



United Way
Greater Toronto

1956–2006

50 years of making
our city a better place.

2006 REPORT TO THE COMMUNITY

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Life in a big city comes with challenges. Isolation, poverty, troubled youth. But United Way is there—connecting everyone from bank presidents and TTC drivers to newcomers and young people to make an impact where it's needed most.

Together we're building a better, safer, stronger city.

Message from the President and Chair of the Board of Trustees

What a year. We celebrated our 50th anniversary with a nostalgic nod to the past and an optimistic eye toward the future. Fifty years after Toronto businessman, Edgar G. Burton started the United Community Fund of Greater Toronto, United Way of Greater Toronto—along with its many partners—has become fundamental to building a stronger, healthier and safer city for all Torontonians.

In 2006, we continued to focus on three of our main priorities—strengthening neighbourhoods, creating opportunities for youth and helping to fulfill the potential of newcomers. These three areas each held its own importance in the official launch of our Building Strong Neighbourhoods Strategy, a comprehensive initiative aimed at creating lasting change in Toronto's priority neighbourhoods—many of which are home to youth seeking opportunity and direction, and newcomers wishing to fulfill their potential as contributing members of society in their new country. And importantly, we maintained our critical role as a core funder by providing financial stability from The Community Fund to our network of 200 health and social service agencies.

The Youth Challenge Fund, established early last year by Ontario Premier Dalton McGuinty, announced a total of \$3.5 million in its first round of investment for youth-based projects. Directed towards the 13 neighbourhoods prioritized by the City of Toronto and UWGT, the Youth Challenge Fund will make a significant difference in the lives of young people in our city. In addition to this initiative, we opened four more Action for Neighbourhood Change (ANC) offices dedicated to strengthening priority neighbourhoods through resident-led change. One of those—Eglinton East/Kennedy Park—is the site of our first community hub, in partnership with West Hill Community Health Centre and the Ontario Ministry of Health and Long Term Care.

Partnerships were an integral part of our success in 2006. We continued to forge and nurture strong relationships with all three levels of government, foundations, donors, agencies and community leaders; thereby, creating a network of support, knowledge and resources to address the complex social issues of our city. As an example of how UWGT contributes on a national level to the social services and broader not-for-profit sector, Frances chaired a Federal Government commissioned, independent Blue Ribbon Panel, making recommendations for improving Ottawa's grant and contribution programs and processes.

United Way donors and volunteers have always been essential partners in our efforts and this year was no exception. Answering

the call of our record-breaking \$100 million goal, supporters came through with a level of generosity that was unprecedented, raising an impressive \$106.8 million for United Way, its member agencies, and other charities in our community.

Much progress was made in 2006, both citywide and organizationally, but this progress would not have been possible if it weren't for the dedication and hard work of our donors, volunteers, agencies and community partners. It's all about connecting. Through our collective efforts we are building a stronger city.



A handwritten signature in black ink that reads "Frances Lankin".

Frances Lankin
President and Chief Executive Officer,
United Way of Greater Toronto



A handwritten signature in black ink that reads "R. E. Venn".

Richard Venn
Chair, Board of Trustees

Senior Executive Vice-President, Corporate Development, CIBC
Managing Director and Deputy Chairman, CIBC World Markets Inc.

Another year of connecting with our community ... to strengthen our city

2006 was a year of exciting initiatives, new knowledge and notable achievements. Strengthening neighbourhoods, creating opportunities for youth and fulfilling the potential of newcomers continued to be top of mind priorities. Highlights included the following:

Campaign was a great success

This year we achieved a remarkable \$106.8 million—\$6.8 million above goal. Thanks to the enthusiastic leadership of Rick Waugh, President and CEO, Scotiabank and his dedicated campaign cabinet and a host of volunteers and donors, the annual campaign was an enormous success. This incredible achievement makes our work, and the work of our agencies, possible. These funds will be distributed in 2007.

Neighbourhood Strategy took root

It was Poverty by Postal Code that set United Way on its current path—finding sustainable solutions for Toronto's priority neighbourhoods. Guided by the work of the Strong Neighbourhoods Task Force in 2005, the City of Toronto and United Way of Greater Toronto have jointly identified 13 neighbourhoods requiring targeted investment and support.

In 2006, United Way launched a five-year Neighbourhood Strategy aimed at strengthening these underserved, inner suburban neighbourhoods. The strategy responded to the growing trends of poverty and increasing population growth in these areas—areas that are home to a significant number of newcomers and youth. The Neighbourhood Strategy involves a broad range of activities, including:

- Action for Neighbourhood Change (ANC) – an initiative that will strengthen 13 priority inner suburban neighbourhoods through resident engagement and community building with a view to creating long-term sustainable change.
- Community Hubs – an initiative that, by 2010, will seed the development of new community service hubs in eight of the priority neighbourhoods, where there is limited or no community infrastructure.
- Youth Programs – a series of special youth initiatives that focus on leadership, community engagement through the arts, and investment in educational success.

- Priority Funding – 75 per cent of all new funding raised annually from the United Way campaign will be targeted to inner suburban neighbourhoods.

Taking action in priority neighbourhoods

In October 2006, United Way announced the development of a 15,000 square-foot community hub that will provide residents of Eglinton East/Kennedy Park in East Scarborough with a central space for social programs and services. This hub will also be home to a new community health centre (CHC) and is being developed in partnership with the Ministry of Health and Long Term Care.

As well, ANC established resident engagement initiatives in four of the identified priority neighbourhoods—Eglinton East/Kennedy Park, Weston-Mt. Denis, Lawrence Heights and Steeles-L'Amoureux.

continued...



Photo: Ben Legge

Eager to hit the pitch, these cricket enthusiasts benefit from the hard work of local volunteers, community agencies and ANC staff who worked together to provide Scarborough Village youth with an opportunity to form friendships and develop leadership skills while playing a game they love.

Another year of connecting with our community ... to strengthen our city *continued*

Community funding

United Way invested \$59 million in a network of 200 health and social services agencies, providing them with core operating and program funding to deliver vital services that impact every area of our city. \$4 million in new funding was also allocated to member and grant-funded agencies, and an additional \$1.9 million was forwarded to the community through joint United Way, government and foundation partnerships.

Youth Challenge Fund established

The Ontario government selected UWGT as a partner to administer The Youth Challenge Fund (YCF), a public and private sector initiative to invest in youth-based projects across Toronto. Chaired by Michael Clemons, Head Coach of the Toronto Argonauts, the YCF Board announced its first round of investment totaling \$3.5 million in December 2006. The first round of funding supports youth initiatives in the city's 13 priority neighbourhoods for the next three years.

YCF builds on Toronto's Strong Neighbourhood Strategy

With an initial \$15 million investment from the Provincial government, this initiative makes direct, grassroots investments in projects aimed at creating spaces for youth, supporting youth employment, promoting entrepreneurial activities, and providing opportunities for education, employment and leadership.

The fund has the total potential investment of up to \$45 million thanks to a challenge issued by Premier Dalton McGuinty—if United Way donors contribute an additional \$15 million, the Province will match it.

Developing agency leaders

In 2006, 24 up and coming leaders graduated from United Way's Emerging Leaders program, for a total of 47 graduates since it was introduced in 2005. In addition, United Way offers a Leaders of Today program, which provides leadership skills training for executive directors to help build agencies' effectiveness and capacity.

Public policy leadership

As part of UWGT's strategic plan, the Board approved the development of a public policy team to leverage the impact of our funding and tackle systemic issues. United Way was the proud recipient of the 2006 Kroeger College Award in the Policy Leadership category.

New member agency

United Way welcomed York Community Services (YCS) as a new member agency. The agency works to strengthen the lives of newcomers, youth, seniors, and people who are homeless, at-risk or living with mental health issues. The agency is located in the former City of York, which includes the high priority neighbourhood of Weston-Mt. Denis.

We celebrated our 50th anniversary with a nostalgic nod to the past and an optimistic eye toward the future. Fifty years after Toronto businessman, Edgar G. Burton started the United Community Fund of Greater Toronto, UWGT—along with its many partners—has become fundamental to building a stronger, healthier and safer city for all Torontonians.



United Way mark its 50th anniversary at the Annual General Meeting on May 24, 2006.



Photo: Ben Legge

A once unused and unsafe space is now a lively spot for residents to meet and connect with other members of their community. It is also home to a new playground, a favourite place for play among the neighbourhood children. It officially opened at the 1st Annual Scarborough Village Community Festival in June 2006.

Frances Lankin chairs Blue Ribbon Panel on grants and funding

In 2006, the Federal Government responded to the ongoing concerns surrounding unnecessary red tape and challenges in granting and funding with the creation of an independent review panel. Frances Lankin was invited to Chair the Blue Ribbon Panel. The final report, *From Red Tape to Clear Results* was released after six months of intense analysis and consultation with approximately 1,100 grant and funding recipients, as well as over 500 federal program managers. The panel arrived at three key conclusions, including that there is a need for fundamental change in the way the Federal Government understands, designs, manages and accounts for its grant and contribution programs.

PhotoSensitive exhibit took place

In November 2006, the not-for-profit photography collective, PhotoSensitive unveiled THE STRENGTH WITHIN: A PhotoSensitive Exhibit Marking the 50th Anniversary of United Way. Showcasing the work of 23 professional photographers, THE STRENGTH WITHIN was a compelling collection of photographs featuring people who volunteer at, work in, or use the services of 23 United Way agencies. The exhibit and the book that was produced from it celebrate those who triumph over adversity when given the support and tools to succeed.

Connecting people ...

United Way research* shows that the number of high poverty neighbourhoods in Toronto has jumped from 30 in 1981, to 120 in 2001. Most of those neighbourhoods are in Toronto's inner suburbs. Most of them have a critical shortage of social services.

Experience from the United States and the United Kingdom reveals that efforts to rebuild and strengthen neighbourhoods are most effective when local residents are engaged, take leadership and responsibility for their community. In Scarborough Village, United Way and the Federal government's initiative Action for Neighbourhood Change (ANC) has tested and witnessed the effectiveness of resident engagement.

It doesn't happen overnight. It doesn't happen suddenly. A stronger healthier neighbourhood is built through a series of small steps—quite separate events—coalescing into a new sense of energy and pride. And for residents, a sense of belonging.

Here are some of the stories from the Scarborough Village neighbourhood.

Cricket enthusiasts' love of the game becomes a neighbourhood passion

"I truly believe in this neighbourhood," says Tully Ghanny, a local resident who moved from Guyana to Canada 30 years ago and who helps coach at the newly-formed Scarborough Village Cricket Club.

