

Financial Statements of

**UNITED WAY OF  
SASKATOON AND AREA**

Year ended March 31, 2010



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## **AUDITORS' REPORT TO THE MEMBERS**

We have audited the statement of financial position of United Way of Saskatoon and Area as at March 31, 2010 and the statements of operations, net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 the Organization as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*

Chartered Accountants

Saskatoon, Canada  
May 19, 2010

# UNITED WAY OF SASKATOON AND AREA

## Statement of Financial Position

March 31, 2010, with comparative figures for 2009

	2010	2009
		(Restated-note 2)
<b>Assets</b>		
Current assets:		
Cash	\$ 1,499,175	\$ 943,733
Pledges receivable (note 3)	1,843,187	1,677,728
Accounts receivable	52,990	45,949
Prepaid expenses	40,500	42,127
	<u>3,435,852</u>	<u>2,709,537</u>
Equipment, furniture, and leaseholds	206,244	210,842
Less: accumulated amortization	<u>151,523</u>	<u>153,000</u>
	54,721	57,842
	<u>\$ 3,490,573</u>	<u>\$ 2,767,379</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 112,973	\$ 94,510
Allocations committed to member agencies	1,883,580	1,569,500
Deferred revenue (note 4)	<u>602,907</u>	<u>551,747</u>
	2,599,460	2,215,757
Net assets:		
Operating reserve	536,392	378,980
Allocations reserve	300,000	114,800
Invested in equipment, furniture, and leaseholds	<u>54,721</u>	<u>57,842</u>
	891,113	551,622
Commitments (note 6)		
	<u>\$ 3,490,573</u>	<u>\$ 2,767,379</u>

See accompanying notes to financial statements.

# UNITED WAY OF SASKATOON AND AREA

## Statement of Operations

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
		(Restated-note 2)
Revenue:		
Campaign contributions	\$ 4,845,138	\$ 4,052,427
Funds transferred from other United Way organizations	94,715	106,695
Gross campaign revenue	4,939,853	4,159,122
Less provision for uncollectible pledges	(148,290)	(189,871)
Net campaign revenue	4,791,563	3,969,251
Other revenue:		
Other revenue	129,567	38,111
Grant revenue	112,820	-
Volunteer Saskatoon (schedule 6)	97,080	46,745
Interest revenue	2,940	13,032
	5,133,970	4,067,139
Campaign expenses (schedule 4)	866,157	768,150
Net revenue available for allocations and programs	4,267,813	3,298,989
Expenses:		
Allocations to member agencies (schedule 1)	2,400,330	2,172,000
Donor directed giving (note 5)	631,121	536,024
Community services (schedule 3)	674,545	514,060
Community initiatives funding allocations (schedule 2)	122,888	55,670
Volunteer Saskatoon (schedule 6)	99,438	77,405
	3,928,322	3,355,159
Excess (deficiency) of revenue over expenses	\$ 339,491	\$ (56,170)

See accompanying notes to financial statements.

# UNITED WAY OF SASKATOON AND AREA

## Statement of Net Assets

Year ended March 31, 2010, with comparative figures for 2009

	Invested in Equipment, Furniture and Leaseholds	Allocations Reserve	Operating Reserve	Total 2010	Total 2009
					(Restated-note 2)
Balance, beginning of year, as previously reported	\$ 57,842	\$ 114,800	\$ 378,980	\$ 551,622	\$ 638,292
Changes in accounting policies (note 2)	-	-	-	-	(30,500)
As restated	57,842	114,800	378,980	551,622	607,792
Excess (deficiency) of revenue over expenses	(16,114)	-	355,605	339,491	(56,170)
Purchase of equipment, furniture and leaseholds	12,993	-	(12,993)	-	-
Internal transfers					
Community investment	-	220,000	(220,000)	-	-
Project transfers	-	(34,800)	34,800	-	-
Balance, end of year	\$ 54,721	\$ 300,000	\$ 536,392	\$ 891,113	\$ 551,622

See accompanying notes to financial statements.

