



2015 - 2016 Annual Report



United Way
Saskatoon & Area

Annual Report CEO and Board Chair Message



CEO,
Susan Hetu

As another year passes at United Way of Saskatoon and Area (United Way) a theme of courage comes to mind. Courage as we overcame obstacles, courage as we embraced change and courage as we built resilience. Many new and exciting opportunities took place; we took big risks and made bold moves to ignite possibility in our community. Through the support of our employees, Board of Directors, community partners, donors and volunteers we were able to change lives locally and build a stronger community for all.

We first want to thank Myra Potter and Jocelyn Zurakowski who both stepped up to the role of Interim Chief Executive Officer. These longtime employees of United Way brought needed leadership, reassurance and continuity in a time of transition. We also want to thank our Board of Directors who initiated a search for a new CEO. To this end, we are pleased to welcome Susan Hetu as our new CEO of United Way. We look forward to continuing to ignite possibility under Susan's leadership.

United Way has always been about improving lives and strengthening communities, but we live in a world that is changing rapidly. In this disruptive environment we are faced with increasingly complex social problems, changing expectations, increased demands on resources and the need to demonstrate impact to enhance donor relationships. To address these challenges and opportunities we showed our courage and made bold moves in 2015.

Bold Move #1 - We implemented our new Community Investment Strategy with a focus on achieving community level change and rigorous outcome measurement. This new way in which United Way invests led to multi-year agreements with many of our community partners and our involvement in new initiatives to building a better more inclusive community for all.

Over \$5.2 Million was invested in the community through United Way last year. Focusing on community impact allows United Way to help those most vulnerable, strengthen the network of services in our community and concentrate investments to achieve lasting change.

We were proud to be part of the Mawē Wīcīhītowīn Conference. This conference was the first annual Aboriginal Engagement conference planned for our city. Delegates gathered together to network and talk about ways to make our community inclusive of everyone.

"Living Wage" is another important and timely conversation for our city. Encouraging sustainable change and building a resilient community, United Way worked with our partners on the concept of a living wage. A living wage provides families with a basic level of economic security, without the need for social assistance. The "Living Wage" for Saskatoon as set out in the Report: The Business Case for a Living Wage in Saskatoon is \$16.77 per hour. We are pleased to have our Labour partners at the table with us for these discussions.

Bold Move #2 - To support community impact, engage donors and complement our workplace campaign we continued to refine our Major Gifts program. Diversifying revenue sources through this program helps us address the changing philanthropic landscape and keep pace with giving trends and habits of donors. This program will focus on sustaining Journey Home, a housing-first program.

Annual Report CEO and Board Chair Message

Bold Move #3 - In 2015, we joined the United Way Worldwide movement. In May 2016 our senior staff attended the United Way Worldwide conference in Vancouver, the first ever in Canada. This alignment with United Way Centraide Canada and United Way Worldwide enables us to reach out and seek support from a global network of social impact leaders with philanthropic expertise that both inspires and offers guidance to our local work. The support we receive makes us stronger and empowers us to collectively address issues such as poverty and homelessness, social issues that run nationwide.

Bold Move #4 – Big changes were made to the way we kicked off and wrapped up the 2015 Community Campaign. The Campaign Kick-Off is a time for United Way to ignite possibility by rallying together the whole community in support of change for our city and to celebrate the official launch of our annual Community Campaign. This year's celebration was revamped to include a "stuff-the-bus" event right in the middle of downtown Saskatoon. The products collected to stuff-the-bus were later distributed to partner organizations to help those most vulnerable. We ended the 2015 Community Campaign with a new event called "Celebrating Possibility." This event allowed us to highlight the successes and progress of the past year. We took the opportunity to recognize the hard work and dedication of our community and labour partners, donors, and volunteers. It was a great way to celebrate our collective efforts together.

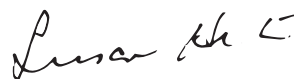
Bold Move #5 - Under new leadership we will be embarking on the development of a new strategic plan in the fall of 2016. This plan will outline our strategic directions for the upcoming years in response to the needs and aspirations of our community. It will also align with the priorities set by United Way Canada, ensuring a common voice, and a trusted and respected brand. As always our focus will remain on building a strong network that will work together to help the people in our community who need it most.



