

ANNUAL

2014 • 2015

REPORT



United Way
Saskatoon & Area

Annual Report CEO and Board Chair Message



Interim CEO,
Myra Potter

As we reflect on the past year it seems appropriate that we label it “a year of change” for United Way of Saskatoon and Area. We are pleased to present this annual report and to showcase the work of our employees, donors and many volunteers who have been crucial in helping us achieve our mission and goals for 2014 and who will be critical in helping us move our mission forward in 2015.

Annual Campaign

Our 2014 Campaign was one of the many successes we celebrated last year. Our goal was to raise \$6 million and beyond for our community. In February 2015 we were thrilled to announce that we exceeded our goal, raising \$6.3 million to help support our community initiatives and investments.

Community Investments and Partnerships

One of the most significant changes in 2014-15 was the implementation of a new Community Investment Strategy. We have moved our Community Fund from a focus on ‘member agencies’ to a focus on community impact in three specific focus areas: Building a Strong Community, Moving People from Poverty to Possibility, and Helping Kids be all that They can be.

In order to keep up with the rising needs of our growing city we have had to evaluate the ways in which United Way can create the biggest impact for the most vulnerable people in Saskatoon. Our new approach involves outcome based planning and evaluations for our funding recipients. We issued an open call for applications for the 2016 Community Fund early in 2015. Funding decisions will be made in November 2015 and will take effect January 1, 2016.

Another funding stream that we are proud to continue is to provide are short-term grants in partnership with the City of Saskatoon. This year the grants total \$210,000 and are distributed among 14 agencies and programs.

211 Saskatchewan remains an important initiative for us, in collaboration with the United Way of Regina. 211 Saskatchewan is a web-based tool that connects people with information about services available to them in their communities. The top three searches online continue to be child care, mental health and shelters. This information is helping us identify gaps in services and can provide us with a better understanding of growing needs in our city. Ultimately our goal is to make 211 a telephone service as it is in other parts of the country, in order to make the service more accessible to everyone.

Plan to End Homelessness and Housing First

Saskatoon’s Plan to End Homelessness, based on the Housing First model, has seen great success in its first year. This success is due to a combined effort between United Way of Saskatoon and Area and the Saskatoon Crisis Intervention Service and other community organizations. Analysis of the project’s first few months indicates system costs for the first 10 participants such as emergency shelter needs, hospital visits and police services have decreased approximately 80%, which is a dramatic difference. Behind each and every piece of data is a changed life and the difference of having a home has made

Annual Report CEO and Board Chair Message

in the lives of our most vulnerable citizens far outweighs the dollars and cents.

Housing First is an international model; in order to adapt the program for Saskatoon we will rebrand the program under the name “Journey Home.” This title reflects the program’s purpose which is to give people who have been chronically homeless the opportunity to have a place to call home while guiding them through their journey to stability.

Our goal for the Journey Home program is to raise \$2.3 million to house the 100 most vulnerable, chronically homeless people in our community over the next three years, and to help them through their journey from poverty to possibility.

2015 Centraide Canada National Conference

In May 2015 we had the pleasure of hosting the United Way Centraide Canada National Conference. Almost 400 delegates from United Ways across Canada traveled to our beautiful city, coming together as a movement to learn from one another. The underlying theme of this year’s conference was “Be Bold,” encouraging us to test our boundaries and think about what the future holds for the United Way brand and the possibilities for growth.

A Look Forward

One of the many changes at United Way of Saskatoon and Area for the coming year is the addition of our Major Gifts Program. Over the past year we have been developing this program and are excited for it to be implemented in 2015. The purpose of the program is to create a new avenue for donations in addition to our Annual Campaign, in order to help move all of our work forward.

Looking ahead we continue to see change on the horizon but we are looking forward to working together with our donors, volunteers and staff to



**Board Chair,
Lea Pennock**

continue to transform our community into a place where everyone thrives. Although we are growing and changing our focus will remain directed at our 3 key focus areas; Building a Strong Community, Moving People from Poverty to Possibility, and Helping Kids be all that They can be.

A handwritten signature in black ink that reads "Myra Potter".

Myra Potter,
Interim Chief
Executive Officer

A handwritten signature in black ink that reads "Lea Pennock".