# UNITED WAY OF SASKATOON AND AREA

## Statement of Cash Flows

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
		(Restated-note 2)
Cash flows from (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 339,491	\$ (56,170)
Item not involving cash:		
Amortization	16,114	16,148
Change in non-cash operating working capital:		
Pledges receivable	(165,459)	(182,955)
Accounts receivable	(7,041)	25,500
Prepaid expenses	1,627	(9,247)
Accounts payable and accrued liabilities	18,463	21,465
Allocations committed to member agencies	314,080	88,810
Deferred revenue	51,160	159,966
	568,435	63,517
Investing:		
Purchase of equipment, furniture, and leaseholds	(12,993)	(32,368)
Increase in cash	555,442	31,149
Cash, beginning of year	943,733	912,584
Cash, end of year	\$ 1,499,175	\$ 943,733

See accompanying notes to financial statements.

# UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements

Year ended March 31, 2010

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The United Way of Saskatoon and Area is incorporated without share capital as a non-profit organization under the laws of Saskatchewan. Its principal activities include fundraising and distribution of funds to member agencies.

## 1. Significant accounting policies:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

A summary of the significant accounting policies is as follows:

(a) Pledges receivable:

Contribution pledges are recorded as receivable when committed and allowances are provided for amounts estimated to be uncollectible.

(b) Allocations:

Allocations to member and non-member agencies include amounts paid as well as those portions of the allocation which will be paid over the balance of the calendar year.

(c) Office equipment, furniture, and leaseholds:

Office equipment, furniture, and leaseholds are stated at cost and amortized over their estimated useful lives using the following methods and annual rates:

Asset	Method	Rate
Computer hardware and software	Straight-line balance	20%
Other equipment and furniture	Declining balance	10%-20%
Leaseholds	Straight-line balance	25%

# UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 1. Significant accounting policies (continued):

(d) Gifts in kind:

Donations of goods and services, including media and advertising, are not included in these financial statements.

(e) Deferred revenue:

Deferred revenue consists of amounts received or receivable in the current fiscal year, which relate to operations in the next fiscal year.

(f) Reserve amounts:

The operating reserve represents the accumulated excess of revenue over expenses net of allocations to other reserve accounts.

The allocation reserve was created to address issues with respect to new member agencies, community investment and building for the future. Adjustments to the reserve are subject to determination by the Board of Directors.

Equity in equipment and furniture represents the unamortized cost of equipment and furniture. Adjustments to the reserve are made for additions, disposals and amortization of furniture and equipment.

(g) Revenue recognition:

Non-designated campaign contributions are recognized as revenue in the period the contribution is received or receivable.

Campaign contributions where the donor has requested that the funds be allocated to a registered charity are initially recorded as deferred revenue. Upon payment of the funds to the registered charity the payment is recognized as an expense and the contribution is recognized as revenue. Administration fees related to donor directed contributions are recognized in the period the payment is made to the registered charity.

(h) Financial instruments:

The United Way of Saskatoon and Area has designated all of its cash as held for trading and carries it at fair value. Pledges and accounts receivable are classified as loans and receivables which are measured at amortized cost. Accounts payable and accrued liabilities and allocations committed to member agencies are classified as other financial liabilities which are also measured at amortized cost.

# UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2010

## 1. Significant accounting policies (continued):

The fair value of the United Way of Saskatoon and Area's pledges and accounts receivable, accounts payable and accrued liabilities and allocations committed to member agencies, approximates their carrying amounts due to the short-term nature of the instruments.

The United Way of Saskatoon and Area is exposed to interest rate risk arising from fluctuations in interest rates on amounts invested in interest bearing cash accounts. Cash, when received, is deposited into an interest bearing account with interest based on prime rates. The United Way of Saskatoon and Area is also exposed to credit risk related to pledges and accounts receivable. Pledges receivable consists of amounts due from numerous organizations and individuals none of which is individually significant. An allowance for uncollectable pledges receivable has been established.