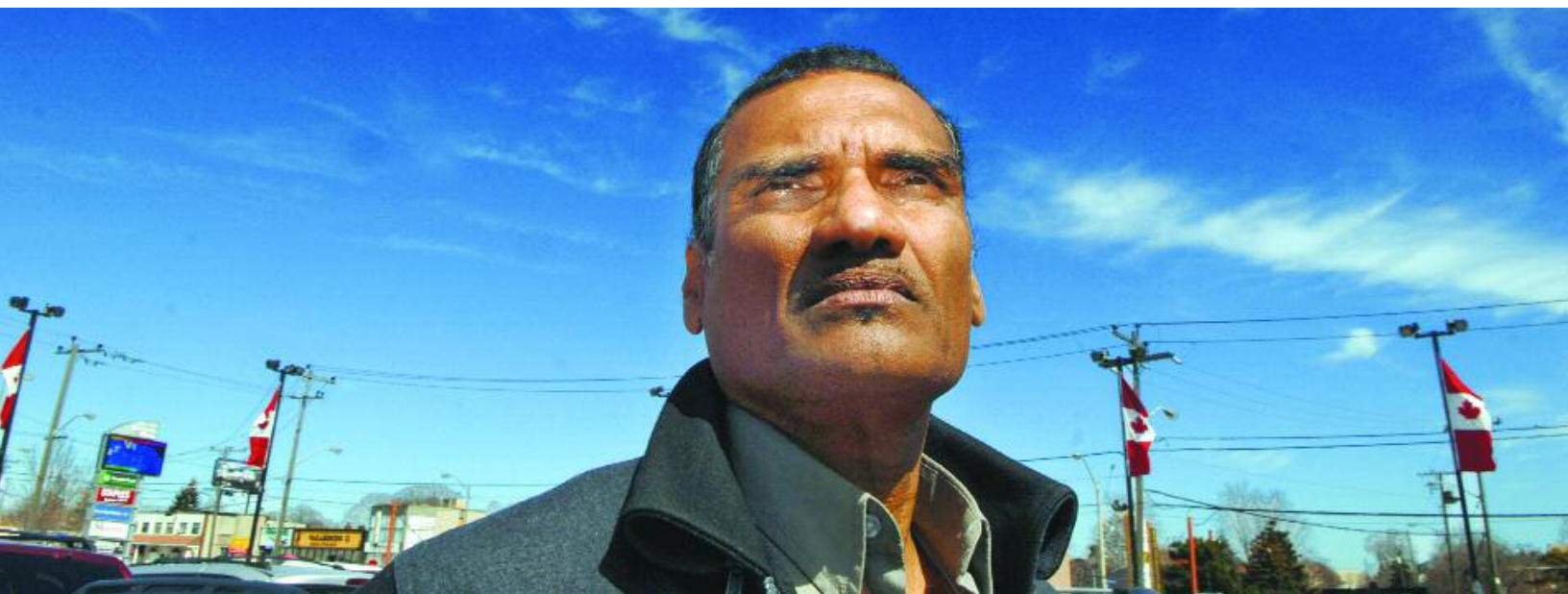
"And I truly believe that this is a great opportunity to create a connection with young people because in some ways the game of cricket is like building bridges. It's a game these kids can talk about with their parents."

In the summer, Scarborough Village held a festival that included a cricket demonstration organized by resident volunteers with support from Parks, Forestry and Recreation staff, and the Boys & Girls Club of East Scarborough. The interest was overwhelming.

ANC enabled residents like Tully, who was interested in sharing his love of this sport, to form a cricket club for youth. Funding for equipment was secured and ANC connected residents with Parks and Recreation to obtain permits to use the local city park. With true community spirit, volunteers worked together to build this opportunity.

Now kids from diverse backgrounds—Pakistani, Bangladeshi, Indian, Afghani, West Indian—come from around the neighbourhood to play in a sport that not only has cultural resonance for them, but also teaches skills such as teamwork, discipline and leadership.

Their parents are also coming together to watch their children play the familiar game. From the sidelines, stories, experiences and laughs are shared—and connections are made. On the cricket pitch, it isn't long before residents begin to feel a sense of community.



... to build strong neighbourhoods

Partnerships and a theatre school are catalysts for change

The driver behind ANC initiatives like the Scarborough Village Cricket Club is the partnerships it inspires.

It was also the catalyst behind the creation of the Theatre School for Youth in Scarborough Village which offers young people workshops in acting, dance, singing and percussion as well as focusing on skills such as punctuality, teamwork and managing personal challenges.

But it really did take a village to make the youth theatre project a reality.

United Way secured TD Bank as a funder for the program and helped connect ANC and YOUTHLINK®, a United Way agency, to the project. And because residents were looking for more opportunities for young people, United Way and ANC brought in Denise Matthews of Suite Life Productions to coordinate the program. Better still, the Scarborough Village Community Centre became the venue for the program, making the space more accessible to youth.

Homework clubs strengthen academic skills and also ties within the neighbourhood

Often strengthening neighbourhoods is about listening to what residents want for their children. Many residents

were looking for tutoring and homework support and ANC helped connect these residents with service providers and volunteers to get the initiatives off the ground.

Homework clubs are now led by a number of community volunteers and run out of local Toronto Community Housing buildings and co-ops. Clubs like the one at Gardenview Co-op.

At Gardenview, parents felt disconnected from the school system but recognized that after-school tutoring could fill the gap in their children's education. ANC linked Frontier College to the residents of Gardenview and got the club started. Frontier College also offered literacy testing for children outside of school, and parents—concerned about the stigma testing at school may create—were receptive to the idea. As a result, personalized learning programs were developed and trust was built. Now, the residents are connected with each other and to service providers. Children are learning and parents are gaining confidence in their ability to transform their neighbourhoods.

Step by step, a series of events like these build momentum and the result is a stronger, healthier neighbourhood.

**Taken from Poverty by Postal Code: The Geography of Neighbourhood Poverty, 1981 – 2001, Executive Summary, published by United Way of Greater Toronto, 2004.*

Often strengthening neighbourhoods is about listening to what residents want for their children.



A homework club in Scarborough Village attracts children and youth from across the neighbourhood, enabling them to access critical academic support.

With the support of her mentor from the Academic Mentoring Program at the Boys & Girls Club of East Scarborough, this young woman is not only completing her math homework, she's also building her self-esteem and working toward achieving her personal and academic goals.



Connecting youth ... to opportunities

Mentoring programs offer a positive environment for learning and growth

For Rachelle Litchmoore, born in Jamaica, education was always the key to a productive life.

“It’s what my parents instilled in me from day one and what I want to give back to kids who need the confidence and self-esteem to go on to university or college.”

A fourth-year university student at the University of Toronto and volunteer with IMANI: The Black Students’ Alliance, a student club at the University of Toronto-Scarborough Campus, Rachelle is also a mentor at the Boys & Girls Club of East Scarborough. IMANI and Boys & Girls Club work in partnership to offer today’s at-risk youth alternatives to the guns and gangs culture by offering programs like the Academic Mentorship Program.

Supported by United Way, programs like these aim at prevention and intervention by giving Toronto’s youth the means and opportunity to build productive lives.

“If I weren’t here every day after school, I’d be hanging around and getting into trouble,” admits twelve-year-old Gavin Pierce who has been coming to the Galloway and Kingston Road area club for the past four years. “I get help with my homework. They help me understand math, not by giving me answers but by encouraging me to think for myself.”

Taking action and finding solutions to youth alienation

Partnering with governments, business, foundations, school boards and other organizations, United Way is finding solutions to youth alienation by providing programs to engage young people—programs that promote skills training, education, athletics, the arts and social activities.

The Youth Challenge Fund (YCF), a public and private sector initiative introduced by the Ontario government and administered by United Way to invest in youth-based programs across Toronto, announced its first round of grants totaling \$3.5 million to support programs for at-risk youth in the 13 priority neighbourhoods.

Engage youth through the arts and leaders develop

The Toronto Arts Council Foundation and Art Reach Toronto are exactly the kind of United Way partnerships

that work to inspire young people to lead, participate in and contribute to their communities through arts and culture. Supported by United Way, grants of up to \$10,000 are provided to arts programs, many of which are focused on marginalized young people in high-poverty neighbourhoods. These programs—visual arts, theatre, dance and spoken word poetry—engage youth through the development of new skills, encouraging leadership abilities and improving their level of civic engagement and connection to the community.

The Newcomer Theatre Project run by CultureLink Settlement Services, located at King and Jameson Avenue, employed 13 youth from refugee and immigrant backgrounds over the summer and part-time during the year to learn theatre skills and create an original play—which they presented to their communities, including a performance for over 400 people at The Helen Gardiner Phelan Playhouse at the University of Toronto.

“It was a resounding success,” says Anver Garda, Executive Director with CultureLink. “It was not only an amazing production but represented such an amazing transformation in the young people themselves. They began with limited theatre knowledge, low self-confidence and were discouraged by their lack of fluent English. Six months later they are still talking about how the summer changed their lives.”

Those kind of changes can last a lifetime. And they can be heard in the soft voice of Christina Fullerton, 17, who explains how much she loves the time she spends at the Boys & Girls Club of East Scarborough.

I love everything about it. They help you here with everything.” She pauses. “And it helps me feel better about myself.”

Partnering with governments, business, foundations, school boards and other organizations, United Way is finding solutions to youth alienation.

Connecting newcomers ...

Programs for newcomers help break down barriers to successful settlement and economic integration

Juan Orozco always assumed that his international experience as an electrical engineer and teacher would take him anywhere. That's why in the fall of 2001, undaunted by stories he had heard about educated immigrants having to settle for low-paying jobs, he came looking for a new life in Canada.

"I was inspired by the spirit of Pierre Trudeau, his respect and vision of a multicultural Canada," said Juan. "I wanted to challenge my destiny."

Although his first efforts to find a job here were unsuccessful, he was determined to succeed. He focused on finding an electrical engineering position and began the process of becoming an accredited engineer in his new country, while he and his wife worked odd jobs to make ends meet. Then he heard about Skills for Change, a United Way agency committed to helping newcomers

find meaningful employment and featuring programs that prepare foreign-trained professionals for the Canadian workforce.

What happened next was what United Way hopes to see—a newcomer to the city able to access a range of programs in order to help fulfill his potential and promise.

Through Skills for Change, Juan enrolled in courses to upgrade his English skills and knowledge of Canadian business practices. He also learned how to effectively update his resume, job search and interview with prospective employers, all the while working closely alongside the many volunteers and employees at the agency.

After seven months Juan was hired at an engineering firm. He hasn't looked back and he hasn't forgotten. To give back to his new community, he now voluntarily operates a successful mentoring program out of his home for foreign-trained engineers.

"The most important thing for new immigrants is emotional support and mentorship. I am grateful to Skills for Change for providing this to me. The people there inspired me and are the reason why I volunteer my time to help other newcomers," says Juan Orozco.



... to their potential and promise

A women's integration program forges connections and eases feelings of isolation

Getting newcomers—particularly women who often find themselves isolated at home with young children—to fulfill their potential is the goal of the Immigrant Women Integration Program (IWIP), a United Way program delivered through the Centre for Community Learning and Development, located at Gerrard St. and Parliament St. .

This year-long program takes participants through an orientation to services and agencies around Toronto, training them in the human rights code, personal management skills, board governance, leadership training, and how to design and deliver workshops. The trainees then take these skills back into their communities, where they sit on boards of local agencies and deliver workshops for community groups.

Ma Rong arrived from China in 2005, was referred to the IWIP a few months later, and graduated from the program in the summer of 2006. She has led workshops in the Regent Park, Moss Park and Jamestown neighbourhoods on human rights, elections, and child development and is now employed at the Centre for Community Learning and Development, providing administrative support and technical assistance.

"I'm a real people person and when I moved to Toronto, I wanted very much to help people in my new community," says Ma Rong. "This program helped me to do that and to find the right direction to further my career."

For newcomers to Canada, small steps can lead to big change

For Beisa, United Way agency College Montrose Children's Place, located at College St. and Montrose Ave., was her conduit to the outside world.

