

Financial Statements of

**UNITED WAY OF
SASKATOON AND AREA**

Year ended March 31, 2011



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INDEPENDENT AUDITORS' REPORT

To the members of United Way of Saskatoon and Area

We have audited the accompanying financial statements of United Way of Saskatoon and Area, which comprise the statement of financial position as at March 31, 2011 and the statements of operations, net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of Saskatoon and Area as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Saskatoon, Canada
May 18, 2011

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UNITED WAY OF SASKATOON AND AREA


Statement of Financial Position

March 31, 2011, with comparative figures for 2010

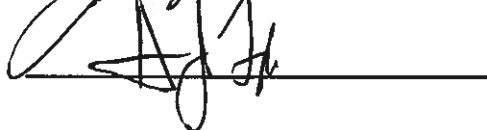
	2011	2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,105,041	\$ 1,499,175
Pledges receivable (note 2)	2,092,848	1,843,187
Accounts receivable	69,414	52,990
Prepaid expenses	65,576	40,500
	<u>4,332,879</u>	<u>3,435,852</u>
Equipment, furniture and leaseholds	209,426	206,244
Less: accumulated amortization	<u>148,505</u>	<u>151,523</u>
	60,921	54,721
	<u>\$ 4,393,800</u>	<u>\$ 3,490,573</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 116,272	\$ 112,973
Allocations committed to funded agencies	2,059,667	1,883,580
Deferred revenue (note 3)	<u>670,342</u>	<u>602,907</u>
	2,846,281	2,599,460
Net assets:		
Operating reserve	686,598	536,392
Allocations reserve	800,000	300,000
Invested in equipment, furniture and leaseholds	<u>60,921</u>	<u>54,721</u>
	1,547,519	891,113
Commitments (note 5)		
	<u>\$ 4,393,800</u>	<u>\$ 3,490,573</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

UNITED WAY OF SASKATOON AND AREA

Statement of Operations

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Revenue:		
Campaign contributions	\$ 5,691,226	\$ 4,845,138
Funds transferred from other United Way organizations	110,625	94,715
Gross campaign revenue	5,801,851	4,939,853
Less provision for uncollectible pledges	(82,280)	(148,290)
Net campaign revenue	5,719,571	4,791,563
Other revenue:		
Volunteer Saskatoon (schedule 6)	67,119	97,080
Grant revenue	45,298	112,820
Gifts and bequests	30,000	112,651
Interest revenue	12,544	2,940
Other revenue	6,164	16,916
	5,880,696	5,133,970
Campaign expenses (schedule 4)	903,784	866,157
Net revenue available for allocations and programs	4,976,912	4,267,813
Expenses:		
Allocations to funded agencies (schedule 1)	2,652,250	2,400,330
Donor directed giving (note 4)	763,786	631,121
Community services (schedule 3)	638,576	674,545
Community initiatives funding allocations (schedule 2)	147,000	122,888
Volunteer Saskatoon (schedule 6)	118,894	99,438
	4,320,506	3,928,322
Excess of revenue over expenses	\$ 656,406	\$ 339,491

See accompanying notes to financial statements.

UNITED WAY OF SASKATOON AND AREA

Statement of Net Assets

Year ended March 31, 2011, with comparative figures for 2010

	Invested in Equipment, Furniture and Leaseholds	Allocations Reserve	Operating Reserve	Total 2011	Total 2010
Balance, beginning of year	\$ 54,721	\$ 300,000	\$ 536,392	\$ 891,113	\$ 551,622
Excess (deficiency) of revenue over expenses	(20,472)	-	676,878	656,406	339,491
Purchase of equipment, furniture and leaseholds	26,672	-	(26,672)	-	-
Internal transfers:					
Community investment	-	558,522	(558,522)	-	-
Project transfers	-	(58,522)	58,522	-	-
Balance, end of year	\$ 60,921	\$ 800,000	\$ 686,598	\$ 1,547,519	\$ 891,113

See accompanying notes to financial statements.

