

**United Way of Sault Ste. Marie & District
Financial Statements
For the year ended March 31, 2010**

**United Way of Sault Ste. Marie & District
Financial Statements
For the year ended March 31, 2010**

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Auditors' Report

**To the Directors and Members of
United Way of Sault Ste. Marie & District**

We have audited the statement of financial position of the United Way of Sault Ste. Marie & District as at March 31, 2010 and the statement of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Agency derives revenues from donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Agency and we were unable to determine whether any adjustments for unrecorded revenues might be necessary to donations and fundraising revenue, excess of revenue over expenses for the year and net assets.

In our opinion, except for the effects of adjustments, if any, which might have been required had we been able to satisfy ourselves with respect to the completeness of donations and fundraising revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
May 18, 2010

United Way of Sault Ste. Marie & District
Statement of Financial Position

March 31

2010
 2009
 Restated
 (see Note 10)

| | General Fund | Capital Fund | Stabilization Fund | Endowment Fund | Solution Council Trust Fund | Community Assistance Trust Fund | Total | Total |
|-----------------------------|-------------------|------------------|--------------------|---------------------|-----------------------------|---------------------------------|---------------------|---------------------|
| Assets | | | | | | | | |
| Current | | | | | | | | |
| Cash | \$ 32,840 | \$ - | \$ 181,565 | \$ 63,455 | \$ 28,783 | \$ (1,397) | \$ 305,246 | \$ 193,342 |
| Temporary investments | 7,234 | - | 27,498 | 932,547 | - | - | 967,279 | 634,464 |
| Pledges receivable (Note 1) | 672,839 | - | - | - | - | - | 672,839 | 615,518 |
| Interfund balances | 86,346 | - | (8,353) | (3,265) | 19,373 | (94,100) | 1 | (32) |
| Other receivables | 35,005 | - | - | - | - | 65,252 | 100,257 | 68,236 |
| Inventory of artwork | - | - | - | 8,945 | - | - | 8,945 | 8,945 |
| Prepaid expense | 28,650 | - | - | - | - | - | 28,650 | 21,521 |
| | 862,914 | - | 200,710 | 1,001,682 | 48,156 | (30,245) | 2,083,217 | 1,541,994 |
| Capital (Note 2) | | | | | | | | |
| Equipment and leaseholds | - | 166,339 | - | - | - | - | 166,339 | 165,013 |
| Accumulated amortization | - | 130,151 | - | - | - | - | 130,151 | 118,667 |
| | - | 36,188 | - | - | - | - | 36,188 | 46,346 |
| | \$ 862,914 | \$ 36,188 | \$ 200,710 | \$ 1,001,682 | \$ 48,156 | \$ (30,245) | \$ 2,119,405 | \$ 1,588,340 |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

United Way of Sault Ste. Marie & District
Statement of Financial Position (continued)

March 31

2010

2009
Restated
(see Note 10)

| | General Fund | Capital Fund | Stabilization Fund | Endowment Fund | Solution Council Trust Fund | Community Assistance Trust Fund | Total | Total |
|--|-------------------|------------------|--------------------|---------------------|-----------------------------|---------------------------------|---------------------|---------------------|
| Liabilities and Fund Balances | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 49,436 | \$ - | \$ - | \$ - | \$ - | \$ 2,554 | \$ 51,990 | \$ 52,553 |
| Allocations payable | 685,257 | - | - | - | - | - | 685,257 | 680,174 |
| Payable to outside United Way Agencies | 42,818 | - | - | - | - | - | 42,818 | 32,752 |
| | <u>777,511</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,554</u> | <u>780,065</u> | <u>765,479</u> |
| Deferred revenue | | | | | | | | |
| Deferred campaign revenues | 76,949 | - | - | - | - | - | 76,949 | 72,059 |
| Deferred revenue - other | 8,454 | - | - | - | 5,601 | - | 14,055 | 14,940 |
| | <u>85,403</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,601</u> | <u>-</u> | <u>91,004</u> | <u>86,999</u> |
| Fund balances | | | | | | | | |
| Externally restricted (Note 3) | - | - | - | 50,000 | - | - | 50,000 | 50,000 |
| Internally restricted (Note 3) | - | 36,188 | 200,710 | 951,682 | 42,555 | (32,799) | 1,198,336 | 677,560 |
| Unrestricted | - | - | - | - | - | - | - | 8,302 |
| | <u>-</u> | <u>36,188</u> | <u>200,710</u> | <u>1,001,682</u> | <u>42,555</u> | <u>(32,799)</u> | <u>1,248,336</u> | <u>735,862</u> |
| | <u>\$ 862,914</u> | <u>\$ 36,188</u> | <u>\$ 200,710</u> | <u>\$ 1,001,682</u> | <u>\$ 48,156</u> | <u>\$ (30,245)</u> | <u>\$ 2,119,405</u> | <u>\$ 1,588,340</u> |