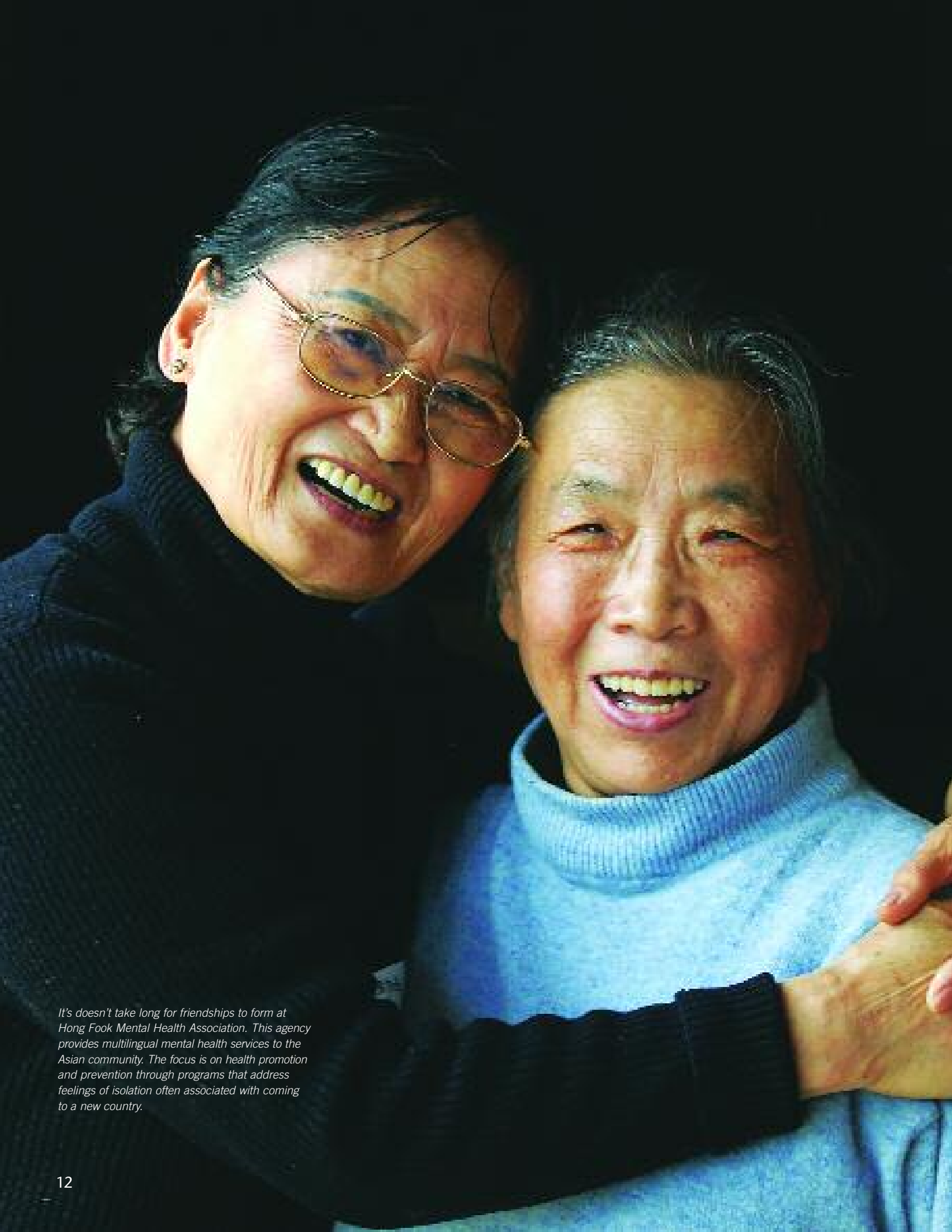
"I was a single mom, looking after my elderly parents and College Montrose Children's Place was the only light during what were gloomy, depressing days."

A family resource and early childhood intervention agency that supports newcomers, particularly in the Somali community, College Montrose became a stepping stone for Beisa to climb out of her isolation.

"At first I would venture from the apartment and take my young son to daycare," she remembers. "I started meeting my neighbours, having coffee with them on Sunday mornings. And then I was asked to be on the advisory committee where I helped make changes. Now I'm on the Board and it has been a wonderful experience," she adds. "The whole world looks different to me now."



Mother and child share a quiet moment over a good book at College Montrose Children's Place, a family resource and early childhood intervention agency that supports newcomers.



It's doesn't take long for friendships to form at Hong Fook Mental Health Association. This agency provides multilingual mental health services to the Asian community. The focus is on health promotion and prevention through programs that address feelings of isolation often associated with coming to a new country.

Connecting ... with a network of 200 health & social service agencies

When people work together, greater impact is achieved

“This is euphoria. Every day I get up and say thank you. I’ve got an education, a job, a roof over my head and healthy kids.”

For Karen Kindness, euphoria is the result of hard work and Homeward Bound, a United Way funded program that moved her from a shelter into transitional housing with daycare, tutoring, internships—and a job with BMO Bank of Montreal at the end.

Developed by Woodgreen Community Services at Queen St. and Logan Ave., Homeward Bound is a village built to raise a child, a low-rise apartment-style complex housing a community of 32 mothers and their children who had formerly been living in shelters.

Here they benefit from on-site daycare, computer training, counselling and tutoring as well as the opportunity to pursue a college degree, internships in their field and a guaranteed job at the end if they successfully complete the program.

“This experience has proven that people do care and that there is help available,” explains Karen. “This is a rigorous program for which you have to qualify and work—but what an impact it can make on your life.”

Karen and her children are representative of the many individuals who have survived and thrived from the support and strength of a network of 200 health and social services agencies supported by United Way in our city.

Creating a better, safer, stronger city for us all

From organizations like Mid-Toronto Community Services at College St. and Beverly St., that helps adults and seniors cope with illness and disabilities, to St. Christopher House, a multi-service neighbourhood centre at King St. and Shaw St. that helps people in the community access information on income security and financial planning—the goal is a safer and healthier city for everyone.

“I became ill, my health deteriorated and I could no longer negotiate stairs,” explains William Dumbleton who found himself looking to Mid-Toronto Community Services to help him find an appropriate home. “They found me a place where I can still have my independence and freedom. You can’t imagine what a relief that was.”

“This experience has proven that people do care and that there is help available,” explains Karen Kindness.

Providing opportunities to share experiences and enlarge social networks strengthens communities

Helen Li is a volunteer at Hong Fook, a Community Mental Health Agency with a Health Promotion program as one of the key components of their outreach strategy. Hong Fook supports Toronto’s Cambodian, Korean, Vietnamese, and Chinese communities—including Cantonese and Mandarin speaking people from Taiwan and Mainland China—and works to respond to issues in inner suburban neighbourhoods. A newcomer herself, Helen personally understands what it means to feel alone in a strange country.

“You left your family and your history behind,” she explains, “and you need a network with which to share your feelings and connect with others in the same circumstances.”

After completing the “Holistic Health Peer Leadership” training program at Hong Fook, held weekly, Helen now facilitates groups of 20 or so participants, watching them reach out to each other to make friends and enlarge their networks.

“I like this program because I have a place to share my experiences and it increases my sense of belonging and responsibility to my community. As newcomers, we are in the same boat, sharing the same experiences. The most gratifying feeling is that I am contributing to the community.”

Connecting ...

Community Impact Report



Francesca Shaw

Francesca Shaw, Chair,
Community Impact Committee

With your support, United Way of Greater Toronto is well on its way to becoming a community impact organization. The Community Impact Committee (CIC), established in 2005, continued this year to guide our strategic plan and increase our impact in the community through research, partnerships, convening, funding and advocacy. Key to this undertaking is the Allocations and Agency Services Committee, which oversees the allocation of funds raised and capacity building within our member agencies, as well as the Research, Policy and Priorities Committee, which provides governance oversight of our policy and advocacy work.



Amy Tong, Chair, Allocations
and Agency Services
Committee



John Hinds, Chair, Research,
Policy and Priorities
Committee

Funding for impact – We had a remarkable 50th year. United Way invested over \$59 million in a network of 200 health and social services agencies, providing agencies with core operating and program funding to deliver vital services that impact every area of our city. Over \$1.9 million was distributed to the community through joint United Way, government and foundation partnerships, in addition to \$4 million of new funding to member and grant-funded agencies.

In 2006, we welcomed York Community Services (YCS) as a new United Way of Greater Toronto agency. The agency works to strengthen the lives of newcomers, youth, seniors and people who are homeless, at-risk or living with mental health issues. The agency is located in the former City of York.

Over 75 per cent of the new dollars allocated in 2006 went to United Way priority areas—building strong neighbourhoods and community infrastructure in inner suburban neighbourhoods, creating opportunities for youth and helping newcomers fulfill their potential and promise.

We continue to build on our work in the inner suburbs and the 13 priority neighbourhoods identified by the City of Toronto and United Way. Expanding on the highlights described on page 4, the following events marked another exciting year:

... for maximum community impact



Action for Neighbourhood Change Launch in Eglinton East/Kennedy Park. Brad Duguid, MPP, Scarborough Centre; Carol Dlupsch, Clinical Coordinator, West Hill Community Services; John Elliot, Program Director, Community Health, West Hill Community Services; Nayla Rhaman; Frances Lankin, President and CEO, United Way of Greater Toronto; Mayor David Miller; Kelly Meighen; Don Johnson; George Smitherman, Minister of Health and Long Term Care; Michael Thompson, MPP, Scarborough Centre; Bas Balkissoon, MPP, Scarborough Rouge River.

Action for Neighbourhood Change (ANC) launched

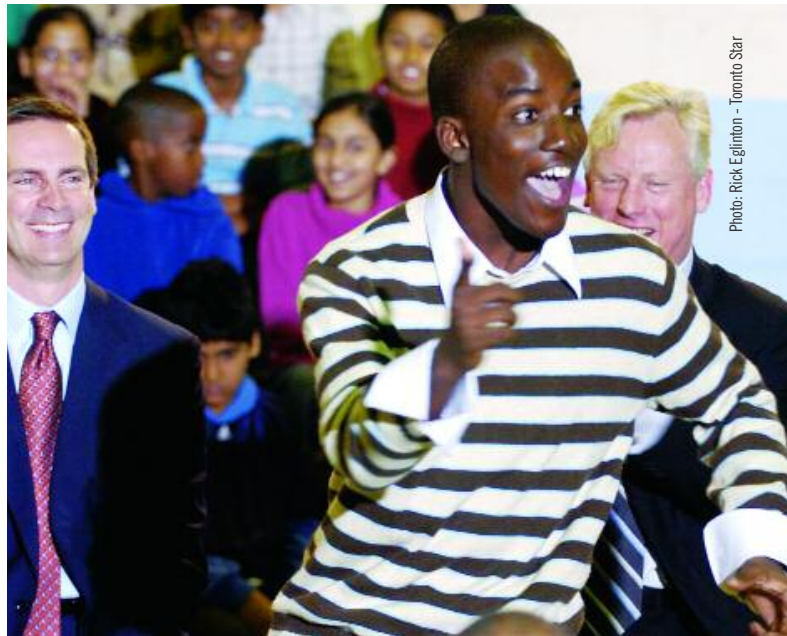
On October 2, United Way announced the opening of four ANC sites with a launch event at the Eastown Plaza in Eglinton East/Kennedy Park—the site of our first community hub. The launch was especially significant as the hub will also house a new community health centre—one of nine announced by the McGuinty government targeting the 13 priority neighbourhoods. West Hill Community Health Centre, a multi-service United Way member agency, will operate the hub facility in the Eglinton Avenue and Brimley Road area.