Lea Pennock,
Board Chair



Board of Directors

Lea Pennock

Chair

Jason Aebig

Vice-Chair

Senior Strategist, Creative Fire

Cara Bahr, CMA, CIA

Treasurer

Credit Support Manager – Affinity Credit Union

Jo Custead

Past-Chair

Jonathan Huntington

2014 Community Campaign Chair

Manager, Communications & Community Investment
Cameco Corporation

Scott Adams

Senior Strategist, Innovation Saskatchewan

Daphne Arnason

Retired

Cecilia (CeCe) Baptiste

Controller, First Nations Bank of Canada

Barbara Cape

President, SEIU-West

Andrew Coutts

Partner, Deloitte

Belinda Daniels

Educator, Mount Royal Collegiate

Saskatoon Public Schools

Warren Isbister

Aboriginal Diversity & Inclusion Consultant,
Treaty Six Territory

City of Saskatoon Development Branch

Wilma Isbister

General Manager, Dakota Dunes Community
Development Corporation

Darrin Kruger

President, United SteelWorkers local 7752, Agrium

Grant McGrath

President CEO, GMAG Holdings Ltd.

Linda Moulin

LSM Consulting Ltd.

Michelle Ouellette, Q.C.

Barrister & Solicitor, McKercher LLP

Board of Directors

EXECUTIVE:

Chair: Lea Pennock

Vice Chair: Jason Aebig

Treasurer: Cara Bahr

Past Chair: Jo Custead

Interim Chief Executive Officer: Myra Potter

Standing Board Committees

COMMUNITY INVESTMENT

- Jason Aebig, Chair
- CeCe Baptiste, Vice Chair
- Wilma Isbister
- Cara Bahr
- Belinda Daniels
- Jonathan Huntington
- Scott Adams
- Jo Custead
- Lea Pennock

CEO REVIEW PANEL

(Chair, Past Chair, Vice-Chair, HR Chair)

- Lea Pennock, Chair
- Jo Custead
- Jason Aebig

GOVERNANCE & NOMINATIONS

- Linda Moulin, Chair
- Daphne Arnason
- Warren Isbister
- Michelle Ouellette
- Barbara Cape
- Andrew Coutts

FINANCE & AUDIT

- Cara Bahr – Treasurer, Chair
- Darrin Kruger
- Andrew Coutts
- Daphne Arnason
- Scott Adams
- Jo Custead

HUMAN RESOURCES

- Lea Pennock, Chair
- Jo Custead
- Jason Aebig
- Belinda Daniels

LABOUR

- Darrin Kruger, Chair
- Barbara Cape

ABORIGINAL ENGAGEMENT

- Wilma Isbister, Chair
- Michelle Ouellette
- Warren Isbister
- CeCe Baptiste
- Lea Pennock

