<b>2013</b>	2012
	\$	\$
Balance, beginning of year	<b>82,195</b>	82,802
Elimination of deferred contribution on the sale of building	<b>(82,195)</b>	
Amounts amortized to revenue		(607)
<hr/>		
Balance, end of year	<b>NIL</b>	82,195

**6. COMMITMENTS**

United Way of Quinte Inc. entered into an agreement in 2009 with Volunteer & Information Quinte regarding the 211 Program to provide funding of \$3,750 annually for a period of ten years. This program is a national partnership initiative between United Way of Canada and Inform Canada to provide information services.

United Way of Quinte Inc. entered into two agreements during the year for the lease of office equipment. Both agreements have terms of approximately 5 years.

United Way of Quinte Inc. entered into a lease for office space in 2012 at a monthly rate of \$8,875 until expiry in June 2014. The corporation has the option to renew for a further period of three years at expiry of the lease.

Commitments over the next five years under the current existing terms are as follows:

	\$
2014	<b>119,658</b>
2015	<b>44,192</b>
2016	<b>13,157</b>
2017	<b>13,157</b>
2018	<b>11,544</b>
Thereafter	<b>246</b>
<hr/>	
	<b>201,954</b>

**UNITED WAY OF QUINTE INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**7. ALLOCATION OF GENERAL MANAGEMENT AND ADMINISTRATION EXPENSES**

The organization allocates its costs to two functional areas: fundraising and programs. General costs which do not pertain specifically to either function are considered administrative and are allocated to the functional areas based on management's estimates. These estimates have been established following a methodology of staff positions. Of the seven full-time equivalent staff positions held during the March 31, 2013 fiscal year, two were for Fundraising, two were for Program, one was for Administration and the two remaining positions were split between both Fundraising and Program.

Based on the above staffing and management's estimates, the allocation of the administrative costs for the periods are as follows:

	<b>2013</b>	2012
To fundraising expenditures - Schedule 1	<b>50 %</b>	50 %
To program expenditures - Schedule 2	<b>50 %</b>	50 %

**8. COST RATIOS**

In its public communication, the organization provides stakeholders with information related to certain cost ratios. The calculation of these costs are as follows:

	<b>2013</b>	2012
Direct costs of fundraising	<b>8.95 %</b>	50.66 %
Costs of general management and administration associated with fundraising	<b>7.41 %</b>	48.19 %
	<b>16.36 %</b>	98.85 %

These ratios were calculated on the total "Primary Charitable Activities" revenue before deducting the pledge loss. As a result of the change in year-end in the prior fiscal period, as described in Note 1 to these financial statements, the above comparative cost ratios, for the three-month period ended March 31, 2012, are not representative of a year in which campaign revenues are made.

**UNITED WAY OF QUINTE INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**9. FINANCIAL RISKS AND CONCENTRATION OF RISK**

The organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, liquidity risk, and market (other price) risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

**(a) Market Risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk, and equity risk.

**(b) Interest Rate Risk:**

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The organization is exposed to interest rate risk through its interest-bearing corporate debt securities, as discussed in Note 3 of these financial statements. As prevailing interest rates increase or decrease, the market value of the interest-bearing investments will change.

The organization does not use derivative financial instruments to alter the effects of this risk.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk.

**(c) Liquidity Risk:**

Liquidity risk is the risk that the organization will not be able to meet all cash outflow obligations as they come due.

The organization's exposure to liquidity risk is dependent on the receipt of funds from its operations. The organization mitigates this risk by monitoring cash activities and expected outflows. Management is of the opinion that the organization will be able to meet all of its cash flow obligations as they come due and are not subject to significant liquidity risk.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk.

**UNITED WAY OF QUINTE INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**9. FINANCIAL RISKS AND CONCENTRATION OF RISK (Cont'd)**

**(d) Credit Risk:**

Credit risk is the risk of financial loss to the organization if a debtor fails to make payments of interest and principal when due.