The event was attended by George Smitherman, Ontario Minister of Health and Long Term Care; Mayor David Miller, City of Toronto; Frances Lankin, President and CEO, United Way of Greater Toronto, and a host of community partners and major donors—including Don and Anna Johnson, who gave \$1 million to fund the hub facility, and Kelly Meighen, who represented the T.R. Meighen Family Foundation, which donated \$500,000 to support youth initiatives in priority neighbourhoods.

Creating opportunities for youth – United Way launched a number of initiatives and programs to engage youth to succeed in school, to become community

leaders, and to provide them with alternatives to guns and gangs. Initiatives included: ArtReach Toronto, a program designed to support youth-led art projects and Bridge to Success, a partnership with the Toronto District School Board to improve the rates of post-secondary education in Jamestown.

The Youth Challenge Fund (YCF) was announced on December 14 at a launch event in Flemingington Park. There to participate in the announcement were Ontario Premier Dalton McGuinty; Mayor David Miller, City of Toronto; Kathleen Wynne, Ontario Minister of Education; Michael Clemons, YCF Chair; and Frances Lankin, President and CEO, United Way of Greater Toronto. Although not in attendance, John Hunkin and Susan Crocker, who donated \$1 million to the Fund, were recognized for their generous contribution.



Premier McGuinty and Mayor Miller enjoy a dance performance by Shamier Anderson at Flemingington Park where YCF took an important step forward.

Helping newcomers fulfill their potential and promise

The United Way's Building Agency Capacity (BAC) program, offered in partnership with Maytree and the Ontario Trillium Foundation, completed its three-year pilot. BAC's goal was to increase the effectiveness of community-based social service agencies that provide services to immigrants and refugees in underserved communities. The program provided grants to implement a range of organizational development activities such as training, coaching and mentoring.

Connecting ... for maximum community impact *continued*

Building a stronger sector – For the second successful year, the next generation of leaders for our sector graduated from the Emerging Leaders program. The program, a partnership with York University's Schulich School of Business and the Metcalf Foundation, was designed to develop strong future leaders for the social services sector and to create leaders who reflect Toronto's rich cultural diversity.



Photo: Gilberto Prinste

These graduates of the United Way's Emerging Leaders program are all smiles.

Emerging Leaders 2006 Graduating Class

*Standing left to right: Zestaline Kim, Carol Klupsch, Tom Walker, Frank Hei Ching Chu, Joanna Reynolds, Nancy Reiner, Courtnay McFarlane, Katina Watson, Paulos Gebreyesus, Christine Miranda, John Methven, Papri Halder, Lydia Sai-Chew, Adela Colhon, Cherie Miller
Seated left to right: Jennifer Robinson, Trudy Small, Izzie Jones, Junie Facey, Diane Walter, Farhana Solanki, Joe Stapleton, Jasmine Thibault*

Research and public policy – United Way was the proud recipient of an 2006 Arthur Kroeger College Award in the Policy Leadership category, which honours those who serve as a model to others on how to define and consider an issue, discern its components, and then successfully advance the public policy process.



Photo: Arthur Kroeger College of Public Affairs, Carleton University

Recipients of the 2006 Arthur Kroeger College Awards for Public Affairs

Pictured from left to right: Keith Martell, Chairman, First Nations Bank; Rick Mercer, CBC personality; Frances Lankin, Ken Lyotier, United We Can Bottle Depot; Alan Landsberg (on behalf of Stephen Lewis, UN Secretary-General's Special Envoy for HIV/AIDS in Africa).

Connecting ... with the future of our city

The Tomorrow Fund™

Established in 1995, United Way of Greater Toronto's endowment, The Tomorrow Fund™, gives Torontonians a unique opportunity to impact children's lives and the future of our city. The Fund provides stable funding to help children and their families through Success by 6®, a United Way program that ensures children six and under get a healthy start.

In 2006, the Fund grew substantially by \$10 million, to \$51,377,000, thanks to the extraordinary generosity of many donors including David and Sheryl Kerr and Ken and May Copland, who respectively endowed a \$2 million and \$1 million Family Fund. In addition, a portion of Stephan and Sophie Lewar's \$5.6 million bequest was received in 2006.

Success by 6® lays the foundation for early success in school by helping to improve family nutrition and parenting skills, and connecting isolated families to critical support systems.

Research shows that a child's brain development in the first six years of life sets the foundation for lifelong learning, behaviour and health.¹ But investing in children makes smart economic sense as well. For every \$1 spent on childcare, there is a \$2 economic benefit. The benefit comes back through increased tax revenues, and decreased social, education and health costs.²

Strategic Alliance with the Toronto Community Foundation

United Way of Greater Toronto is proud to partner with the Toronto Community Foundation (TCF) and retains the TCF to manage our endowment, The Tomorrow Fund™. We are grateful to the many TCF donors who include United Way among their grant choices. TCF donors understand the importance of United Way's work in the community and value the rigour of our grant allocations process.

¹ McCain, M. and J. F. Mustard. *The Early Years Study: Reversing the Real Brain*, 1998.

² Cleveland, Gordon and Krashinsky, Michael. *The Benefits and Costs of Good Child Care*, 1998.

In 2006, The Tomorrow Fund™ provided \$1.5 million to 17 Success by 6® programs, many in priority inner suburban neighbourhoods. The impact is significant:

- Success by Six® served some 6,190 children and 5,221 families.
- At least 98 per cent of children in a pre-kindergarten preparatory program now know and read the alphabet, count from 1 to 10, and have improved social and reasoning skills.
- 71 per cent of fathers participating in a parenting workshop reported that they learned new information that supports them as a parent.

In addition to Success by 6®, The Tomorrow Fund™ also allocated \$281,000 to programs that help seniors, homeless people, children from low-income families and many more. As well, four new families established Family Funds. Altogether, The Tomorrow Fund™ now manages 51 such funds.

United Way continues to reinvest a portion of The Tomorrow Fund's™ income without touching the principal. The Tomorrow Fund™ is here to stay and will continue to impact the lives of our community's children for generations to come.



Kathleen Taylor

Kathleen Taylor
Chair, Endowment Giving

President and Chief Operating Officer,
Four Seasons Hotels and Resorts

Connecting ... people to a common goal

Campaign Chair Message

Looking back on 2006, I am inspired by what can be accomplished when people work towards a common goal. United Way of Greater Toronto marked its 50th anniversary and it was a remarkable year. We set a record-breaking fundraising goal of \$100 million, and in the end, surpassed that goal by raising \$106.8 million. Given that only 10 per cent of the charitable money raised in Canada goes to the social services sector, this is an important achievement—one that ensures that UWGT, its member agencies, partners, and other foundations, can continue to provide critical, solid, and long-lasting impact in our community.

This notable campaign achievement is a reflection of just how much we care about our city. Toronto citizens—individuals, corporations large and small, and public institutions—all answered the call. Thanks to their time, effort and generosity, United Way agencies are already making a difference. Inner suburban neighbourhoods are strengthened, youth are given opportunities they might not otherwise have, and newcomers are accessing the springboard they need to make the most of life in their new country.

Thanks are in order for a number of people, starting with our incredibly dedicated Campaign Cabinet and Individual Giving Cabinet. As well, I can't forget our committed Leadership Chairs, Employee Campaign

Chairs, Sponsored Employees, workplace canvassers and agency staff and volunteers. Their selfless efforts did not go unnoticed and we're grateful for the role they each played in our success.

I believe agreeing to be 2006 Campaign Chair for United Way of Greater Toronto was one of the best and most rewarding decisions I have personally made. It has given me a clear understanding of just how essential United Way is to the place we call home. It is the dedicated work of United Way agencies, supported by the whole community, that help make Toronto a better, safer, stronger city for us all.

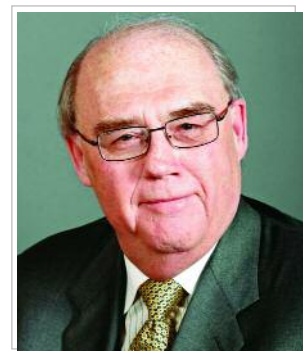


Rick Waugh

Rick Waugh
2006 Campaign Chair
President & CEO, Scotiabank



Rick Waugh, President and CEO of Scotiabank, celebrates a successful run with fellow Scotiabankers on June 15, 2006 at Scotiabank's annual Rat Race for United Way.



Bill MacKinnon
Chair, Major Individual Giving 2006

2006 Campaign Highlights



Photo: United Way

It's a sea of red – thousands of supporters don red hats at the annual P&G Walk for United Way on September 10, 2006.



Photo: Doug Berger

Close to 1,500 rat-costumed Torontonians participate in Scotiabank's Rat Race for United Way on June 15, 2006.



Photo: United Way

United Way supporter enjoys the view from the top of the CN Tower after completing 1,176 steps at the annual Enbridge CN Tower Stair Climb for United Way on October 19, 2006.



Photo: Kraft Canada, Inc.

On June 6, 2006, over 300 Kraft Canada employees participated in United Way's Days of Caring at 41 United Way agencies. These volunteers spent the day spring cleaning at Woodgreen Community Services at Queen St. and Logan Ave.

Connecting ...

Message from Labour

Congratulations to all the volunteers and staff of United Way for their efforts in achieving another successful year. It never ceases to amaze me how the fundraising goals for each year are surpassed. I am also grateful for the tremendous work of labour volunteers both in the workplace and through the allocations process to ensure that we are able to support so many vital services in our community.

What became increasingly obvious in 2006 was how wide the income gap has become within our population. The labour movement has focused on raising the minimum wage to \$10 an hour—the level which is widely accepted as being the threshold of poverty wages. In a series of town hall meetings held across Toronto we heard heartbreaking stories of people working two and three jobs just to make ends meet, and it is clear that employment standards and organizing rights need to be addressed if people are to improve their lives.

There are indeed two solitudes in our city, and we need to find many different avenues to bridge them if we are to have a decent future together. United Way is better positioned than any other organization to help bridge this divide. It is up to every one of us to learn more about what is really happening in the Toronto of the twenty-first century, and then use our collective resources to craft the solutions that are so urgently required.



Photo: Toronto Transit Commission

Toronto Transit Commission (TTC) employees go to bat for United Way, October 2006.



Handwritten signature of John Cartwright

John Cartwright
President, Toronto and York Region Labour Council

... with our labour volunteers



The City of Toronto was awarded the Labour Participation Award, Public Sector for their strong effort during the 2006 Campaign. The long history of strong collaboration with its unions in running successful campaigns was no match for the 26,000 geographically dispersed workforces who promoted the Community Fund throughout campaign. Large-scale kick-off events and effective use of agency speakers along with a successful pledge campaign secured this award.

Pictured: Sasha Adler-Romm, City of Toronto; John Cartwright, President, Toronto & York Region Labour Council; Angela Stevens, Canadian Union of Postal Workers, Toronto Local; and Leila Gobin, City of Toronto.

Awards winners: City of Toronto & Canadian Union of Public Employees Local 79; Toronto Civic Employees Union Local 416; Toronto Professional Fire Fighters Association Local 3888; City of Toronto Administrative, Professional & Supervisory Association Inc.; COTAPSAI.