### (i) Allocation of operating expenses:

Operating expenses are incurred to support functional areas and are allocated to campaign and community services expenses based on a time study method. Following this method, operating expenses are allocated as follows:

	2010	2009
Campaign expenses	64%	64%
Community services expenses	36%	36%

## 2. Changes in accounting policies:

Effective April 1, 2009 the United Way of Saskatoon and Area adopted the Canadian Institute of Chartered Accountants ("CICA") amendments to section 1000 of the CICA Handbook. These amendments clarified the criteria for recognition of an asset or liability, removing the ability to recognize assets or liabilities solely on the basis of matching of revenue and expense items. Adoption of these recommendations has resulted in the contributions related to donor directed funds, previously recognized in revenue in the period the contribution was received or receivable now being recognized as revenue in the period the donor directed funds are remitted to the designated registered charity. Administration fees related to donor directed amounts, previously recognized in the period the contribution was received or receivable are now recognized in the period the donor directed amount is remitted to the registered charity. The 2009 financial statements, presented for comparative purposes, have been restated to reflect the above change in accounting policy as follows:

# UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2010

## 2. Changes in accounting policies (continued):

Statement of financial position	Increase (decrease)
Commitments for donor directed giving	\$ (415,087)
Deferred revenue	427,487
Net assets	(42,900)
Net change	(30,500)

Statement of operations	Decrease
Campaign contributions	(62,911)
Donor directed giving expense	(50,511)
Net change to excess (deficiency) of revenue over expenses	(12,400)

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

Effective April 1, 2009, the United Way of Saskatoon and Area adopted CICA Handbook Section 4470, Disclosure of Allocated Expenses by Not-for-Profit Organizations which establishes disclosure standards for Entities that choose to classify their expenses by function and allocate expenses from one function to another. The applicable disclosure is included in note 1(i).

# UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 2. Changes in accounting policies (continued):

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

## 3. Pledges receivable:

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	2010	2009
Current year's campaign pledges receivable	\$ 1,985,879	\$ 1,778,808
Allowance for uncollectible pledges receivable	(155,376)	(131,309)
	1,830,503	1,647,499
Prior years' campaign pledges receivable	265,678	265,423
Allowance for uncollectible pledges receivable	(252,994)	(235,194)
	12,684	30,229
	\$ 1,843,187	\$ 1,677,728

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The United Way of Saskatoon and Area reports publicly an estimate of its campaign results in January of each year for that year's campaign.

This campaign estimate is comprised of the following amounts included in these financial statements:

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	2010	2009
Actual campaign results including funds transferred from other United Way organizations	\$ 4,939,853	\$ 4,159,122
Publicly reported estimate	\$ 4,913,037	\$ 4,138,926

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# UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2010

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#### 4. Deferred revenue:

	2010	2009
Donor directed giving	\$ 526,727	\$ 457,987
Programs grants	76,180	93,760
	<u>\$ 602,907</u>	<u>\$ 551,747</u>

#### 5. Donor directed giving:

Campaign contributions include donor directed giving in the amount of \$701,200 (2009 - \$591,183) of which \$631,121 (net of current fundraising costs) (2009 - \$536,024) has been paid to registered charities in Canada pursuant to donor requests.

#### 6. Commitments:

The United Way of Saskatoon and Area is committed to payments under an operating lease for office space through 2012 and an operating lease for equipment through 2014.