2014 COMMUNITY CAMPAIGN CABINET

- Jonathan Huntington, Chair
- Lea Pennock

Advisory Committee/Ad Hoc Committees/Task Forces

SASKATOON COMMUNITY SERVICE VILLAGE BOARD

- Jo Custead

211 SASKATCHEWAN STEERING COMMITTEE

- Jason Aebig

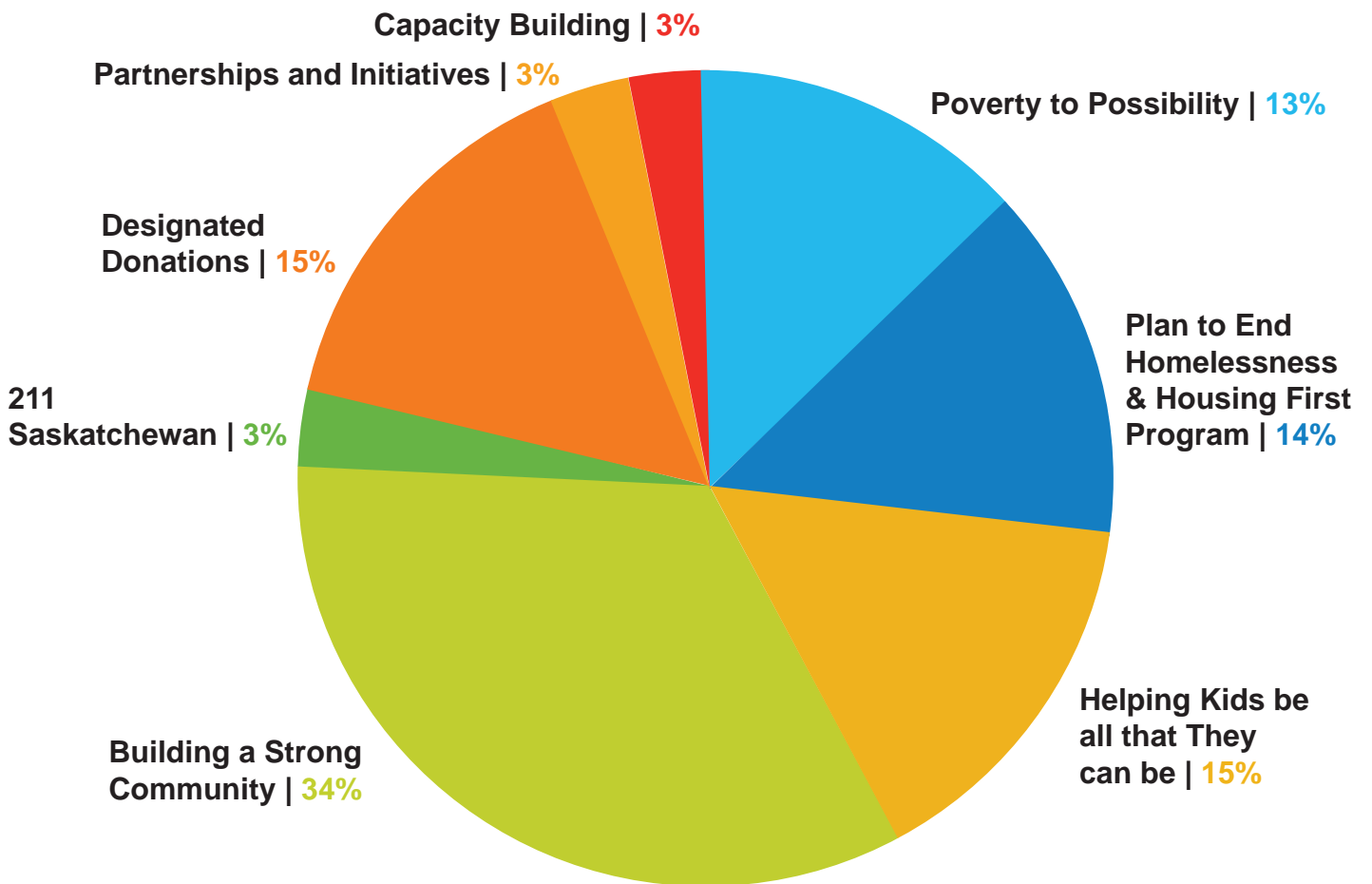
PLAN TO END HOMELESSNESS (P2EH)

- Grant McGrath, Chair
- CeCe Baptiste
- Jason Aebig

Changing Lives Locally

Last year, United Way invested over \$5.5 million into our community, building an environment where everyone can participate, reach their full potential, and have a better life. We thank all of our donors, volunteers and community partners for making this investment possible.

For more information on our work and investments, visit unitedwaysaskatoon.ca.



Treasurer's Report



Treasurer,
Cara Bahr

After a year filled with successful change and immense growth I am pleased to report on the financial highlights of United Way of Saskatoon and Area for the year ending March 31, 2015.

Due to the dedication, support and generosity of our donors, volunteers and community, United Way has made an overall community investment of over \$5.5 million. This support was brought together through 511 organizations and their employees and unions, along with over 1000 non-workplace individuals and foundations. This funding will help ensure we continue moving our mission forward with a focus on not only making financial investments in our community but also on:

- Engaging and mobilizing community dollars, influence, time, knowledge and action;
- Identifying and addressing underlying causes;
- Strengthening the network of services and capacity of human-service agencies in the community; and
- Educating, raising awareness and influencing public perceptions, systems and policy.