The Toronto Star ran an exemplary joint union-management campaign in 2006 and in recognition of their hard work was awarded the Labour Participation Award, Private Sector. All five unions were represented on the campaign committee and its members and volunteers represent the diversity of their workforce and organizational structure.

Pictured: Dean Benjamin, Toronto Star; John Cartwright, President, Toronto & York Region Labour Council; Angela Stevens, Canadian Union of Postal Workers, Toronto Local and Lawrence Marzari, Toronto Star.

Awards winners: Toronto Star & GCC/IBT Graphic Communications Conference/International Brotherhood of Teamsters Local 100M; Communications, Energy, and Paperworkers Union of Canada, Local 87-M, Southern Ontario Newsmedia Guild; Communications, Energy, and Paperworkers Union of Canada, Local 500G (covering Photoengravers) International Brotherhood of Electrical Workers, Local 353; International Association of Machinists & Aerospace Workers, Local 235.

Administration and Audit Committee

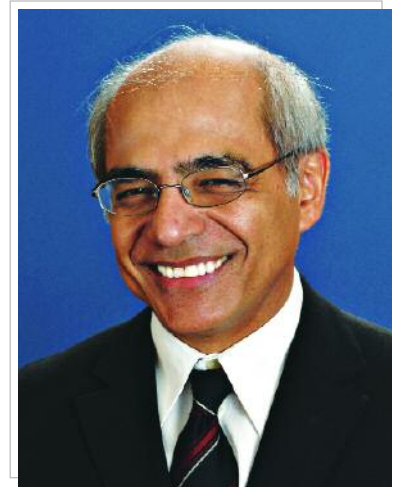
United Way of Greater Toronto's financial position is robust, thanks to generous donors, strong financial management, organizational strength and growth in revenues. This healthy fiscal situation provides the means to take a leading role in addressing critical social issues in our city.

Financial Strength

The financial report includes revenue from the fall 2005 fundraising campaign, distribution of funds in 2006 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. United Way's financial strength and efficiency are also due to significant volunteer support. Some highlights from 2006:

- United Way's Community Fund is growing through generous donations and the recognition of 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 1.67 per cent.
- We continue to focus on efficiency and effectiveness, with a cost revenue ratio of 13.8 per cent that is comparable to 2005.
- Unrestricted Net Assets are valued at \$11,067,000, which protects against unexpected fluctuations in donations and allows us to ensure sustained funding of our commitment to the community. Reflected in the unrestricted net assets is funding of \$950,000 committed to the Scarborough West Hill community hub. The project was delayed in 2006 and the funds will be distributed in 2007.
- Our endowment fund, The Tomorrow Fund™, has grown to more than \$51 million thanks to the generosity and vision of donors who are investing in our city's future.



Alnasir Samji
Chair, Administration and
Audit Committee
Vice Chair, Finance and Treasurer



Karyn O'Neill
Chair, Pension and Benefits Committee



Catherine Booth
Chair, Operations and Technology
Committee



Robert MacLellan
Chair, Investment Committee

Administration and Audit Committee *continued*

2006 results and recent trends:

Fiscal Year	2006	2005	2004	Volunteers	2006
Total gifts	\$96,308,000	\$92,601,000	\$87,020,000	Governance	102
Total dollars to the community	\$84,007,000	\$79,013,000	\$75,121,000	Allocations and community service	127
Cost revenue ratio	13.8%	13.8%	14.5%	Resources development	21,608
Pledge loss ratio	1.67%	1.75%	1.47%	Special events and office support	1,003
Investment income	\$4,410,000	\$4,546,000	\$3,976,000	Volunteer total	22,840

Governance and Financial Transparency

United Way of Greater Toronto has a strong, independent Administration and Audit Committee comprising of eight members. The committee meets a minimum of five times a year. It also meets annually, independently of management, with KPMG, United Way's financial auditors.

The financial statements are consistent with GAAP (Generally Accepted Accounting Principles) and United Way Canada-Centraide Canada Transparency and Accountability Financial Standards, which were designed to ensure consistent financial reporting by all United Ways.

The Administration and Audit Committee oversees the Investment Committee (responsible for investing The Tomorrow Fund™, unrestricted net assets and the assets for our employee pension plan). The Pension and Benefits Committee provides advice to management on employee pension and benefit matters, and acts in an overseeing capacity for the regulatory and compliance reporting. The Investment Committee and the Pension and Benefits Committee meet jointly, once a year, to ensure pension assets and liability requirements are appropriately coordinated.

In February 2006, United Way was named Trustee for the Province of Ontario's Youth Challenge Fund (YCF). \$15 million was initially provided in 2006 to be granted by the new YCF Board. The YCF financial reports and activities are excluded from this report. A separate annual report and set of audited financial statements will be produced for YCF to reflect the activities and March 31st year-end. United Way's Administration and Audit Committee oversees the terms and conditions of that Trustee responsibility and will oversee the independent audit by KPMG. The statements will be provided to the Board of the Youth Challenge Fund and to the Province of Ontario.

Operational Capability

The Operation and Technology Committee reports to the Administration and Audit Committee. This committee oversees a number of multi-year technology and operational projects which include:

- a *Constituent Relationship Management* project due for completion in 2008. This is a joint project with United Way of Lower Mainland, United Way of Calgary, United Way of Winnipeg and United Way of Canada/Centraide Canada.
- a *Community Impact Measurement and Management Project*, enabling a more systematic capture of outcomes of programs in the community and measures of longer term impact. This is a multi-year, ongoing initiative where we share best practices and investment costs with our cross-national CRM colleagues. It is through this project that United Ways will be able to improve decision-making processes regarding community investments and be better able to communicate the impact and value to the public.
- A new project that began in 2006, the electronic grant application process, is expected to be live in 2008, enabling agencies to interact with United Way more effectively and to allow us to manage this grant process more efficiently going forward.

These important investments 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.

2006 Board of Trustees



Photo: Ben Legge

Front row (left to right) Amy Tong, Jean Lam, Jack Lee, Julie Lee, Richard Venn, Raksha Bhayana, Martha Tory, Alnasir Samji, Robert MacLellan
 Back row (left to right) John Honderich, Marie Moliner, John Cartwright, Yezdi Pavri, John Hinds, Frances Lankin, Agatha McPhee, Anil Patel, Francesca Shaw
 Missing: Catherine Booth, Michelle DiEmanuele, Grace-Edward Galabuzi, Kamala-Jean Gopie, Robert Harding, David Pecaut

United Way of Greater Toronto is governed by its Board of Trustees, a diverse group of community leaders and key decision makers who provide vision, strategic leadership, advocacy, accountability and stewardship. These senior volunteers are passionate about United Way and dedicated to its mission of improving lives and strengthening neighbourhoods across Toronto.

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 CIBC

Vice Chair, Labour

John Cartwright
 Toronto and York Region Labour Council

Vice Chair, Finance & Treasurer

Alnasir Samji
 Alderidge Consulting Inc.

Vice Chair, Community Impact

Francesca Shaw
 CIBC

Immediate Past Chair of the Board

Martha Tory
 Ernst & Young

Incoming Chair of the Board

Robert Harding
 Brookfield Asset Management Inc.

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Catherine Booth
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John Cartwright
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Michelle DiEmanuele
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Grace-Edward Galabuzi
 Ryerson University

Kamala-Jean Gopie
 Human Rights Commission

Robert Harding
 Brookfield Asset Management Inc.

John Hinds
 Canadian Community Newspaper Association

John Honderich
 Torstar Voting Trust

Jean Lam
 Ministry of Health Promotion

Jack Lee
 Ministry of Health & Long-Term Care

Julie Lee
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Agatha McPhee
 OPSEU

Marie Moliner
 Canadian Heritage

Anil Patel
 Framework Foundation

Yezdi Pavri
 Deloitte & Touche LLP

David Pecaut
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Alnasir Samji
 Alderidge Consulting Inc.

Francesca Shaw
 CIBC

Amy Tong
 Unicef Canada

Martha Tory
 Ernst & Young

2006 Committees

United Way benefits from the expertise of diverse volunteers from across the city. These volunteers represent business, labour, government and the community, bringing exceptional skills, experience and valuable perspective on social and community issues as well as financial matters.

Administration and Audit Committee

Alnasir Samji, Alderidge Consulting Inc. (Chair and Treasurer)*
Colleen Berry Hiller, Ernst & Young
Catherine Booth, Canadian Tire Corporation*
Astley L. Dennis, Chartered Accountant
John Honderich, Torstar Voting Trust*
Julie Lee, Osler, Hoskin & Harcourt LLP*
Yezdi Pavri, Deloitte Touche LLP*

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Antonella Ceddia, McCarthy Tetrault LLP
André Chamberlain, Department of Justice Canada
Murray Coolican, Manulife Financial
Shafiq Ebrahim, RBC Financial Group
Elizabeth Gillelan, PSAC
Kevin King, Ministry of Citizenship and Immigration
Paul Koreen, Ketchum Canada
Marie Moliner, Canadian Heritage*
Julie Lee, Osler, Hoskin & Harcourt LLP*
Manjula Selvarajah, Marketing Consultant

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Carolyn Davis, Catholic Cross Cultural Services
Alnasir Samji, Alderidge Consulting Inc.*
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Marie Moliner, Canadian Heritage*
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Deborah Goodman, Children's Aid Society
Kamala-Jean Gopie, Human Rights Commission*
Debra Grobstein Campbell, SickKids Foundation
John Hinds, Canadian Community Newspaper Association*
Jean Lam, Ministry of Health Promotion*

Jack Lee, Ministry of Health and Long-Term Care*
Ana Lopes, New Paradigm (A Tapscott Group Company)
Agatha McPhee, OPSEU*
Georgina Steinsky-Schwartz, Imagine Canada
Amy Tong, Unicef Canada*

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Robert Harding, Brookfield Asset Management Inc.*
Alnasir Samji, Alderidge Consulting Inc.*
Martha Tory, Ernst & Young*

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June Ntazinda, 13 Advisors Inc.
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Michael J. Bradley, Visa Canada Association
Kathy Dumanski, Change Management Consultant
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Keith Martin, Centract
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Yezdi Pavri, Deloitte Touche LLP*

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Fraser Deacon, Deacon Insurance Agencies (ex-officio)
Caroline Helbronner, Blake, Cassels & Graydon LLP
Alnasir Samji, Alderidge Consulting Inc.*
Caspar Young, Mercer Human Resource Consulting

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Pedro Barata, The Atkinson Foundation
Grace-Edward Galabuzi, Ryerson University*
Jo-Ann Hannah, CAW-TCA Canada
John Honderich, Torstar Voting Trust*
Marie Moliner, Canadian Heritage*
Michele Noble, Michele Noble and Associates

* Members, Board of Trustees

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Vice President, Resource Development

Lyn Whitham
Vice President, Marketing and Communications

Rahima Mamdani
Director, Human Resources and Organizational Development

Catherine Smith
Chief Operating Officer

Maureen Adams
Vice President, Allocations and Community Services

David Cook
Vice President, Information and e-Business



From left to right: Lyn Whitham, David Cook, Susan McIsaac, Frances Lankin, Maureen Adams, Catherine Smith and Rahima Mamdani.