On behalf of the Board:

_____ President

_____ Executive Director

United Way of Sault Ste. Marie & District
Statement of Changes in Net Assets

March 31

2010 2009
 Restated
 (see Note 10)

| | General Fund | Capital Fund | Stabilization Fund | Endowment Fund | Solution Council Trust Fund | Community Assistance Trust Fund | Total |
|--|--------------|--------------|--------------------|----------------|-----------------------------|---------------------------------|--------------|
| Fund balance, beginning of period, restated (see Note 10) | \$ 8,302 | \$ 46,346 | \$ 242,536 | \$ 424,743 | \$ 34,908 | \$ (20,973) | \$ 815,534 |
| Excess (deficiency) of revenue over expenses | 37,515 | (11,484) | (31,983) | 510,779 | (28,693) | (29,869) | (33,904) |
| Inter-fund transfers (Note 4) | (45,817) | 1,326 | (8,529) | (2,490) | 37,467 | 18,043 | - |
| Changes in unrealized loss on investments | - | - | (1,314) | 68,650 | (1,127) | - | (45,771) |
| Fund balance, end of period | \$ - | \$ 36,188 | \$ 200,710 | \$ 1,001,682 | \$ 42,555 | \$ (32,799) | \$ 1,248,336 |
| | | | | | | | \$ 735,859 |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

United Way of Sault Ste. Marie & District Statement of Operations

For the year ended March 31

| | 2010 | | | | | 2009 | | |
|---|------------------|--------------------|--------------------|-------------------|-----------------------------|---------------------------------|-------------------|------------------------------|
| Revenue | General Fund | Capital Fund | Stabilization Fund | Endowment Fund | Solution Council Trust Fund | Community Assistance Trust Fund | Total | Restated (see Note 10) Total |
| Campaign revenue | \$ 1,165,795 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,165,795 | \$ 1,212,801 |
| Less: Uncollectible pledges | (80,268) | - | - | - | - | - | (80,268) | (32,154) |
| Other revenues: - Rentals | 16,400 | - | - | - | - | - | 16,400 | 16,776 |
| - Gov't grants | 44,633 | - | - | - | - | - | 44,633 | 44,633 |
| Winter Warmth program | - | - | - | - | - | 607,701 | 607,701 | 509,367 |
| Agency funding | 280,945 | - | - | - | - | - | 280,945 | - |
| Administration | 6,130 | - | - | - | - | - | 6,130 | - |
| Miscellaneous | 85,193 | - | - | - | 33,922 | 47,799 | 166,914 | 39,156 |
| Bequests received | - | - | - | 498,873 | - | - | 498,873 | 6,680 |
| Investment income | 4,879 | - | - | 18,739 | 9 | - | 23,627 | 12,961 |
| | 1,523,707 | - | - | 517,612 | 33,931 | 655,500 | 2,730,750 | 1,765,587 |
| Expenses | | | | | | | | |
| Fundraising expenses | | | | | | | | |
| Campaign expenses (Sch. 1) | 249,624 | - | - | - | - | - | 249,624 | 263,432 |
| Special events | 23,605 | - | - | - | - | - | 23,605 | 25,077 |
| Program expenses | | | | | | | | |
| Agency program payments and developmental grants (Sch. 2) | 687,698 | - | - | - | - | - | 687,698 | 680,174 |
| Volunteer Sault Ste. Marie (Sch. 3) | 226,022 | - | - | - | - | - | 226,022 | 240,575 |
| Community Assistance | - | - | - | - | - | 685,369 | 685,369 | 475,506 |
| Trust Program (Sch. 5) | 17,780 | - | - | - | - | - | 17,780 | 19,577 |
| Agency services | - | - | - | - | - | - | - | - |
| Winter Warmth program | - | - | - | - | - | - | - | - |
| Agency distributions | 278,203 | - | - | - | - | - | 278,203 | - |
| Administration | 3,260 | - | - | - | - | - | 3,260 | - |
| Special projects | - | - | - | 6,833 | 62,624 | - | 69,457 | 80,278 |
| Other expenses | - | - | - | - | - | - | - | - |
| Amortization of capital assets | - | 11,484 | - | - | - | - | 11,484 | 14,872 |
| | 1,486,192 | 11,484 | - | 6,833 | 62,624 | 685,369 | 2,252,502 | 1,799,491 |
| Income (loss) from operations | 37,515 | (11,484) | - | 510,779 | (28,693) | (29,869) | 478,248 | (33,904) |
| Write-down of investment (Note 9) | - | - | (31,983) | - | - | - | (31,983) | - |
| Excess (deficiency) of revenue over expenses | \$ 37,515 | \$ (11,484) | \$ (31,983) | \$ 510,779 | \$ (28,693) | \$ (29,869) | \$ 446,265 | \$ (33,904) |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**United Way of Sault Ste. Marie & District
Statement of Cash Flows**