**Board Chair,
Jason Aebig**

United Way is persistently looking forward. We plan to build on the momentum gained in 2015 throughout 2016. We will continue to focus on measuring outcomes and engaging our community. In the interests of transparency and accountability we will be releasing our first Impact Report. This report outlines where our donor dollars are being spent and will highlight the progress and successes under each of our three focus areas.

It truly takes great courage to be bold and ignite possibility. Through the support of our community partners and donors we, will continue to make the bold moves needed to move people from poverty to possibility, ensure kids are all that they can be and build a stronger community for all. We are all in this together, and together we are possibility.



Susan Hetu,
CEO



Jason Aebig,
Board Chair

Board of Directors

Jason Aebig

Chair
Partner, Creative Fire

Cara Bahr

Vice-Chair
Community Engagement Manager,
Affinity Credit Union

Daphne Arnason

Treasurer

Dr. Lea Pennock

Past-Chair

Scott Adams

Senior Strategist,
Innovation Saskatchewan

Cecilia (CeCe) Baptiste

Financial Analyst,
Institution Planning & Assessment Unit,
University of Saskatchewan

Barbara Cape

President, SEIU-West

Andrew Coutts

Partner, Deloitte Canada

Jyotsna (Jo) Custead

Belinda Daniels

Educator/Teacher,
Saskatoon Public Schools

Mary Donlevy-Konkin

Senior Counsel, McKercher LLP

David Fisher

Vice President & General Manager,
Bell Media Saskatchewan (CTV Saskatoon)

Jonathan Huntington

2015 Campaign Cabinet Co-Chair
Director of Corporate Relations,
Cameco Corporation

Wilma Isbister

General Manager, Dakota Dunes Community
Development Corporation

Dale Markling

Staff Representative,
Grain & General Services Union

Grant McGrath

Chair,
Leadership Committee for the
Plan to End Homelessness
President, Western Sales

Linda Moulin

Principal & Owner,
LSM Consulting

Jai Richards

Psychologist, Saskatoon Health Region

EXECUTIVE:

Chair: Jason Aebig

Vice Chair: Cara Bahr

Treasurer: Daphne Arnason

Past Chair: Lea Pennock

Chief Executive Officer: Susan Hetu

Standing Board Committees

COMMUNITY INVESTMENT

- Cara Bahr
- Jo Custead
- Belinda Daniels
- Scott Adams, Chair
- Wilma Isbister
- Jai Richards
- David Fisher
- Dale Markling

HUMAN RESOURCES COMMITTEE

- Barb Cape, Chair
- Belinda Daniels
- Jo Custead

CEO REVIEW PANEL

- Jason Aebig
- Cara Bahr
- Lea Pennock
- Barb Cape

GOVERNANCE & NOMINATIONS

- Linda Moulin, Chair
- CeCe Baptiste
- Daphne Arnason
- Barb Cape
- Mary Donlevy-Konkin

FINANCE & AUDIT

- Daphne Arnason, Chair
- Jo Custead
- Lea Pennock
- Cara Bahr

LABOUR

- Barb Cape
- Dale Markling

ABORIGINAL ENGAGEMENT

- Lea Pennock
- Scott Adams
- Wilma Isbister
- Jai Richards
- David Fisher

2015 COMMUNITY CAMPAIGN CABINET

- Jonathan Huntington, Co-Chair
- Jason Aebig

Advisory Committee/Ad Hoc Committees/Task Forces

211 SASKATCHEWAN STEERING COMMITTEE

- Jason Aebig

PLAN TO END HOMELESSNESS (P2EH)

- Grant McGrath, Chair
- CeCe Baptiste
- Mary Donlevy-Konkin

MAJOR GIVING TASK FORCE

- Andrew Coutts, Chair
- Linda Moulin

Treasurer's Report



**Treasurer,
Daphne Arnason**

As the 2015-16 fiscal year comes to an end I am pleased to report on the financial highlights of United Way of Saskatoon and Area (United Way) for the year ending March 31, 2016. Due to the dedicated support of our donors, volunteers, labour partners and the community, our United Way has had another successful year. This year we invested a total of \$5.2 million into our growing community in order to ignite possibility and positively impact lives.