Future minimum payments, by year and in aggregate, under these commitments, consisted of the following at March 31, 2010:

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2011	\$	46,780
2012		9,039
2013		5,598
2014		2,333
	<u>\$</u>	<u>63,750</u>

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# UNITED WAY OF SASKATOON AND AREA

## Schedule of Allocations to Member Agencies

Year ended March 31, 2010, with comparative figures for 2009

Allocations to member agencies:

	2010	2009
Autism Treatment Services of Saskatchewan	\$ 55,000	\$ 45,000
Avenue Community Centre	55,000	70,000
Big Brothers Big Sisters of Saskatoon	132,980	122,000
Boys and Girls Clubs of Saskatoon	36,500	35,000
CHEP Good Food Inc.	85,000	80,000
Canadian Mental Health Association	63,350	55,000
Canadian National Institute for the Blind	65,000	60,000
Canadian Paraplegic Association	62,000	62,000
Canadian Red Cross Society	105,000	95,000
Catholic Family Services of Saskatoon	150,000	140,000
Community Living Association Saskatoon Inc.	60,000	55,000
Cosmopolitan Industries	24,000	40,000
Crocus Coop	60,000	60,000
Elizabeth Fry Society	86,000	86,000
Epilepsy Saskatoon	55,000	55,000
Family Service Saskatoon	170,000	135,000
Girl Guides of Canada	25,000	22,000
Habitat for Humanity	30,000	20,000
John Howard Society	150,000	100,000
Learning Disabilities Association of Saskatchewan	60,000	50,000
Maggie's Child Care Centre for Teen Parents	17,000	17,000
Saskatchewan Abilities Council	67,500	65,000
Saskatchewan Deaf & Hard of Hearing Services	57,000	57,000
Saskatoon Community Mediation Services	24,000	24,000
Saskatoon Crisis Intervention Service	75,000	68,000
Saskatoon Friendship Inn	95,000	80,000
Saskatoon Indian & Metis Friendship Centre	30,000	30,000
Saskatoon Interval House	30,000	30,000
Saskatoon Open Door Society	70,000	60,000
Saskatoon Services for Seniors	47,000	37,000
Saskatoon Sexual Assault and Information Centre	41,000	40,000
Tamara's House	35,000	20,000
YMCA Saskatoon	125,000	115,000
YWCA Saskatoon	157,000	142,000
	\$ 2,400,330	\$ 2,172,000

# UNITED WAY OF SASKATOON AND AREA

## Schedule of Community Initiatives Funding Allocations

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
After School Program - Care and Share	\$ 30,000	\$ -
Quality of Life/Poverty Elimination Project - Community University Institute of Social Research	20,000	-
Carpentry Program - Core Neighbourhood Youth Coop	15,000	-
Restorative Action Program - Saskatoon Rotary Club	10,000	-
Saskatoon Access Guide - North Saskatoon Independent Living Centre	10,000	-
Incredible Parent Directory and Baby and Me Guide - Read Saskatoon	10,000	-
Saskatoon Food Bank	10,000	-
Saskatoon Student Wellness Initiative Toward Community Health (SWITCH)	9,000	-
Health Living Community Partnership - Christian Counselling Services	7,000	-
Wii Like Making Friends - Saskatoon Convalescent Home	1,888	-
Community Legal Assistance Services for Saskatoon Inner City - Walk in Advocacy Clinic	-	10,000
Sexual Health Centre Saskatoon - "I'm S.U.R.E" - Sex, Understanding, Respect & Education	-	12,500
Spectrum Core Community Services - Rainbow 50+ Seniors Drop In Program	-	3,950
SARBI - Sask. Assn for the Rehabilitation of Brain Injured - Community Day Programming for under 35 years	-	9,220
CUMFI - Central Urban Metis Federation Inc. - GAIN program (Girls Action Information Network)	-	20,000
	\$ 122,888	\$ 55,670