| For the year ended March 31 | 2010 | 2009 Restated (see Note 10) |
|--|-------------------|-----------------------------------|
| Cash flows from operating activities | | |
| Income (loss) from operations | \$ 446,265 | \$ (33,904) |
| Amortization of capital assets | 11,484 | 14,872 |
| | 457,749 | (19,032) |
| Changes in non-cash working capital balances | | |
| Pledges receivable | (57,321) | 43,296 |
| Other receivables | (32,021) | (19,497) |
| Inventory of artwork | - | 200 |
| Prepaid expense | (7,129) | 4,670 |
| Accounts payable and accrued liabilities | (560) | 1,800 |
| Allocations payable | 5,083 | - |
| Payable to outside United Way Agencies | 10,066 | 3,130 |
| Interfund balances | (33) | 27 |
| Deferred revenue - other | (885) | (13,197) |
| Deferred net campaign revenues | 4,890 | (2,929) |
| | 379,839 | (1,532) |
| Cash flows from investing activities | | |
| Purchase of capital assets | (1,326) | (15,537) |
| Change in unrealized gain (loss) on investments | 66,209 | (45,771) |
| Increase (decrease) in investments | (332,815) | (228,600) |
| | (267,932) | (289,908) |
| Net increase (decrease) in cash during the year | 111,907 | (291,440) |
| Cash and cash equivalents, beginning of year | 193,339 | 484,779 |
| Cash and cash equivalents, end of year | \$ 305,246 | \$ 193,339 |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

United Way of Sault Ste. Marie & District Summary of Significant Accounting Policies

March 31, 2010

Nature of Operations

The United Way of Sault Ste. Marie and District (the "Agency") is a public foundation incorporated under the laws of Ontario and its primary purpose is to raise funds through public donations and provide financial support to recognized charities and benevolent organizations. The Agency is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

Revenue Recognition

The Agency follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are reported as direct increases in net assets in the year in which they are received.

Pledges receivable are recorded based on management's best estimate of pledges to be received from the campaign.

Revenue received in the current period for specific purposes is deferred until the related expenditures are incurred.

Campaign revenues applicable to the annual campaign, which commences in September, are recognized as revenue in the year the campaign occurs. Designated donations that are restricted are deferred and recognized as revenue in the year in which the related expenses are incurred.

Fund Accounting

The agency accounts for its activities in the following six separate funds:

General fund: All Agency allocations and regular activities are transacted within this fund. If there is a surplus in this fund at the end of the year it is transferred to the Stabilization Fund or an appropriate fund authorized by the Board of Directors and if there is a deficit, funds are transferred from the Stabilization Fund to eliminate the deficit.

Capital fund: This fund accounts for capital assets and the transactions related to their acquisition, disposal and amortization.

Stabilization fund: This fund was established to offset annual campaign fluctuations and help supplement allocations for general operating needs. The fund should average 25% (+/- 5%) of the most recent campaign achievement or approved operating needs. If the Stabilization Fund balance falls below 20%, it should be refunded from campaign revenues not exceeding 5% of the campaign in a given year. Any excess could either be held for agencies' appeals or for new initiatives addressing community priority issues.

Endowment fund: The complete name of this fund is the Community Endowment Future Fund and it was established to receive bequests and contributions, separate from the annual campaign. The income from externally restricted funds are subject to restrictions or specific terms and conditions under which contributions may be expended.