United Way focuses time, knowledge and investments in achieving measureable outcomes in three key areas:

- Helping kids be all that they can be through emotional and physical well-being, community involvement and engagement in learning.
- Moving people from poverty to possibility through housing stability, food security and employment and financial security.
- Building a strong community through neighbourhood and community engagement, community supports and personal well-being.

The team at United Way works hard year round to move our mission forward and to help the people who need it most. Last year we invested \$2.81 million directly into local organizations and service providers whose work in the community aligns with our focus areas. In addition, we made the following investments into initiatives led by United Way or in partnership with other community partners:

- \$580,000 was allocated to Journey Home, a Housing First program. Through the partnership with Saskatoon Crisis Intervention Service this

program to date has housed 41 of Saskatoon's most vulnerable and chronically homeless men and women while providing them intensive support services.

- \$125,000 was allocated to 211 Saskatchewan. This online web directory allows users to easily search over 2,100 organizations and over 5,000 services across Saskatchewan. The top searches include mental health, child care and shelters.
- Additional investments were made in the community in order to build relationships and create collective impact, increase the capacity in our community around Aboriginal engagement and training, develop outcome measurements within our focus areas, and build awareness around the growing issues surrounding poverty.

I would like to thank everyone who has had a part in making 2015-16 a year filled with possibility. I would also like to thank KPMG for their outstanding support throughout the audit process once again.

Together, we are possibility.

A handwritten signature in blue ink that reads "Daphne Arnason". The signature is fluid and cursive.

Daphne Arnason
Treasurer, United Way Board of Directors



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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, 2016 and the statements of revenue and expenses, 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 our 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, we consider 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 in our audit 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, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads 'KPMG LLP' with a long horizontal line extending from the end of the signature.

Chartered Professional Accountants

Saskatoon, Canada

May 24, 2016

KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Financials

UNITED WAY OF SASKATOON AND AREA

Statement of Financial Position

March 31, 2016, with comparative information for 2015


| | 2016 | 2015 |
|---|--------------|--------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 2,469,703 | \$ 2,905,932 |
| Pledges receivable (note 2) | 2,408,984 | 2,348,644 |
| Accounts receivable | 12,095 | 29,521 |
| Prepaid expenses | 55,394 | 48,338 |
| | 4,946,176 | 5,332,435 |
| Investment in 211 Saskatchewan (note 3) | 46,709 | 46,959 |
| Capital assets (note 4) | 102,926 | 130,370 |
| | \$ 5,095,811 | \$ 5,509,764 |


Liabilities and Net Assets

| | | |
|--|--------------|--------------|
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 138,054 | \$ 132,696 |
| Allocations committed to agencies | 1,842,750 | 2,203,400 |
| Deferred revenue (note 5) | 828,344 | 716,086 |
| | 2,809,148 | 3,052,182 |
| Net assets: | | |
| Operating reserve | 712,195 | 705,670 |
| Community investment reserve | 1,275,000 | 1,425,000 |
| Capital replacement reserve | 196,542 | 196,542 |
| Invested in capital assets | 102,926 | 130,370 |
| | 2,286,663 | 2,457,582 |
| Commitments (notes 3 and 6) | | |
| | \$ 5,095,811 | \$ 5,509,764 |