The organization is exposed to this risk relating to its debt holdings in its investment portfolio. This risk is mitigated through the organization's investment policy which is risk adverse and consists of only fixed income instruments. All fixed income portfolios are monitored by management on a monthly basis and all purchases and sales are reported periodically to the Finance Committee.

Campaign pledges receivable are also exposed to credit risk. The organization performs ongoing reviews of the outstanding campaign pledges receivable. The organization establishes an allowance for doubtful accounts based on historical and other current information.

Accounts receivable are short-term in nature and are not subject to material credit risk. The maximum exposure to credit risk and concentration of this risk is limited to the carrying value of these instruments.

There have been no significant changes from the previous period in the exposure to risk or policies used to measure risk.

## Schedule 1

**UNITED WAY OF QUINTE INC.**  
**SCHEDULE OF FUNDRAISING EXPENDITURES**  
**FOR THE YEAR ENDED MARCH 31, 2013**

	Year ended March 31, 2013 \$	Three-month period ended March 31, 2012 \$
Bank charges	5,277	762
Campaign materials	5,470	291
Campaign supplies	2,718	812
Campaign special events	20,711	1,132
Direct mail	7,258	598
Lottery expense	193	76
Marketing	5,481	
Meetings	6,590	
Professional development	2,846	25
Salaries and employee benefits	109,747	19,382
Technology	4,787	2,474
Travel	2,343	447
	<b>173,421</b>	<b>25,999</b>
Allocation of general management and administration expenditures - Schedule 3 - Note 7	<b>143,555</b>	<b>24,728</b>
<b>Total fundraising expenditures</b>	<b>316,976</b>	<b>50,727</b>

The accompanying notes form an integral part of these financial statements



**UNITED WAY OF QUINTE INC.  
SCHEDULE OF PROGRAM EXPENDITURES  
FOR THE YEAR ENDED MARCH 31, 2013**

	Year ended March 31, 2013 \$	Three-month period ended March 31, 2012 \$
Allocations to member agencies		
- Schedule 4	1,131,273	1,106,950
Designations to		
- member agencies	13,794	6,645
- non-member agencies	80,611	15,754
- other United Ways	1,112	475
<b>Total allocations and designations</b>	<b>1,226,790</b>	<b>1,129,824</b>
United Way of Quinte Inc. - Program expenditures		
Grants	29,350	
Bursary	2,000	
ED Discretionary Fund	456	187
Day of Caring	1,085	
211	3,750	3,750
Good Backpack Program	25,306	
Winter Warmth Program	10,842	18,925
Labour Community Services Program (including wages, benefits and travel)	21,675	5,772
Community Investment Process (including wages, benefits and travel)	93,599	18,018
Caring for Others	641	214
Other Programming	24,999	
Volunteer Management Program	1,784	767
United Way of Canada - Centraide Canada dues	15,652	7,899
<b>Total direct program expenditures</b>	<b>231,139</b>	<b>55,532</b>
Plus: Allocation of general management and administration expenditures - Schedule 3 - Note 7	143,555	24,728
<b>Total United Way of Quinte Inc. Program expenditures</b>	<b>374,694</b>	<b>80,260</b>
<b>Total program expenditures</b>	<b>1,601,484</b>	<b>1,210,084</b>

The accompanying notes form an integral part of these financial statements

**UNITED WAY OF QUINTE INC.**  
**SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENDITURES**  
**FOR THE YEAR ENDED MARCH 31, 2013**