Our financial investments during the fiscal year included:

- Investing \$3.17 million directly into local agencies.
 - o \$2.93 million was allocated to agencies through our long-term funding stream. Ensures programs and services are available to improve lives in our community;
 - o Through our short-term grants for programs aligned with United Way's three focus areas, we invested \$210,000 to address vital or emerging needs in our community;

- o We continued to support organizations that serve Prince Albert and Area through our partnership with the Prince Albert Community Fund. This partnership saw \$31,000 allocated to organizations assisting residents of Prince Albert and many northern communities where our families and friends live and work.

- United Way's work to affect change goes beyond the financial investments to community agencies. This year, \$1.62 million was allocated to other community services and initiatives that included:
 - o Over \$500,000 to complete the first year of a two year pilot program utilizing the Housing first model to house some of our community's most vulnerable citizens and to continue to work towards the development of a community plan to address homelessness in Saskatoon.
 - o An investment of over \$167,000 to continue to operate 211 Saskatchewan in partnership with United Way of Regina (www.sk.211.ca).
 - o Developing and strengthening relationships and completing joint pieces of work with various partners including but not limited to:
 - Continuing to offer organizational development and out comes measurement training for local agencies, the completion of the Kitaskinaw environmental scan of Programs and Services serving Aboriginal People in Saskatoon, participating at various community tables, and supporting and coordinating volunteers for Day of Caring.
 - o Donors who directed gifts to organizations outside of the United Way accounted for \$765,000.

I would also like to thank KPMG for their continued support of United Way of Saskatoon and Area throughout the audit process. Your professionalism and knowledge are appreciated.

A handwritten signature in black ink, appearing to read 'Cara Bahr'.

Cara Bahr, CPA, CMA, CIA
Treasurer | United Way of Saskatoon and Area,
Board of Directors



KPMG LLP
Chartered Accountants
500 – 475 Second Avenue South
Saskatoon Saskatchewan S7K 1P4
Canada

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Internet www.kpmg.ca

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, 2015 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, 2015, 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.

Chartered Accountants
Saskatoon, Canada
May 26, 2015

Financials

UNITED WAY OF SASKATOON AND AREA


Statement of Financial Position


March 31, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,905,932	\$ 3,107,135
Pledges receivable (note 2)	2,348,644	2,326,478
Accounts receivable	29,521	32,867
Prepaid expenses	48,338	26,989
	<u>5,332,435</u>	<u>5,493,469</u>
Investment in 211 Saskatchewan (note 3)	46,959	39,872
Capital assets (note 4)	130,370	172,146
	<u>\$ 5,509,764</u>	<u>\$ 5,705,487</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 132,696	\$ 173,482
Allocations committed to agencies	2,203,400	2,206,678
Deferred revenue (note 5)	716,086	772,493
	<u>3,052,182</u>	<u>3,152,653</u>
Net assets: (note 7)		
Operating reserve	705,670	730,305
Community investment reserve	1,425,000	1,440,184
Capital replacement reserve	196,542	210,199
Invested in capital assets	130,370	172,146
	<u>2,457,582</u>	<u>2,552,834</u>
Commitments (notes 3 and 6)		
	<u>\$ 5,509,764</u>	<u>\$ 5,705,487</u>

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, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Campaign contributions	\$ 6,174,576	\$ 6,014,906
Funds transferred from other United Way organizations	290,748	230,855
Gross campaign revenue	6,465,324	6,245,761
Less provision for uncollectible pledges	(82,250)	(167,149)
Net campaign revenue	6,383,074	6,078,612
Other revenue:		
Grants	202,740	186,551
Other	29,119	28,679
Interest	29,313	31,730
Bequests	1,600	7,173
Total revenue	6,645,846	6,332,745
Fundraising expenses (schedule 2)	1,187,949	1,289,299
Net revenue available for allocations and programs	5,457,897	5,043,446
Allocations and programs:		
Allocations to agencies	3,171,800	3,283,410
Community services and initiatives (schedule 1)	1,615,543	1,250,184
Donor directed giving (note 8)	765,806	661,560
	5,553,149	5,195,154
Deficiency of revenue over expenses	\$ (95,252)	\$ (151,708)

See accompanying notes to financial statements.