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Canada Post
James Marshall

Deloitte & Touche LLP
Salma AbouChacra

George Brown College
Adam Wagner

**Government of Canada Workplace
Charitable Campaign & Public
Service Alliance of Canada**
Mirella Howell
Shellina Ladhani

HSBC Bank of Canada
Kristyn Cunningham

Manulife Financial
Tracy Ashton
Bob Hall

Ontario Public Service
Francis Chan
Ministry of Education

Paul Zapp
Ministry of Finance

Shirley Bernardo
Ministry of Government Services

Cristina da Rocha
Ministry of Government Services

Judy Lynch
Ministry of Government Services

Shazina Manzoor
Ministry of Transportation

Pat Peckham
Ministry of Government Services

Brenda Pellier
Ministry of Government Services

Angela Vassos
Ministry of Government Services

RBC Financial Group
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Janelle St. Omer
Victoria Talento
Stephen Tibando

State Street Trust Company
Ana Matias-Perri

TD Bank Financial Group
Kathleen Burgetz
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The Canadian Red Cross Society
Aprile Schwartz

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Corporation**
Gene Tegola

Toronto Hydro
Tracy Hancock
Glenda Johnson

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Melissa Gibson

Toronto Transit Commission
Norma Sirianni

Torys LLP
Gillian Smith

University of Toronto
Brendan Dellandrea

**The following organizations provided
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Ernst & Young LLP
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ING Group of Companies
KPMG LLP
Scotiabank Group**
The Caldwell Partners
Franklin Templeton
Ontario Power Generation
McMillan Binch Mendelsohn LLP

**Provided two sponsorships

**Sponsored Employees hired through
sponsorship funding:**
Rebecca Hare
Nira Lall
Supin Lucas
Ann Kedwell
Sasha Manes
Margot Massie
George Simpson



2006 Sponsored Employees

2006 Allocations to Agencies

PARTNERS	ALLOCATION
Canadian Red Cross - Toronto Region (The)	2,440,311
Labour Community Services of Toronto Inc.	483,000
TOTAL	2,923,311

MEMBER AGENCY	ALLOCATION
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Building Strong Neighbourhoods and Communities

519 Church Street Community Centre	158,000
Agincourt Community Services Association	318,490
Albion Neighbourhood Services	376,910
Bathurst Jewish Community Centre	481,646
Birchmount Bluffs Neighbourhood Centre	176,059
Bloor Information and Life Skills Centre	280,926
Braeburn Neighbourhood Place	312,007
Canadian Centre for Victims of Torture	183,522
Central Neighbourhood House Association	695,392
Centre for Information & Community Services of Ontario	424,502
Centre for Spanish-Speaking Peoples	195,474
Centre Francophone de Toronto	95,216
Chinese Family Services of Ontario	431,483
Christie Ossington Neighbourhood Centre	123,000
COSTI	604,889
Cross-cultural Community Services Association (The)	163,371
CultureLink	140,391
Davenport Perth Neighbourhood Centre	290,375
Delta Family Resource Centre	196,914
Dixon Hall	551,231
Doorsteps Neighbourhood Services	188,290
Eastview Neighbourhood Community Centre	291,417
Flemingdon Neighbourhood Services	236,497
FoodShare Toronto	242,872
Greek Community Toronto - Department of Social Services	44,081
Jamaican Canadian Association	262,641
Jane/Finch Community & Family Centre	518,776
Lakeshore Area Multiservice Project (LAMP)	244,456
Malvern Family Resource Centre	352,129
Miles Nadal JCC	111,412
Native Canadian Centre of Toronto	212,150
Neighbourhood Link Support Services	218,314
North York Community House	349,900
Northwood Neighbourhood Services	320,785
S.E.A.S. Centre	202,884
South Asian Family Support Services	79,114
St. Christopher House	729,727
St. Stephen's Community House	496,513
Syme-Woolner Neighbourhood and Family Centre	183,500
Thorncliffe Neighbourhood Office	353,567
Tropicana Community Services Organization	346,229
UJA Federation of Greater Toronto	45,701
University Settlement Recreation Centre	309,834
Warden Woods Community Centre	496,269
West Hill Community Services	257,779
West Scarborough Neighbourhood Community Centre	483,621
WoodGreen Community Services	600,353
TOTAL	14,378,609

MEMBER AGENCY	ALLOCATION
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Creating Opportunities for Children, Youth and Families

Abrigo Centre	241,850
Aisling Discoveries Child and Family Centre	199,740
Big Brothers and Big Sisters of Toronto	370,406
Bond Street Nursery School	176,862
Child Development Institute	225,644
College-Montrose Children's Place	98,524
Delisle Youth Services	259,394
Dovercourt Boys' and Girls' Club	261,836
East Metro Youth Services	75,000
East Scarborough Boys' and Girls' Club	509,097
Family Day Care Services	424,219
Family Service Association of Toronto	3,678,387
For Youth Initiative	75,000
Hincks-Dellcrest Centre (The)	282,322
Jessie's Centre for Teenagers	260,504
Jewish Family and Child Service of Greater Toronto	1,674,051
Macaulay Child Development Centre (The)	431,129
Native Child and Family Services of Toronto	388,100
Planned Parenthood of Toronto	163,597
Scouts Canada Greater Toronto Council	350,000
St. Alban's Boys' & Girls' Club	359,200
Toronto Kiwanis Boys & Girls Clubs	264,564
YMCA of Greater Toronto	1,287,138
Yorktown Child and Family Centre	171,198
Youth Assisting Youth	178,825
YOUTHLINK®	652,387
TOTAL	13,058,974

Investing in Employment

A.C.C.E.S.	173,376
Community Microskills Development Centre	188,051
JobStart	159,923
JVS Toronto	497,545
Skills for Change	231,855
Times Change Women's Employment Service	144,200
Toronto Centre for Community Learning and Development	92,564
TOTAL	1,487,514

Supporting People Living in Vulnerable Situations

Anishnawbe Health Toronto	165,394
Distress Centres of Toronto	276,368
Good Neighbours' Club (The)	153,016
Homes First Society	175,000
Horizons for Youth	158,011
John Howard Society of Toronto	494,169
NA-ME-RES (Native Men's Residence)	178,682
Second Base (Scarborough) Youth Shelter	140,460
Toronto Community Hostel	199,172
Transition House Inc.	46,523
Youth Without Shelter	115,000
TOTAL	2,101,795

2006 Allocations to Agencies *continued*

MEMBER AGENCY ALLOCATION

Preventing Violence and Empowering Women

Barbra Schlifer Commemorative Clinic	188,467
Elizabeth Fry Society of Toronto	451,865
Ernestine's Women's Shelter	288,899
Interval House Inc.	180,948
Nellie's	200,242
North York Women's Shelter	181,020
Opportunity for Advancement	335,172
Rexdale Women's Centre	240,663
Sistering-A Woman's Place	306,891
Springtide Resources Inc.	182,888
The Redwood	163,122
Women's Habitat of Etobicoke	331,825
Working Women Community Centre	342,351
Yorktown Shelter for Women	157,930
YWCA Toronto	1,338,047
TOTAL	4,890,330

Enabling Independent Living

Canadian Hearing Society/Toronto Region	579,242
Canadian Mental Health Association Toronto Branch	589,623
Canadian National Institute for the Blind	990,000
Centre for Independent Living in Toronto (C.I.L.T.)	166,968
Community Living Toronto	801,168
Epilepsy Toronto	181,985
Hong Fook Mental Health Association	252,673
Multiple Sclerosis Society of Canada Toronto Chapter	131,000
Ontario March of Dimes	274,767
VHA Home HealthCare	970,865
Victorian Order of Nurses Toronto - York Region Branch	88,400
TOTAL	5,026,691

Supporting Seniors' Independence

Baycrest Centre for Geriatric Care	300,079
Bernard Betel Centre for Creative Living	196,510
Call-A-Service Inc./Harmony Hall Centre for Seniors	149,260
Carefirst Seniors and Community Services Association	308,997
Central & Northern Etobicoke Home Support Services	145,256
Circle of Home Care Services (Toronto)	206,620
Community Care East York	188,241
Downsview Services to Seniors Inc.	78,592
Etobicoke Services for Seniors	167,550
Humber Community Seniors' Services Inc.	79,679
Mid-Toronto Community Services Inc.	199,680
North York Seniors Centre	175,903
Scarborough Support Services for the Elderly Inc.	182,986
Second Mile Club of Toronto	160,169
Senior Peoples' Resources in North Toronto Inc. (SPRINT)	131,314
St. Clair West Services for Seniors	154,001
Storefront Humber Inc.	125,901
Sunshine Centres for Seniors	61,372
West Toronto Support Services	52,825
TOTAL	3,064,935

MEMBER AGENCY ALLOCATION

Investing in Community Planning and Resources

Canadian Council on Social Development	48,789
Community Social Planning Council of Toronto	491,504
Findhelp Information Services	677,830
Neighbourhood Centre	84,368
Ontario Council of Agencies Serving Immigrants	141,094
P.O.I.N.T. Inc. (People and Organizations in North Toronto)	95,082
Parkdale Community Information Centre	126,107
Self-Help Resource Centre of Greater Toronto	80,500
Toronto Jewish Free Loan Cassa	61,540
Volunteer Centre of Toronto	225,016
TOTAL	2,031,830

Additional funds to Grants Programs 37,000

* Total Allocations to United Way Agencies and Partners 49,000,989

* A portion of these Allocations were funded by The Tomorrow Fund™ (\$192,000).

2006 Grant Funding

ACTION FOR NEIGHBOURHOOD CHANGE ALLOCATION

Agincourt Community Services Association: Steeles-L'Amoreaux	162,500
Community Social Planning Council of Toronto: Weston-Mt. Dennis	162,500
North York Community House: Lawrence Heights	162,500
West Hill Community Services: Eglinton East-Kennedy Park	170,300
TOTAL	657,800

MULTI-AGENCY PARTNERSHIP PROJECT ALLOCATION

Community MicroSkills Development Centre: Dixon Neighbourhood Youth Centre	115,000
Delta Family Resource Centre: Humber Summit Resource Centre	115,143
Lakeshore Area Multiservice Project (LAMP): Rathburn Area Youth	114,000
North York Community House: Community On the Move	113,000
St. Clair West Services for Seniors: York Break Down the Barriers for Seniors	107,150
Warden Woods Community Centre: Kids and Families in Transition	64,710
TOTAL	629,003

NEWCOMERS ALLOCATION

Access Alliance Multicultural Community Health Centre	25,000
Afghan Women's Counselling and Integration Community Support Organization	18,548
Bangladeshi Canadian Community Services	50,000
Centre for Equality Rights in Accommodation	29,465
Hincks-Dellcrest Centre (The)	33,538
Jumbies Theatre	20,000
Macaulay Child Development Centre (The)	23,355
Newcomer Women's Services Toronto	38,963
Parent-Child Mother Goose Program (The)	23,020
Planned Parenthood of Toronto	33,111
Society of Portuguese Disabled Person Building Fund	30,000
St. Christopher House	25,000
St. Stephen's Community House	50,000
TOTAL	400,000

YOUTH INITIATIVES ALLOCATION

Community MicroSkills Development Centre: Bridge to Success	125,000
Laidlaw Foundation: ArtReach Toronto	100,000
Lakeshore Area Multiservice Project (LAMP): Re-Mix	60,000
Toronto Community Foundation: Toronto Sport Leadership Program	50,000
TOTAL	335,000

YOUTH COMMUNITY ARTS ALLOCATION

Adventure Place	4,500
Albion Neighbourhood Services	4,565
Arts for Children of Toronto	5,000
Children's Peace Theatre	5,000
CultureLink Settlement Services	4,956
Drum Artz Community Centre	5,000
Eastview Neighbourhood Community Centre	3,000
Expect Theatre Inc.	3,750
Freeze DNA	3,250
It's In Me Education and Training Programs	5,000
Native Child and Family Services	5,000
North York Community House	4,000
Scadding Court Community Centre	3,500
St. Stephen's Community House	3,479
TOTAL	60,000

Youth Community Arts is a partnership of Toronto Arts Council Foundation and United Way of Greater Toronto.