# UNITED WAY OF SASKATOON AND AREA

## Schedule of Community Services Expenses

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Salaries	\$ 197,878	\$ 209,375
Tomorrow fund	112,651	31,145
Community building initiatives	89,258	80,377
Capacity building	50,319	164
United Way of Canada - membership	32,187	29,210
Employee benefits	24,312	24,324
Professional development	8,976	10,087
Public relations	5,805	2,619
Printing, stationery and supplies	1,016	227
Union counselling	635	-
Mileage and parking	610	1,087
Marketing materials	14	2,189
Professional fees	-	5,125
Service charges	-	233
Postage	-	15
	\$ 523,661	\$ 396,177
Allocation of operating expenses (schedule 5)	150,884	117,883
<b>Total community services expenses</b>	<b>\$ 674,545</b>	<b>\$ 514,060</b>

# UNITED WAY OF SASKATOON AND AREA

## Schedule of Campaign Expenses

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Salaries	\$ 350,914	\$ 325,014
Marketing materials	97,927	89,866
Special events	68,039	54,516
Employee benefits	40,427	38,935
Service charges	15,188	13,065
Professional development	7,873	15,354
Mileage and parking	5,922	5,968
Federal campaign fees	4,005	5,683
Postage	3,657	4,553
Printing, stationery and supplies	1,832	1,305
Public relations	1,441	2,634
Telephone and facsimile	662	1,341
Centrally Coordinated Campaign reporting fees	32	109
Recruitment	-	237
	\$ 597,919	\$ 558,580
Allocation of operating expenses (schedule 5)	268,238	209,570
<b>Total campaign expenses</b>	<b>\$ 866,157</b>	<b>\$ 768,150</b>

# UNITED WAY OF SASKATOON AND AREA

## Schedule of Operating Expenses

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Salaries	\$ 169,504	\$ 130,436
Rent	35,546	34,292
Professional fees	32,138	19,102
Computer maintenance and support	31,062	19,555
Marketing materials	20,388	20,087
Employee benefits	17,715	15,913
Amortization	16,114	16,148
Telephone and facsimile	15,306	13,623
Postage	13,957	15,030
Recruitment	13,610	298
Professional development	12,449	11,095
Equipment leasing	11,645	7,028
Printing, stationery and supplies	10,015	8,937
Public relations	5,873	5,186
Service charges	4,171	2,324
Insurance	3,365	2,815
Equipment maintenance	1,947	1,838
Annual meeting	1,945	1,209
Office maintenance	1,331	1,302
Mileage and parking	1,041	1,235
<b>Total operating expenses before allocation</b>	<b>\$ 419,122</b>	<b>\$ 327,453</b>
Allocation to campaign expenses	(268,238)	(209,570)
Allocation to community services expenses	(150,884)	(117,883)
<b>Total general management and administration expenses</b>	<b>\$ -</b>	<b>\$ -</b>

# UNITED WAY OF SASKATOON AND AREA

## Schedule of Volunteer Saskatoon Revenues and Expenses

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
<b>Revenue:</b>		
Grants and fundraising	\$ 57,350	\$ 31,200
Program fees	31,755	7,820
Membership fees	7,975	7,725
	<u>97,080</u>	<u>46,745</u>
<b>Expenses:</b>		
Salaries	53,083	48,083
Professional development	23,742	5,247
Benefits	7,446	6,417
Rent	3,897	3,762
Marketing and communications	3,547	9,676
Volunteer management resources	2,797	718
Printing, stationary and supplies	1,020	1,178
Mileage	948	913
Celebration breakfast	861	-
Telephone	706	529
Computer maintenance	486	-
Memberships	420	310
Postage	269	314
Canadian Volunteer Initiative Symposium	216	258
	<u>99,438</u>	<u>77,405</u>
<b>Deficiency of revenue over expenses before United Way of Saskatoon allocation</b>		
	(2,358)	(30,660)
<b>United Way of Saskatoon allocation</b>		
	2,358	30,660
	<u>\$ -</u>	<u>\$ -</u>

The United Way of Saskatoon's internal program, Volunteer Saskatoon, receives up to one-third of expenses as a funding allocation from the United Way of Saskatoon. During 2010, approved support amounted to \$2,358 (2009 - \$30,660).