Financials

UNITED WAY OF SASKATOON AND AREA

Statement of Net Assets

Year ended March 31, 2015, with comparative information for 2014

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

March 31, 2014	Invested in Capital Assets	Community Investment Reserve	Capital Replacement Reserve	Operating Reserve	Total
Balance, beginning of year	\$ 163,357	\$ 1,500,000	\$ 270,414	\$ 770,771	\$ 2,704,542
Deficiency of revenue over expenses	(46,726)	-	-	(104,982)	(151,708)
Purchase of capital assets	55,515	-	-	(55,515)	-
Utilization of reserves	-	(301,844)	(60,215)	362,059	-
Transfer to reserves	-	242,028	-	(242,028)	-
Balance, end of year	\$ 172,146	\$ 1,440,184	\$ 210,199	\$ 730,305	\$ 2,552,834

See accompanying notes to financial statements.

UNITED WAY OF SASKATOON AND AREA

Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash flows from (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (95,252)	\$ (151,708)
Item not involving cash:		
Amortization of capital assets	45,948	46,726
Investment in 211 Saskatchewan	167,913	174,128
Change in non-cash operating working capital:		
Pledges receivable	(22,166)	162,051
Accounts receivable	3,346	2,677
Prepaid expenses	(21,349)	1,972
Accounts payable and accrued liabilities	(40,786)	51,427
Allocations committed to agencies	(3,278)	(51,259)
Deferred revenue	(56,407)	183,906
	(22,031)	419,920
Investing activities:		
Investment in 211 Saskatchewan	(175,000)	(175,000)
Purchase of capital assets	(4,172)	(55,515)
	(179,172)	(230,515)
Increase (decrease) in cash and equivalents	(201,203)	189,405
Cash and cash equivalents, beginning of year	3,107,135	2,917,730
Cash and cash equivalents, end of year	\$ 2,905,932	\$ 3,107,135
Cash and cash equivalents consist of the following:		
Cash	\$ 1,402,919	\$ 1,543,653
Short-term investments	1,503,013	1,563,482
	\$ 2,905,932	\$ 3,107,135

See accompanying notes to financial statements.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements

Year ended March 31, 2015

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 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 Standards 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, 2015

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	20%
Computer software	Straight-line	20%
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 due to the difficulty of determining the fair value.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2015

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 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:

	2015	2014
Fundraising expenses	56%	55%
Community services expenses	44%	45%

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2015

2. Pledges receivable:

	2015	2014
Pledges receivable	\$ 2,613,644	\$ 2,658,478
Allowance for uncollectible pledges receivable	(265,000)	(332,000)
	\$ 2,348,644	\$ 2,326,478

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 of 2012, the United Way entered into a memorandum of understanding ("MOU") with United Way of Regina to jointly develop the database. In June 2013, United Way signed a new memorandum of understanding 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. These costs are anticipated to be incurred between April 1, 2013 and March 31, 2016 and United Way's share of these costs are expected to approximate \$175,000 per year.

United Way's contributions and share of net expenses of 211 Saskatchewan for the period from April 1, 2014 to March 31, 2015 are summarized below:

	2015	2014
Balance, beginning of year	\$ 39,872	\$ 39,000
Contributions	175,000	175,000
Share of net expenses (loss)	(167,913)	(174,128)
Balance, end of year	\$ 46,959	\$ 39,872

Financials

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2015

4. Capital assets:

			2015		2014	
	Cost	Accumulated amortization	Net book value	Net book value		
Furniture and fixtures	\$ 53,673	\$ 30,486	\$ 23,187	\$ 28,986		
Computer equipment	87,456	49,857	37,599	51,934		
Computer software	108,216	38,632	69,584	91,226		
Leaseholds	32,745	32,745	-	-		
	\$ 282,090	\$ 151,720	\$ 130,370	\$ 172,146		

5. Deferred revenue:

	2015		2014	
Donor directed giving to charities	\$ 548,293	\$ 600,767		
Program grants	164,653	66,411		
Future year's campaign	3,140	4,050		
Special projects - Plan to End Homelessness	-	101,265		
	\$ 716,086	\$ 772,493		

6. Commitments:

United Way is committed to payments under an operating lease for office space through October 31, 2015 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, 2015:

2016	\$ 63,634
2017	1,804
	\$ 65,438

In May 2015, United Way entered into an agreement to provide up to \$648,703 of grant funding to Saskatoon Crisis Intervention Service ("SCIS") in order for SCIS to complete the second year of a two-year pilot project where homeless individuals with acute needs will be housed or re-housed utilizing the Housing First Model.