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

UNITED WAY OF SASKATOON AND AREA

Statement of Revenue and Expenses

Year ended March 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|---|--------------|--------------|
| Revenue: | | |
| Campaign contributions | \$ 5,742,216 | \$ 6,174,576 |
| Funds transferred from other United Way organizations | 306,798 | 290,748 |
| Gross campaign revenue | 6,049,014 | 6,465,324 |
| Less provision for uncollectible pledges | (89,824) | (82,250) |
| Net campaign revenue | 5,959,190 | 6,383,074 |
| Other revenue: | | |
| Grants | 281,132 | 202,740 |
| Other | 123,937 | 29,119 |
| Interest | 21,235 | 29,313 |
| Bequests | 738 | 1,600 |
| Total revenue | 6,386,232 | 6,645,846 |
| Fundraising expenses (schedule 2) | 1,324,095 | 1,187,949 |
| Net revenue available for allocations and programs | 5,062,137 | 5,457,897 |
| Allocations and programs: | | |
| Allocations to agencies | 2,807,360 | 3,171,800 |
| Community services and initiatives (schedule 1) | 1,682,253 | 1,615,543 |
| Donor directed giving (note 7) | 743,443 | 765,806 |
| | 5,233,056 | 5,553,149 |
| Deficiency of revenue over expenses | \$ (170,919) | \$ (95,252) |

See accompanying notes to financial statements.

Financials

UNITED WAY OF SASKATOON AND AREA

Statement of Net Assets

Year ended March 31, 2016, with comparative information for 2015

| March 31, 2016 | Invested in Capital Assets | Community Investment Reserve | Capital Replacement Reserve | Operating Reserve | Total |
|-------------------------------------|-------------------------------|------------------------------------|-----------------------------------|----------------------|--------------|
| Balance, beginning of year | \$ 130,370 | \$ 1,425,000 | \$ 196,542 | \$ 705,670 | \$ 2,457,582 |
| Deficiency of revenue over expenses | (46,526) | - | - | (124,393) | (170,919) |
| Purchase of capital assets | 19,082 | - | - | (19,082) | - |
| Utilization of reserves | - | (570,000) | - | 570,000 | - |
| Transfer to reserves | - | 420,000 | - | (420,000) | - |
| Balance, end of year | \$ 102,926 | \$ 1,275,000 | \$ 196,542 | \$ 712,195 | \$ 2,286,663 |

| March 31, 2015 | Invested in Capital Assets | Community Investment Reserve | Capital Replacement Reserve | Operating Reserve | Total |
|-------------------------------------|-------------------------------|------------------------------------|-----------------------------------|----------------------|--------------|
| Balance, beginning of year | \$ 172,146 | \$ 1,440,184 | \$ 210,199 | \$ 730,305 | \$ 2,552,834 |
| Deficiency of revenue over expenses | (45,948) | - | - | (49,304) | (95,252) |
| Purchase of capital assets | 4,172 | - | - | (4,172) | - |
| Utilization of reserves | - | (564,188) | (13,657) | 577,845 | - |
| Transfer to reserves | - | 549,004 | - | (549,004) | - |
| Balance, end of year | \$ 130,370 | \$ 1,425,000 | \$ 196,542 | \$ 705,670 | \$ 2,457,582 |

See accompanying notes to financial statements.

UNITED WAY OF SASKATOON AND AREA

Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|---|--------------|--------------|
| Cash flows from (used in): | | |
| Operations: | | |
| Deficiency of revenue over expenses | \$ (170,919) | \$ (95,252) |
| Items not involving cash: | | |
| Amortization of capital assets | 46,526 | 45,948 |
| Investment in 211 Saskatchewan | 125,250 | 167,913 |
| Change in non-cash operating working capital: | | |
| Pledges receivable | (60,340) | (22,166) |
| Accounts receivable | 17,426 | 3,346 |
| Prepaid expenses | (7,056) | (21,349) |
| Accounts payable and accrued liabilities | 5,358 | (40,786) |
| Allocations committed to agencies | (360,650) | (3,278) |
| Deferred revenue | 112,258 | (56,407) |
| | (292,147) | (22,031) |
| Investing activities: | | |
| Investment in 211 Saskatchewan | (125,000) | (175,000) |
| Purchase of capital assets | (19,082) | (4,172) |
| | (144,082) | (179,172) |
| Decrease in cash and equivalents | (436,229) | (201,203) |
| Cash and cash equivalents, beginning of year | 2,905,932 | 3,107,135 |
| Cash and cash equivalents, end of year | \$ 2,469,703 | \$ 2,905,932 |
| Cash and cash equivalents consist of the following: | | |
| Cash | \$ 1,219,703 | \$ 1,402,919 |
| Short-term investments | 1,250,000 | 1,503,013 |
| | \$ 2,469,703 | \$ 2,905,932 |

See accompanying notes to financial statements.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements

Year ended March 31, 2016

United Way of Saskatoon and Area ("United Way") 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), United Way is exempt from income taxes and is able to issue charitable donation receipts for income tax purposes.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the Chartered Professional Accountants Handbook.