	Year ended March 31, 2013			Three-month period ended March 31, 2012
	Primary Charitable Activities \$	Building Operations \$	Total \$	Total \$
Bank charges	1,325		1,325	495
Insurance	826		826	1,283
Maintenance and grounds		5,296	5,296	2,274
Meetings	3,247		3,247	68
Memberships and associations	1,618		1,618	286
Moving expenses	11,238		11,238	
Occupancy costs	91,055		91,055	
Office equipment	3,848		3,848	1,138
Office supplies - stationery	1,955		1,955	391
Postage	965		965	1,386
Professional fees	12,523		12,523	3,500
Professional development	1,198		1,198	
Property taxes		1,027	1,027	1,128
Salaries and employee benefits	149,349		149,349	38,848
Technology	3,495		3,495	2,599
Telephone	2,219		2,219	492
Travel	2,248		2,248	75
Utilities		3,131	3,131	2,895
	<b>287,109</b>	<b>9,454</b>	<b>296,563</b>	<b>56,858</b>
Allocation to fundraising expenditures - Note 7	143,555		143,555	24,728
Allocation to program expenditures - Note 7	143,555		143,555	24,728
Allocation to building operations		9,454	9,454	7,403
Total general management and administration expenditures	<b>287,110</b>	<b>9,454</b>	<b>296,564</b>	<b>56,859</b>

The accompanying notes form an integral part of these financial statements

**UNITED WAY OF QUINTE INC.**  
**SCHEDULE OF DISTRIBUTIONS TO FUNDED AGENCIES**  
**FOR THE YEAR ENDED MARCH 31, 2013**

	Year ended March 31, 2013 \$	Three-month period ended March 31 2012 \$
Abigail's Learning Centre Inc.	20,000	
Alternatives for Women in Prince Edward County	14,000	14,000
Bancroft Community Transit	23,000	22,000
Belleville Community Trust	28,500	25,000
Big Brothers Big Sisters of Hastings & Prince Edward Counties	75,000	75,000
Brain Injury Association Quinte Branch	13,400	13,400
Bridging the Gap	(16,127)	64,510
Canadian Hearing Society	34,000	34,000
Canadian Mental Health Association	76,500	71,700
CNIB (Canadian National Institute for the Blind)	26,500	20,000
Canadian Red Cross - Quinte	10,000	10,000
Celebrate Youth Movement	22,000	
Centre Hastings Support Network	27,000	27,000
Community Care for Central Hastings	32,000	25,500
Community Care for South Hastings	20,000	15,000
Community Development Council	31,000	31,000
Community Living Prince Edward	15,000	20,000
Community Oriented Sentencing Program	16,000	16,000
Continuing On In Education (COED)	45,000	44,000
Deseronto Transit	20,000	20,000
Girls Inc. of Limestone	7,500	
Gleaners Food Bank (Quinte) Inc.	28,000	32,000
Life Safety Committee	5,000	8,380
Maggie's Resource Centre	15,000	15,300
Navy League of Canada - Belleville Branch	17,000	16,500
North Hastings Children's Services	27,000	25,490
North Hastings Community Integration Association	10,000	30,000
North Hastings Community Trust	29,000	24,000
North Hastings Community Cupboard	25,000	15,000
Prince Edward Child Care Services	22,000	
Quinte Access Transportation Inc.	45,000	39,170
Quinte Adult Day School Inc.	54,000	54,000
Quinte Region Credit Counselling	14,000	14,000
Quinte United Immigrant Services	10,000	10,000
Quinte Therapeutic Riding Association	17,000	17,000
Quinte Vocational Support Services	14,000	13,000
Quinte West Youth Centre	30,000	
Recreational Outreach Centre	30,500	25,500
Sexual Assault Centre for Quinte and District	17,000	17,000
St. John Ambulance Quinte	16,500	16,500
Trent Community Correctional Committee	15,000	35,000
Triple P Positive Parenting Program	25,000	25,000
Victorian Order of Nurses	17,000	17,000
Volunteer & Information Quinte	30,000	34,000
YMCA of Belleville & Quinte	46,000	51,000
Youth Habilitation (Quinte) Inc.	32,000	24,000
	<b>1,131,273</b>	<b>1,106,950</b>

The accompanying notes form an integral part of these financial statements