Subsequent to March 31, 2015, United Way allocated \$210,200 to agencies.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2015

7. Restrictions 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. It currently includes fund set aside for initiatives such as 211 Saskatchewan, the Plan to End Homelessness and capacity building.

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 addition, disposals and amortization of capital assets.

8. Donor directed giving:

Campaign contributions include donor directed giving in the amount of \$829,082 (2014 - \$716,523) of which \$765,806 (net of administration fees) (March 31, 2014 - \$661,560) has been paid to registered charities in Canada pursuant to donor requests.

9. 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 minimized 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.

UNITED WAY OF SASKATOON AND AREA

Notes to Financial Statements (continued)

Year ended March 31, 2015

9. Financial risk management (continued):

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 2014.

10. 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:

	2015		2014	
Fundraising ratio:				
Total revenue	\$ 6,645,846		\$ 6,332,745	
Add: provision for uncollectible pledges	82,250		167,149	
Total revenue for fundraising	6,728,096		6,499,894	
Direct fundraising expenses (schedule 2)	763,791		801,872	
Allocation of operating expenses (schedule 3)	424,158		487,427	
Total fundraising expenses	\$ 1,187,949	17.7%	\$ 1,289,299	19.8%
Allocation ratios:				
Total revenue	\$ 6,645,846		\$ 6,332,745	
Allocation to net assets (deficiency of revenue over expenses)	(95,252)	(1.4)%	(151,708)	(2.4)%
Funds provided for allocations and programs	5,553,149	83.6%	5,195,154	82.0%

Schedule 1

UNITED WAY OF SASKATOON AND AREA

Schedule of Community Services and Initiatives

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Plan to End Homelessness and Housing First	\$ 547,004	\$ 86,629
Salaries and benefits	426,554	396,009
211 Saskatchewan (note 3)	167,913	174,128
United Way of Canada - membership	54,938	52,180
Capacity building	24,375	23,776
Community building initiatives	23,801	88,379
Saskatoon Community Foundation - Tomorrow Fund	20,781	7,173
Meetings and travel	14,961	11,467
Professional development and recruitment	1,539	7,553
Office equipment and supplies	410	2,017
Occupancy	-	2,069
	1,282,276	851,380
Allocation of operating expenses (schedule 3)	333,267	398,804
	\$ 1,615,543	\$ 1,250,184

Financials

Schedule 2

UNITED WAY OF SASKATOON AND AREA

Schedule of Fundraising Expenses

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Salaries and benefits	\$ 413,515	\$ 466,608
Promotion, public relations and special events	247,904	258,264
Professional fees	41,256	13,069
Service charges	36,334	31,802
Meetings and travel	15,655	11,327
Professional development and recruitment	5,558	17,597
Office equipment and supplies	3,229	3,178
Occupancy	340	27
	763,791	801,872
Allocation of operating expenses (schedule 3)	424,158	487,427
	\$ 1,187,949	\$ 1,289,299

Schedule 3

UNITED WAY OF SASKATOON AND AREA

Schedule of Operating Expenses

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Salaries and benefits	\$ 414,518	\$ 513,974
Occupancy	144,509	128,078
Professional fees	76,179	85,868
Amortization	45,948	46,726
Office supplies and equipment	34,580	41,146
Promotion and public relations	15,961	16,479
Meetings and travel	7,533	5,882
Board and governance	6,839	16,280
Professional development and recruitment	6,166	26,453
Service charges	5,192	5,345
Total operating expenses before allocation	757,425	886,231
Allocation to fundraising expenses (schedule 2)	(424,158)	(487,427)
Allocation to community services and initiatives (schedule 1)	(333,267)	(398,804)
	\$ -	\$ -



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