(a) Revenue recognition:

United Way 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 directed 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.

Grants and externally restricted contributions are recognized as revenue in the year which the related expenses are recognized. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Interest revenue is recognized as revenue when earned. Other revenue including revenue from fees, contracts and registration fees are recognized when the services are provided.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term investments held at financial institutions which are highly liquid with original maturities of less than three months.

(c) Pledges receivable:

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

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2016

1. Significant accounting policies (continued):

(d) Joint projects:

The investment in 211 Saskatchewan which is jointly owned and controlled by United Way is accounted for using the equity method.

(e) Capital assets:

Capital assets are recorded at cost. Repairs and maintenance costs are charged to expenses. When a capital asset no longer contributes to United Way's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized over their estimated useful lives using the following methods and annual rates:

| Asset | Method | Rate |
|------------------------|-------------------|---------------|
| Furniture and fixtures | Declining balance | 10%-20% |
| Computer equipment | Straight-line | 5 years |
| Computer software | Straight-line | 5 years |
| Leaseholds | Straight-line | Term of lease |

Capital assets are not subject to amortization until they are substantially complete and available for their intended use.

(f) Allocations to agencies:

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

(g) Donated goods and services:

Goods and services contributed to United Way to be consumed in operations are not recorded as revenue or expenses due to the difficulty of determining the fair value.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2016

1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of financial statements require 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 year. Significant items subject to such estimates and assumptions include the provision for uncollectible pledges, accrued liabilities and the allocation of operating expenses. Actual results could differ from these estimates.

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. United Way has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

With respect to financial assets measured at cost or amortized cost, United Way recognizes in excess (deficiency) of revenue over expenses an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in excess of revenue over expenses in the period the reversal occurs.

(j) Allocation of operating expenses:

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

| | 2016 | 2015 |
|-----------------------------|------|------|
| Fundraising expenses | 63% | 56% |
| Community services expenses | 37% | 44% |

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2016

1. Significant accounting policies (continued):

(k) Restriction on net assets:

The operating reserve represents funds that the Board of Directors has internally restricted to be used by United Way in periods of financial uncertainty. It is to be maintained at an amount of 10%-12% of net campaign revenue.

The community investment reserve represents funds that the Board of Directors has internally restricted to be used with respect to community investment and building for the future through United Way programs. The specific use of the reserve is at the discretion of the Board of Directors.

The capital replacement reserve represents funds that the Board of Directors has internally restricted for the replacement of capital assets.

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

2. Pledges receivable:

| | 2016 | 2015 |
|--|---------------------|---------------------|
| Pledges receivable | \$ 2,642,984 | \$ 2,613,644 |
| Allowance for uncollectible pledges receivable | (234,000) | (265,000) |
| | <u>\$ 2,408,984</u> | <u>\$ 2,348,644</u> |

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2016

3. Investment in 211 Saskatchewan:

211 Saskatchewan is a database which allows internet users to access a full range of community, social, government and health services within the province of Saskatchewan.

In June 2013, United Way signed a memorandum of understanding ("MOU") with United Way of Regina relating to 211 Saskatchewan and agreed to pay 50% of all annual costs, associated with the development and operation of the database for a term of the lesser of three years or until such time as the support is no longer required. In January, 2016, the MOU was extended for an additional one year with all terms remaining consistent and costs to not exceed \$175,000.