UNITED WAY OF SASKATOON AND AREA

Statement of Cash Flows

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Cash flows from (used in):		
Operations:		
Excess of revenue over expenses	\$ 656,406	\$ 339,491
Item not involving cash:		
Amortization	20,472	16,114
Change in non-cash operating working capital:		
Pledges receivable	(249,661)	(165,459)
Accounts receivable	(16,424)	(7,041)
Prepaid expenses	(25,076)	1,627
Accounts payable and accrued liabilities	3,299	18,463
Allocations committed to funded agencies	176,087	314,080
Deferred revenue	67,435	51,160
	632,538	568,435
Investing:		
Purchase of equipment, furniture and leaseholds	(26,672)	(12,993)
Increase in cash and equivalents	605,866	555,442
Cash and equivalents, beginning of year	1,499,175	943,733
Cash and equivalents, end of year	\$ 2,105,041	\$ 1,499,175

See accompanying notes to financial statements.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements

Year ended March 31, 2011

The United Way of Saskatoon and Area is incorporated without share capital as a non-profit organization under the laws of Saskatchewan. Its mission is to improve lives and build community by engaging individuals and mobilizing collective action.

As a registered charitable organization under the Income Tax Act (Canada), the United Way of Saskatoon and Area is exempt from income taxes and is able to issue donation receipts for income tax purposes.

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 funded 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	12.5%

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2011

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 which have been externally restricted. These amounts will be recognized as revenue in the year in which related expenses are incurred.

(f) Reserve amounts:

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

The allocations reserve represents funds that the Board of Directors has approved and transferred from the operating reserve to be used with respect to new funded agencies, community investment and building for the future through United Way of Saskatoon and Area programs. The specific use of funds and adjustments to the reserve are subject to determination by the Board of Directors.

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

(g) Revenue recognition:

The United Way of Saskatoon and Area follows the deferral method of accounting for campaign revenue. Non-designated campaign contributions are recognized as revenue in the period the contribution is received or receivable. A provision for uncollectible pledges is recorded to reduce pledges receivable and revenue.

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.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2011

1. Significant accounting policies (continued):

(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 funded agencies are classified as other financial liabilities which are also measured at amortized cost.

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 funded 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.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2011

1. Significant accounting policies (continued):

(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:

	2011	2010
Campaign expenses	60%	64%
Community services expenses	40%	36%

A summary of United Way of Saskatoon and Area ratios is as follows:

	2011	2010
Gross campaign revenue	\$ 5,801,851	\$ 4,939,853
Direct campaign expenses (Schedule 4)	627,890	597,919
Allocation of operating expenses (Schedule 4)	275,894	268,238
	\$ 903,784	\$ 866,157
Direct campaign expenses as a percentage of gross campaign revenue	10.8%	12.1%
Allocation of operating expenses as a percentage of gross campaign revenue	4.8%	5.4%
	15.6%	17.5%

(j) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand and deposits held with banks.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2011

2. Pledges receivable:

	2011	2010
Pledges receivable	\$ 2,357,098	\$ 2,123,909
Allowance for uncollectible pledges receivable	(264,250)	(280,722)
	\$ 2,092,848	\$ 1,843,187

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.

	2011	2010
Gross campaign revenue	\$ 5,801,851	\$ 4,939,853
Publicly reported estimate	\$ 5,705,690	\$ 4,913,037

3. Deferred revenue:

	2011	2010
Donor directed giving	\$ 561,272	\$ 526,727
Programs grants	109,070	76,180
	\$ 670,342	\$ 602,907

4. Donor directed giving:

Campaign contributions include donor directed giving in the amount of \$830,605 (2010 - \$701,200) of which \$763,786 (net of administration fees) (2010 - \$631,121) has been paid to registered charities in Canada pursuant to donor requests.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2011

5. 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, 2011:

2012	\$	30,356
2013		5,473
2014		2,544
	\$	38,373

The United Way of Saskatoon and Area has entered into multi-year funding agreements with five of its funded agencies. Under these agreements, the United Way of Saskatoon & Area has committed to funding \$809,000 to these agencies, for each of the next two years.