SUCCESS BY 6® ALLOCATION

Agincourt Community Services Association: Partnership	108,547
Aisling Discoveries Child and Family Centre: Partnership	102,032
Better Beginnings - NOW/Building Brighter Futures	79,266
Child Development Institute	109,000
Cliffcrest Community Centre	68,480
College Montrose Children's Place: Partnership	86,413
Davenport Perth Neighbourhood Centre: Growing Up Healthy Downtown	53,500
George Hull Centre for Children and Families (The): Etobicoke Brighter Futures Coalition	117,700
Jane/Finch Community & Family Centre	107,000
Jessie's Centre for Teenagers	107,000
Native Child and Family Services of Toronto	56,079
North York Community House/Lawrence Heights Community Health Centre	80,250
Rexdale Women's Centre	80,250
Scadding Court Community Centre	79,726
Thorncliffe Neighbourhood Office: Action for Children Today and Tomorrow	80,250
Warden Woods Community Centre	72,760
Yorktown Child and Family Centre: Partnership	107,415
TOTAL	1,495,668

continued...

2006 Grant Funding *continued*

TORONTO ENTERPRISE FUND

ALLOCATION

All-A-Board Youth Ventures: River Restaurant	118,000
Dixon Hall: The Mill Centre	50,000
Eva's Initiative: Phoenix Print Shop	100,000
FoodShare Toronto: Sunshine Garden	80,000
Furniture Bank: Social Purpose Enterprise	72,000
NA-ME-RES (Native Men's Residence): Tumivut Earthkeepers	73,161
Ontario Council of Alternative Businesses: Out of This World Café	109,750
Ontario Council of Alternative Businesses: Parkdale Green Thumb Enterprise	93,806
Sistering-A Woman's Place: Inspirations	97,638
SKETCH: SKETCH Connections	80,000
Somali Women and Children's Support Network: Haween Enterprises	89,000
St. John the Compassionate Mission: St. John's Bakery	90,000
Start Up Funds:	
Dixon Hall: Labour Solutions	10,000
Pape Adolescent Resource Centre: Blue Sky DJ Service	35,000
Touchstone Youth Centre/Beatz to da Streetz: Beatz to da Streetz Venture	35,000

TOTAL 1,133,355

The Toronto Enterprise Fund is a jointly funded program of the federal, provincial and municipal governments and United Way of Greater Toronto.

WINTER RELIEF

ALLOCATION

519 Church Street Community Centre	10,000
Agincourt Community Services Association	13,000
Canadian Red Cross - Toronto Region (The)	13,000
Christie Ossington Neighbourhood Centre	10,000
Community Action Resource Centre	12,000
Community Resources Connections of Toronto	8,000
Dixon Hall	18,000
Eastview Neighbourhood Community Centre	6,865
FoodShare Toronto	17,000
Fred Victor Centre	11,900
Good Neighbours' Club (The)	7,000
Good Shepherd Refuge Social Ministries Good Shepherd Centre	11,000
John Howard Society of Toronto	10,000
NA-ME-RES (Native Men's Residence)	12,800
Native Canadian Centre of Toronto	10,000
Native Child and Family Services of Toronto	15,000
Neighbourhood Link Support Services	9,000
Parkdale Activity Recreation Centre (PARC)	14,000
Parkdale Community Health Centre	10,000
Scarborough Housing Help Centre	9,000
Second Base (Scarborough) Youth Shelter	15,000
Sistering-A Woman's Place	12,000
SKETCH	15,135
St. Christopher House	23,000
St. John the Compassionate Mission	10,000
St. Stephen's Community House	12,000
Street Health Community Nursing Foundation	12,000

The Stop Community Food Centre	10,000
Toronto Christian Resource Centre	10,000
Toronto Friendship Centre (The)	12,000
University Settlement Recreation Centre	13,000
Warden Woods Community Centre	9,000
West Hill Community Services	10,000
Windfall Clothing Service	13,800
Wychwood Open Door Drop In Centre	10,000
Yonge Street Mission	15,000
YOUTHLINK®	15,000
YWCA Toronto	9,597
TOTAL	454,097

These amounts include support made available through special one-time directed gifts from donors.

BUILDING AGENCY CAPACITY

ALLOCATION

Afghan Women's Counselling and Integration Community Support Organization	30,412
Arab Community Centre	17,477
Cliffcrest Community Centre	11,573
Ethiopian Association Toronto	20,924
Midaynta Community Services	16,000
Scarborough Women's Centre	21,575
South Asian Women's Centre	21,571
TOTAL	139,532

The Building Agency Capacity initiative is a jointly funded program of The Maytree Foundation, the Ontario Trillium Foundation and United Way of Greater Toronto.

EMERGING NEEDS AND SPECIAL PROJECTS ALLOCATION

Agincourt Community Services Association	49,000
Black Creek Community Health Centre	15,000
Boundless	24,000
Community MicroSkills Development Centre	79,000
East Scarborough Boys' and Girls' Club	22,221
Eastview Neighbourhood Community Centre	25,000
Family Service Association of Toronto	5,000
Hong Fook Mental Health Association	9,000
IMPACS (The Institute for Media, Policy and Civil Society)	17,310
Jessie's Centre for Teenagers	55,000
Macaulay Child Development Centre (The)	6,000
NA-ME-RES (Native Men's Residence)	5,000
North York Community House	25,000
North York Women's Shelter	5,000
Sistering-A Woman's Place	38,734
Springtide Resources Inc.	4,000
The Redwood	4,000
West Hill Community Services	10,000
Women's Habitat of Etobicoke	60,900
YOUTHLINK®	41,670
TOTAL	500,835

Financial Statements of United Way of Greater Toronto

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, 2006 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, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a bold, slightly slanted, sans-serif font. A horizontal line is drawn underneath the signature, extending from the left side of the "K" to the right side of the "P".

Chartered Accountants

Toronto, Canada

March 23, 2007

Statement of Financial Position

(In thousands of dollars)

December 31, 2006, with comparative figures for 2005	2006	2005
Assets		
Current assets:		
Cash and short-term deposits	\$ 41,023	\$ 34,030
Campaign pledges receivable	5,803	5,408
Other receivables	1,350	1,469
Prepaid expenses (note 4)	11,338	10,382
	59,514	51,289
Investments (note 5)	63,834	50,223
Capital assets (note 6)	1,121	1,221
	\$ 124,469	\$ 102,733
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,958	\$ 1,285
Designated and flowthrough gifts payable	3,435	4,877
Deferred campaign revenue	53,835	41,587
Deferred rent and capital contributions	686	806
	59,914	48,555
Accrued pension liability (note 7)	1,054	987
Net assets:		
Invested in capital assets (note 8)	1,057	1,029
Restricted for The Tomorrow Fund Endowment (note 9)	51,377	41,550
Unrestricted (note 10)	11,067	10,612
	63,501	53,191
Commitments (note 12)		
	\$ 124,469	\$ 102,733

See accompanying notes to financial statements.

On behalf of the Board:

Trustee

Trustee

Statement of Operations

(In thousands of dollars)

Year ended December 31, 2006, with comparative figures for 2005	2006	2005
Revenue:		
Campaign revenue	\$ 97,400	\$ 94,011
Funds received from other United Ways	508	339
Funds received for other United Ways	(4,927)	(4,069)
Bequests	3,327	2,320
Total gifts	96,308	92,601
Pledge shrinkage	(1,553)	(1,182)
Total fundraising revenue	94,755	91,419
Grants	1,906	1,419
Investment income	4,410	4,546
	6,316	5,965
Total revenue	\$ 101,071	\$ 97,384
Distributions and Community Programs:		
Allocations to United Way of Greater Toronto agencies and partners	\$ 48,808	\$ 46,371
Grant programs	6,444	4,959
Programs delivered by United Way of Greater Toronto	2,085	1,966
One-time donor specified donations to United Way of Greater Toronto programs, agency projects and grant programs	1,820	2,407
Joint Areawide campaign proceeds to partner United Ways	6,420	6,278
Donor designations to:		
United Way of Greater Toronto agencies and partners	2,070	1,716
Other United Ways	1,447	1,776
Other registered charities	12,645	11,344
Allocation and needs assessment, program expenses	2,268	2,196
Total distribution and community programs	84,007	79,013
Operating expenses:		
Fundraising	13,262	12,741
Recovery of joint Areawide campaign costs from partner United Ways	(473)	(440)
	12,789	12,301
Total distributions and expenses	\$ 96,796	\$ 91,314
Excess of revenue over distributions and expenses	\$ 4,275	\$ 6,070
Allocated to:		
Internally restricted for The Tomorrow Fund (note 9)	\$ 5,049	\$ 4,871
Unrestricted net assets (note 10)	(387)	1,612
Amortization of capital assets	(387)	(413)
	\$ 4,275	\$ 6,070

See accompanying notes to financial statements.

Statement of Changes in Net Assets

(In thousands of dollars)

Year ended December 31, 2006, with comparative figures for 2005								
2006					2005			
	Invested in capital assets (note 8)	Restricted for The Tomorrow Fund Endowment (note 9)	Unrestricted	Total	Invested in capital assets (note 8)	Restricted for The Tomorrow Fund Endowment (note 9)	Unrestricted	Total
Net assets, beginning of year:								
As previously reported	\$ 1,029	\$ 41,550	\$ 10,612	\$ 53,191	\$ 1,230	\$ 35,844	\$ 9,212	\$ 46,286
Adjustment for change in accounting policy (note 2)	–	991	1,257	2,248	–	–	–	–
As restated	1,029	42,541	11,869	55,439	1,230	35,844	9,212	46,286
Excess (deficiency) of revenue over distributions and expenses	(387)	5,049	(387)	4,275	(413)	4,871	1,612	6,070
Endowment contributions	–	3,787	–	3,787	–	835	–	835
Invested in capital assets	415	–	(415)	–	212	–	(212)	–
Net assets, end of year	\$ 1,057	\$ 51,377	\$ 11,067	\$ 63,501	\$ 1,029	\$ 41,550	\$ 10,612	\$ 53,191

See accompanying notes to financial statements.

Statement of Cash Flows

(In thousands of dollars)

Year ended December 31, 2006, with comparative figures for 2005	2006	2005
Cash flows from operating activities:		
Excess of revenue over distributions and expenses	\$ 4,275	\$ 6,070
Items not involving cash:		
Amortization of capital assets	515	541
Amortization of lease inducement	164	231
Amortization of deferred capital contributions	(128)	(128)
Disposal of capital assets	–	108
Adjustment for change in accounting policy	2,248	–
Defined benefit pension expense	548	439
Change in non-cash operating working capital	10,091	(2,347)
Defined benefit pension contributions	(481)	(444)
Cash flows from operating activities	17,232	4,470
Cash flows from financing and investing activities:		
Purchase of capital assets	(415)	(320)
Endowment contributions received	3,787	835
Increase in investments, net	(13,611)	(5,136)
Cash flows used in financing and investing activities	(10,239)	(4,621)
Increase (decrease) in cash and short-term deposits	6,993	(151)
Cash and short-term deposits, beginning of year	34,030	34,181
Cash and short-term deposits, end of year	\$ 41,023	\$ 34,030

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2006.