United Way's contributions and share of net expenses of 211 Saskatchewan for the period from April 1, 2015 to March 31, 2016 are summarized as follows:

| | 2016 | 2015 |
|------------------------------|-----------|-----------|
| Balance, beginning of year | \$ 46,959 | \$ 39,872 |
| Contributions | 125,000 | 175,000 |
| Share of net expenses (loss) | (125,250) | (167,913) |
| Balance, end of year | \$ 46,709 | \$ 46,959 |

4. Capital assets:

| | | | 2016 | 2015 |
|------------------------|------------|--------------------------|----------------|----------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Furniture and fixtures | \$ 68,946 | \$ 36,561 | \$ 32,385 | \$ 23,187 |
| Computer equipment | 89,415 | 66,815 | 22,600 | 37,599 |
| Computer software | 108,216 | 60,275 | 47,941 | 69,584 |
| Leaseholds | 32,745 | 32,745 | - | - |
| | \$ 299,322 | \$ 196,396 | \$ 102,926 | \$ 130,370 |

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2016

5. Deferred revenue:

| | 2016 | 2015 |
|------------------------------------|-------------------|-------------------|
| Donor directed giving to charities | \$ 718,131 | \$ 548,293 |
| Program grants | 106,173 | 164,653 |
| Future year's campaign | 4,040 | 3,140 |
| | <u>\$ 828,344</u> | <u>\$ 716,086</u> |

6. Commitments:

(i) United Way is committed to future payments under an operating lease for office space through October 31, 2017 and an operating lease for equipment through August 31, 2016.

Future minimum payments, by year and in aggregate, under these commitments, consisted of the following at March 31, 2016:

| | |
|------|-------------------|
| 2017 | \$ 109,240 |
| 2018 | 65,360 |
| | <u>\$ 174,600</u> |

(ii) United Way has entered into multi-year funding agreements with 34 agencies. Under these funding agreements, United Way's allocation commitments, subject to available financial resources from campaign contributions are as follows:

| | |
|------|---------------------|
| 2017 | \$ 2,457,000 |
| 2018 | 2,345,750 |
| 2019 | 1,509,000 |
| | <u>\$ 6,311,750</u> |

(iii) United Way has agreed to provide up to \$650,000 between April 1, 2016 and March 31, 2017 of grant funding to Saskatoon Crisis Intervention Service ("SCIS"). This will allow SCIS to continue to provide services under the Journey Home Program where homeless individuals with acute needs will be housed or re-housed utilizing the Housing First Model.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2016

7. Donor directed giving:

Campaign contributions include donor directed giving in the amount of \$802,072 of which \$743,443 (net of administration fees) has been paid to registered charities in Canada pursuant to donor requests. In 2015 campaign contributions included donor directed giving in the amount \$829,082 of which \$765,806 had been paid to registered charities in Canada pursuant to donor requests.

8. Financial risk management:

The Organization's financial risks are as follows:

a) Interest rate risk:

United Way is exposed to interest rate risk arising from fluctuations in interest rates on amounts invested in interest bearing cash and cash equivalents with interest based on prime rates.

b) Credit risk:

United Way is exposed to credit risk to the extent that its donors may experience financial difficulty and would be unable to meet their pledge obligations. However, United Way has a large number of donors, which mitigates the concentration of credit risk. United Way assesses, on a continuous basis, pledges receivable and provides for any amount that are not collectible in the allowance for uncollectible pledges receivable.

c) Liquidity risk:

Liquidity risk is the risk that United Way will be unable to fulfill its obligations on a timely basis or at a reasonable cost. United Way manages its liquidity risk by monitoring its operating requirements. United Way prepares and monitors a budget to ensure it has sufficient funds to fulfill its obligations. Trade accounts payable and accrued liabilities are generally repaid within 30 days. There has been no change to the risk exposure from 2015.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2016