6. Management of capital:

The United Way of Saskatoon and Area defines its capital as the amounts included in its fund balances.

Management and the Board of Directors carefully considers fundraising campaigns and grants to ensure that sufficient funds will be available to meet its short and long-term objectives.

The United Way of Saskatoon and Area monitors its financial performance against an annual budget. Surpluses from unspent operational activities are accumulated under the allocations and operating reserves. In the event that revenue declines, the United Way of Saskatoon and Area will budget for reduced distributions and reduced operational expenditures. While an annual budget deficit could periodically arise, no such deficit would be allowed to exceed the total funds available under the allocations and operating reserves.

7. Comparative figures:

Certain of the prior year's figures have been reclassified to conform to current year presentation.

UNITED WAY OF SASKATOON AND AREA

Schedule of Allocations to Funded Agencies

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Autism Services	\$ 70,000	\$ 55,000
Avenue Community Centre	75,000	55,000
Big Brothers Big Sisters of Saskatoon and Area	163,000	132,980
Boys and Girls Clubs of Saskatoon	50,000	36,500
CHEP Good Food Inc.	85,000	85,000
Canadian Mental Health Association	70,000	63,350
Canadian National Institute for the Blind	70,000	65,000
Canadian Paraplegic Association	70,000	62,000
Canadian Red Cross	105,000	105,000
Catholic Family Services of Saskatoon	195,000	150,000
Community Living Association Saskatoon Inc.	62,500	60,000
Cosmopolitan Industries	26,000	24,000
Crocus Coop	60,000	60,000
Elizabeth Fry Society	96,000	86,000
Epilepsy Saskatoon	58,000	55,000
Family Service Saskatoon	205,000	170,000
Girl Guides of Canada	25,000	25,000
Habitat for Humanity	-	30,000
John Howard Society	135,000	150,000
Learning Disabilities Association of Saskatchewan	85,000	60,000
Maggie's Child Care for Teen Parents	20,000	17,000
Saskatchewan Abilities Council	70,000	67,500
Saskatchewan Deaf & Hard of Hearing Services	60,000	57,000
Saskatoon Community Mediation Services	20,000	24,000
Saskatoon Crisis Intervention Service	80,000	75,000
Saskatoon Friendship Inn	110,000	95,000
Saskatoon Indian & Metis Friendship Centre	50,000	30,000
Saskatoon Interval House	35,000	30,000
Saskatoon Open Door Society	70,000	70,000
Saskatoon Services for Seniors	47,000	47,000
Saskatoon Sexual Assault and Information Centre	47,000	41,000
Tamara's House	8,750	35,000
YMCA Saskatoon	130,000	125,000
YWCA Saskatoon	199,000	157,000
	\$ 2,652,250	\$ 2,400,330

UNITED WAY OF SASKATOON AND AREA

Schedule of Community Initiatives Funding Allocations

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Youth Empowerment Week - Saskatchewan Indian Institute of Technologies	\$ 25,000	\$ -
Community Arts Development Project - Core Neighbourhood Youth Coop	25,000	-
White Buffalo Youth Lodge - City of Saskatoon	25,000	-
Emergency Food Distribution - Saskatoon Food Bank and Learning Centre	12,000	10,000
General Program - Community Legal Assistance Services for Saskatoon Inner City Inc. (CLASSIC)	10,000	-
General Program - Saskatoon Student Wellness Initiative Toward Community Health (SWITCH)	10,000	9,000
Girls Program Environmental Scan & Needs Assessment - YWCA of Saskatoon	6,000	-
General Program - Global Gathering Place Inc.	5,000	-
General Program - Read Saskatoon	5,000	-
General Program - Saskatoon Equal Justice for All	5,000	-
Crisis Nursery - Saskatoon Society for the Protection of Children Inc.	5,000	-
Education Program Stabilization - Sexual Health Centre	5,000	-
General Program - Saskatoon Council on Aging	4,000	-
Community Day Programs for Youth - Saskatoon Association for the Rehabilitation of the Brain Injured	2,500	-
Project 601 Outreach - AIDS Saskatoon Inc.	2,500	-
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
Incredible Parent Directory and Baby and Me Guide - Read Saskatoon	-	10,000
Restorative Action Program - Saskatoon Rotary Club	-	10,000
Health Living Community Partnership - Christian Counselling Services	-	7,000
Wii Like Making Friends - Saskatoon Convalescent Home	-	1,888
	\$ 147,000	\$ 112,888