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.

1. Significant accounting policies:

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

(a) Revenue recognition:

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

The campaign revenue reported in these financial statements represent amounts received or receivable in connection with the 2005 campaign and the related distributions made from the proceeds of that campaign in 2006. This includes pledges and donations which the donors designate for payment to partners and member agencies, other United Ways and non-United Way charities. The results of the 2006 campaign will be reported in the 2007 financial statements. Funds received from the 2006 campaign to December 31, 2006 are shown as deferred campaign revenue. Fundraising costs applicable to this campaign are deferred and included in prepaid expenses.

United Way is requested by certain employers and employee groups, to act as the coordinator of their national campaigns, to receive and disburse funds on behalf of other United Ways within their local communities. Funds received under these centrally coordinated campaigns are included in the Campaign Revenue amount on the statement of operations. Funds disbursed on behalf of other United Ways, under centralized campaigns are reported as a reduction to revenue in these financial statements. Funds received by United Way from other United Ways under similar campaigns are reported separately in the revenue section of these financial statements.

Designated donations and funds received under flowthrough arrangements for other charities that have not been disbursed at year-end are recorded as designated and flowthrough gifts payable.

Grant revenue reported in these financial statements represents funds received from a number of foundations and federal and municipal governments, for programs administered by United Way to address homelessness, organizational development and evaluation. The related program expenses and grant disbursements are included in the distributions and community programs section of the financial statements.

Endowment contributions and capital appreciation on investments that must be added to the principal are recognized as direct increases in net assets in the year in which they are received.

Contributions for capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital asset.

Investment income includes dividends, interest, realized gains (losses) and the net change in unrealized gains (losses) for the year.

(b) Investments:

Effective January 1, 2006, investments are classified as held for trading and stated at fair value (note 2).

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.

Fair values of investments are determined as follows:

- (i) Fixed income securities and equities are valued at year-end quoted market prices, where available. 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.

(c) Capital assets:

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

ASSET	BASIS	RATE
Computer equipment	Straight line	3 years
Fundraising software	Straight line	5 years
Furniture and fixtures	Declining balance	15%
Leasehold improvements	Straight line	Term of lease
Delivery van	Declining balance	25%

(d) 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.

(e) 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

Notes to Financial Statements *continued*

on years of service. The cost of the defined benefit and defined contribution program 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 December 31, 2005. The date of the next required valuation is December 31, 2008.
- (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 17.7 years.
- (iv) The unamortized transitional asset is amortized over 17.7 years.
- (f) Calculation of cost revenue ratios:

United Way uses the following method to calculate cost revenue ratios:

	2006	2005
Total gifts	\$ 96,308	\$ 92,601
Breakdown of fundraising expenses on statement of operations:		
Direct fundraising expenses	\$ 10,703	\$ 10,371
General management and administrative expenses	2,559	2,370
Total fundraising expenses	\$ 13,262	\$ 12,741
Direct fundraising expenses as a percentage of total gifts	11.1%	11.2%
General management and administrative expenses as a percentage of total gifts	2.7%	2.6%
Total fundraising expenses as a percentage of total gifts	13.8%	13.8%

- (g) 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:

	2006	2005
Fundraising	84.9%	84.5%
Allocations and needs assessment	15.1%	15.5%

- (h) 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 year. Actual results could differ from those estimates.

2. Change in accounting policy:

Effective January 1, 2006, United Way adopted The Canadian Institute of Chartered Accountants' Handbook Section 3855, Financial Instruments - Recognition and Measurement. United Way has designated all of its investments as held for trading, and carries them at fair value. The adoption of this accounting policy resulted in an increase to The Tomorrow Fund of \$991 and unrestricted net assets of \$1,257 at January 1, 2006, in tandem with an increase in investments of \$2,248.

The adoption of this accounting policy resulted in an unrealized gain of \$359 being recorded in the statement of operations in 2006.

3. 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 \$15,000 and set up an independent board to oversee the operation of the program over the next three years. As the trustee, United Way is responsible for the operation of the program and financial stewardship of the funds on behalf of the Province. At December 31, 2006, United Way holds \$14,649 in trust for YCF.

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

4. Prepaid expenses:

	2006	2005
Prepaid fundraising expenses related to 2006 campaign	\$ 11,141	\$ -
Prepaid fundraising expenses related to 2005 campaign	-	10,106
Tenant inducement annuity	-	123
Other	197	153
	\$ 11,338	\$ 10,382

Notes to Financial Statements *continued*

5. Investments:

	2006		2005	
	Book value	Market value	Book value	Market value
Canadian fixed income securities	\$ 11,770	\$ 11,866	\$ 6,477	\$ 7,589
Canadian equities	4,865	6,385	4,533	5,669
Investments with the Toronto Community Foundation:				
Canadian fixed income securities and cash	18,186	18,186	14,914	14,914
Canadian equities	13,045	13,045	15,408	15,408
U.S. and global equities	14,352	14,352	8,891	8,891
	45,583	45,583	39,213	39,213
	\$ 62,218	\$ 63,834	\$ 50,223	\$ 52,471

The Canadian fixed income securities produce a yield to maturity of 4.4% (2005 - 4.3%) and have a weighted average term to maturity of 10.01 years (2005 - 9.72 years).

Investments held for The Tomorrow Fund total \$51,377 (2005 - \$41,550) (note 9).

6. Capital assets:

	2006		2005	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 2,531	\$ 2,169	\$ 362	\$ 350
Fundraising software	1,246	1,145	101	236
Furniture and fixtures	874	591	283	237
Leasehold improvements	1,253	895	358	377
Delivery van	36	19	17	21
	\$ 5,940	\$ 4,819	\$ 1,121	\$ 1,221

7. Accrued pension liability:

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

	2006	2005
Accrued pension obligation:		
Balance, beginning of year	\$ 5,990	\$ 4,793
Current service cost	475	377
Interest cost	333	302
Benefits paid	(542)	(266)
Past service cost	186	–
Actuarial losses	226	784
Balance, end of year	6,668	5,990
Plan assets:		
Fair value, beginning of year	4,292	3,752
Annual return on plan assets, net of administrative expense	491	362
Employer contributions	481	444
Benefits paid	(542)	(266)
Fair value, end of year	4,722	4,292
Funded status - deficit	(1,946)	(1,698)
Unamortized net actuarial loss	939	964
Unamortized past service cost	186	–
Unamortized transitional asset	(233)	(253)
Accrued pension liability	\$ (1,054)	\$ (987)

United Way's funded deficit amounted to \$947 (2005 - \$962) for its registered defined benefit plan and \$999 (2005 - \$736) for its unregistered defined benefit pension plan.

The accrued pension liability amounted to \$538 (2005 - \$521) for the registered plan and \$516 (2005 - \$466) for the unregistered defined benefit plan.

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

	2006	2005
Accrued benefit obligation:		
Discount rate	5.25%	5.25%
Rate of compensation increase	4.50%	3.50%
Benefit costs:		
Discount rate	5.25%	5.25%
Expected long-term rate of return on plan assets	6.00%	6.00%
Rate of compensation increase	4.50%	3.50%

Notes to Financial Statements *continued*

Plan assets consist of:

	2006	2005
Equity securities	59%	60%
Debt securities	39%	38%
Other	2%	2%
	100%	100%

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

	2006	2005
Current service cost, net of employees' contributions	\$ 474	\$ 377
Interest cost	333	302
Expected return on plan assets	(264)	(229)
Amortization of transitional obligation	(19)	(19)
Amortization of unrecognized net actuarial loss	24	8
Net pension plan expense	\$ 548	\$ 439

United Way contributed \$105 (2005 - \$93) to its defined contribution plan.

8. Invested in capital assets:

Invested in capital assets is comprised of the following:

	2006	2005
Capital assets	\$ 1,121	\$ 1,221
Deferred capital contributions	(64)	(192)
	\$ 1,057	\$ 1,029

The change in invested in capital assets is calculated as follows:

	2006	2005
Excess of revenue over distributions and expenses:		
Amortization of capital assets	\$ (515)	\$ (541)
Amortization of deferred capital contributions	128	128
	(387)	(413)
Net change in invested in capital assets:		
Purchase of capital assets	415	320
Disposal of capital assets	-	(108)
	415	212
	\$ 28	\$ (201)

9. 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 Tomorrow Fund Endowment consists of the following:

	2006	2005
Externally restricted	\$ 14,831	\$ 10,053
Internally restricted	36,546	31,497
	\$ 51,377	\$ 41,550

The following amounts were transferred between Unrestricted and The Tomorrow Fund Endowment:

	2006	2005
Investment income on:		
Internally restricted funds	\$ 2,554	\$ 3,169
Externally restricted funds	945	863
Bequests	3,327	2,320
Distributions	(1,777)	(1,481)
Transfer from Unrestricted to The Tomorrow Fund Endowment	\$ 5,049	\$ 4,871

Endowment contributions of \$3,663 (2005 - \$711) and capital appreciation on investments that must be added to the principal of \$124 (2005 - \$124) 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 1(a).

10. Unrestricted net assets:

Unrestricted net assets, which are comparable to the retained earnings of a for-profit organization, are available to sustain operations and funding to member agencies in the event of unforeseen conditions, such as a significant shortfall in fundraising efforts. The Board of Trustees also has the authority to make the internally restricted portion of The Tomorrow Fund available, should the circumstances warrant. The Board has balanced this need for stability of operations and agency funding with a desire to maximize current funding to the community; as a result, the Board has directed that the balance in unrestricted net assets be reduced to a target of \$3,000 to \$5,000 over the next two years through specific community programs, totalling approximately \$6,277.

Notes to Financial Statements *continued*

11. 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.

12. 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:

2007	\$ 28,374
2008	1,587
	<u>\$ 29,961</u>

(b) Long-term lease:

United Way leases office premises and certain computer equipment under long-term operating leases expiring up to April 30, 2015. Rental payments, excluding operating costs and realty taxes, over the next five years and thereafter are as follows:

2007	\$ 778
2008	821
2009	848
2010	865
2011	890
Thereafter	2,692
	<u>\$ 6,894</u>

(c) Specific project funding:

In 2006, United Way approved financial support of \$950 for West Hill Community Services to establish a facility for community and social services in Scarborough. The planned completion date of October 2006 has been delayed until 2007 and, as such, the financial support of this project has also been deferred by one year.

13. Flowthrough arrangements:

United Way received and distributed \$4,937 (2005 - \$4,416) under the flowthrough arrangements described in note 1(a) relating to the 2005 campaign (prior year amounts related to the 2004 campaign).

14. Financial instruments:

The fair value of investments is equal to the quoted market value, as disclosed in note 5. The fair values of other financial assets and liabilities, being cash and short-term deposits, 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.

Campaign pledges receivable and other receivables are subject to credit risk. Cash and short-term deposits are held in credit-worthy financial institutions.

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.

Photography by Peter Bregg, unless otherwise noted.



United Way
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