9. Transparency, accountability and financial reporting:

The United Way follows the reporting guidelines as outlined in its membership agreement with United Way of Canada - Centraide Canada. As part of these guidelines, each member calculates fundraising and allocation ratios. These ratios are summarized as follows:

| | 2016 | | 2015 | |
|---|--------------|--------|--------------|--------|
| Fundraising ratio: | | | | |
| Total revenue | \$ 6,386,232 | | \$ 6,645,846 | |
| Add: provision for uncollectible pledges | 89,824 | | 82,250 | |
| Total revenue for fundraising | 6,476,056 | | 6,728,096 | |
| Direct fundraising expenses (schedule 2) | 833,014 | | 763,791 | |
| Allocation of operating expenses (schedule 3) | 491,081 | | 424,158 | |
| Total fundraising expenses | \$ 1,324,095 | 20.5% | \$ 1,187,949 | 17.7% |
| Allocation ratios: | | | | |
| Total revenue | \$ 6,386,232 | | \$ 6,645,846 | |
| Allocation to net assets | | | | |
| (deficiency of revenue over expenses) | (170,919) | (2.7)% | (95,252) | (1.4)% |
| Funds provided for allocations and programs | 5,233,056 | 81.9% | 5,553,149 | 83.6% |

Schedule 1

UNITED WAY OF SASKATOON AND AREA

Schedule of Community Services and Initiatives

Year ended March 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|--|--------------|--------------|
| Plan to End Homelessness and Housing First | \$ 579,911 | \$ 547,004 |
| Salaries and benefits | 378,236 | 426,554 |
| Capacity building | 194,556 | 24,375 |
| 211 Saskatchewan (note 3) | 125,250 | 167,913 |
| United Way of Canada - membership | 54,326 | 54,938 |
| Community building initiatives | 41,927 | 23,801 |
| Meetings and travel | 10,323 | 14,961 |
| Professional development and recruitment | 6,669 | 1,539 |
| Office supplies and services | 2,643 | 410 |
| Saskatoon Community Foundation - Tomorrow Fund | - | 20,781 |
| | 1,393,841 | 1,282,276 |
| Allocation of operating expenses (schedule 3) | 288,412 | 333,267 |
| | \$ 1,682,253 | \$ 1,615,543 |

Schedule 2

UNITED WAY OF SASKATOON AND AREA

Schedule of Fundraising Expenses

Year ended March 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|--|--------------|--------------|
| Salaries and benefits | \$ 547,179 | \$ 413,515 |
| Promotion, public relations and special events | 193,129 | 247,904 |
| Service charges | 38,019 | 36,334 |
| Professional fees | 28,421 | 41,256 |
| Meetings and travel | 11,059 | 15,655 |
| Office supplies and services | 10,099 | 3,569 |
| Professional development and recruitment | 5,108 | 5,558 |
| | 833,014 | 763,791 |
| Allocation of operating expenses (schedule 3) | 491,081 | 424,158 |
| | \$ 1,324,095 | \$ 1,187,949 |

Schedule 3

UNITED WAY OF SASKATOON AND AREA

Schedule of Operating Expenses

Year ended March 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|---|------------|------------|
| Salaries and benefits | \$ 400,724 | \$ 414,518 |
| Occupancy | 140,263 | 144,509 |
| Professional fees | 91,181 | 76,179 |
| Professional development and recruitment | 53,166 | 6,166 |
| Amortization | 46,526 | 45,948 |
| Office supplies and services | 31,656 | 34,580 |
| Board and governance | 8,116 | 6,839 |
| Meetings and travel | 5,971 | 7,533 |
| Service charges | 1,890 | 5,192 |
| Promotion and public relations | - | 15,961 |
| Total operating expenses before allocation | 779,493 | 757,425 |
| Allocation to fundraising expenses (schedule 2) | (491,081) | (424,158) |
| Allocation to community services and initiatives (schedule 1) | (288,412) | (333,267) |
| | \$ - | \$ - |

Your Impact Changes Lives



Encourage others

You can ignite change by using your voice, getting informed, and educating your friends, family and co-workers about the growing needs in our community.



Volunteer

Whether you are passionate about improving social conditions or are new to the community and looking for an opportunity to connect, you can ignite possibility by giving your time and getting involved.

unitedwaysaskatoon.ca/volunteer-database/



Donate

By donating to United Way, you move families and individuals out of poverty into healthy and sustainable situations; you create opportunities for participation and inclusiveness in our community; and you provide children and youth with the means to become successful young adults. Your support makes everything possible.

unitedwaysaskatoon.ca/give/

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United Way
Saskatoon & Area