UNITED WAY OF SASKATOON AND AREA

Schedule of Community Services Expenses

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Salaries	\$ 255,198	\$ 197,878
Community building initiatives	58,751	89,258
Capacity building	36,141	50,319
United Way of Canada - membership	33,133	32,187
Tomorrow Fund	30,000	112,651
Employee benefits	27,087	24,312
Professional development	9,876	8,976
Public relations	5,215	5,805
Mileage and parking	833	610
Union counselling	643	635
Marketing materials	266	14
Memberships	250	-
Printing, stationery and supplies	-	1,016
	457,393	523,661
Allocation of operating expenses (schedule 5)	181,183	150,884
Total community services expenses	\$ 638,576	\$ 674,545

UNITED WAY OF SASKATOON AND AREA

Schedule of Campaign Expenses

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Salaries	\$ 375,760	\$ 350,914
Special events	91,256	68,039
Marketing materials	81,511	97,927
Employee benefits	37,628	40,427
Service charges	16,163	15,188
Federal campaign fees	7,144	4,005
Mileage and parking	6,758	5,922
Professional development	5,675	7,873
Centrally Coordinated Campaign reporting fees	2,023	32
Postage	1,918	3,657
Public relations	1,028	1,441
Printing, stationery and supplies	564	1,832
Telephone and facsimile	462	662
	627,890	597,919
Allocation of operating expenses (schedule 5)	275,894	268,238
Total campaign expenses	\$ 903,784	\$ 866,157

UNITED WAY OF SASKATOON AND AREA

Schedule of Operating Expenses

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Salaries	\$ 164,570	\$ 169,504
Professional fees	72,634	32,138
Rent	41,751	35,546
Marketing materials	26,461	20,388
Amortization	20,472	16,114
Equipment leasing	17,436	11,645
Employee benefits	17,116	17,715
Telephone and facsimile	16,504	15,306
Computer maintenance and support	13,082	31,062
Printing, stationery and supplies	11,623	10,015
Postage	11,321	13,957
Recruitment	10,142	13,610
Annual meeting	9,538	1,945
Professional development	7,487	12,449
Service charges	4,517	4,171
Equipment maintenance	4,112	1,947
Insurance	3,210	3,365
Public relations	2,116	5,873
Memberships	1,114	-
Office maintenance	1,049	1,331
Mileage and parking	822	1,041
Total operating expenses before allocation	457,077	419,122
Allocation to campaign expenses	(275,894)	(268,238)
Allocation to community services expenses	(181,183)	(150,884)
	\$ -	\$ -

UNITED WAY OF SASKATOON AND AREA

Schedule of Volunteer Saskatoon Revenue and Expenses

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Revenue:		
Grants and fundraising	\$ 26,767	\$ 57,350
Program fees	15,695	31,755
Other revenue	15,552	-
Membership fees	9,105	7,975
	<u>67,119</u>	<u>97,080</u>
Expenses:		
Salaries	82,244	53,083
Benefits	9,083	7,446
Programming costs	8,309	20,577
National Volunteer Week	4,886	861
Marketing materials	4,213	3,547
Rent	4,032	3,897
Telephone	1,469	706
Printing, stationery and supplies	1,142	1,020
Professional development	955	3,165
Mileage	702	948
Volunteer management resources	525	2,797
Memberships	460	420
Postage	349	269
Computer maintenance	296	486
Canadian Volunteer Initiative Symposium	229	216
	<u>118,894</u>	<u>99,438</u>
Deficiency of revenue over expenses before United Way of Saskatoon and Area allocation	(51,775)	(2,358)
United Way of Saskatoon and Area allocation	51,775	2,358
	<u>\$ -</u>	<u>\$ -</u>