United Way of Sault Ste. Marie & District Summary of Significant Accounting Policies

March 31, 2010

| | | | | | | | | | | | | | |
|---------------------------------------|--|--------------------------------|---|--------------------------------|--------------------|---|--------------------------------|-----------------------------|---|--------------------------------|------------------------|---|-------------------------------|
| Fund Accounting (continued) | <p>Solution Council Trust Fund: This fund was established to facilitate the funding of identified community priorities.</p> <p>The Community Assistance Trust Fund: This fund was established to facilitate the funding of specific community priorities through the assistance of the Trillium Foundation, Ontario Works and local service clubs.</p> | | | | | | | | | | | | |
| Contributed Services | <p>Volunteers assist the Agency in carrying out its various service delivery activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.</p> | | | | | | | | | | | | |
| Capital Assets | <p>Capital assets are recorded at cost less accumulated amortization. Amortization is calculated over the estimated useful life of the asset, using the following rates and methods:</p> <table><tr><td>Furniture and fixtures</td><td>-</td><td>20% diminishing balance method</td></tr><tr><td>Computer equipment</td><td>-</td><td>30% diminishing balance method</td></tr><tr><td>Electronic office equipment</td><td>-</td><td>30% diminishing balance method</td></tr><tr><td>Leasehold improvements</td><td>-</td><td>10 years straight-line method</td></tr></table> | Furniture and fixtures | - | 20% diminishing balance method | Computer equipment | - | 30% diminishing balance method | Electronic office equipment | - | 30% diminishing balance method | Leasehold improvements | - | 10 years straight-line method |
| Furniture and fixtures | - | 20% diminishing balance method | | | | | | | | | | | |
| Computer equipment | - | 30% diminishing balance method | | | | | | | | | | | |
| Electronic office equipment | - | 30% diminishing balance method | | | | | | | | | | | |
| Leasehold improvements | - | 10 years straight-line method | | | | | | | | | | | |
| Pension Plan | <p>The Agency sponsors a defined contribution pension arrangement covering substantially all employees. The cost of defined contribution pension is expensed as earned by employees. The Agency makes monthly contributions in accordance with the plan agreement to the employees' individual accounts, which are administered by a plan trustee.</p> | | | | | | | | | | | | |
| Use of Estimates | <p>The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from managements best estimates as additional information becomes available in the future.</p> | | | | | | | | | | | | |
| Financial Instruments | <p>The Agency classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Agency's accounting policy for each category is as follows:</p> <p>a) Held for trading</p> <p>Financial instruments are classified under this category if they are:</p> <ol style="list-style-type: none">i) acquired principally for the purpose of selling or repurchasing in the near term;ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;iii) a derivative, except for a derivative that is a financial guarantee contract or a designated effective hedging instrument; oriv) designated at fair value using the fair value option ("FVO") <p>Financial instruments cannot be transferred into or out of the held for trading category after inception. For designation at fair value using the FVO option, reliable fair values must be readily available.</p> | | | | | | | | | | | | |

United Way of Sault Ste. Marie & District Summary of Significant Accounting Policies

March 31, 2010

Financial Instruments
(continued)

Financial instruments included in this category are cash. These instruments are carried in the balance sheet at fair value with changes in fair value recognized in the Statement of Operations. Transaction costs related to instruments classified as held for trading are expensed as incurred.

b) Loans and receivables

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary assets. These financial instruments are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are included in the amount initially recognized. Pledges and other receivables have been classified as loans and receivables.

c) Available for sale

Available for sale assets are non-derivative financial assets that are designated as available for sale or are not categorized into any of the other categories described above. Temporary investments have been classified as available for sale. When they have a quoted market price in an active market, they are carried at fair value with changes in fair value recognized in the fund balances. When they do not have a quoted market price in an active market, they are carried at cost. Where a decline in the fair value is determined to be other than temporary, the amount of the loss is removed from the fund balance and recognized in the Statement of Operations. Transaction costs related to available for sale investments are included in the amount initially recognized.

d) Other financial liabilities

Other financial liabilities includes all financial liabilities other than those classified as held for trading and comprises accounts payable and accrued liabilities, allocations payable and payments to outside United Way Agencies. These instruments are initially recognized at fair value including direct and incremental transaction costs. They are subsequently measured at amortized cost using the effective interest rate method.

United Way of Sault Ste. Marie & District
Notes to Financial Statements

March 31, 2010

1. Pledges receivable

| | 2010 | 2009 |
|-------------------------------------|------------|------------|
| Pledges receivable | | |
| Current year | \$ 655,248 | \$ 597,552 |
| Prior years | 47,591 | 35,966 |
| | 702,839 | 633,518 |
| Less allowance for doubtful pledges | 30,000 | 18,000 |
| | \$ 672,839 | \$ 615,518 |

Pledges receivable, a substantial amount of which are collectable from various employee groups, are recorded at the values pledged by the donors, less management's best estimate of doubtful pledges based on their past experience with similar pledges. The actual amount collected will be determined over the next year and may differ significantly from the amounts recorded.

2. Capital assets

| | 2010 | | 2009 | |
|-----------------------------|------------|-----------------------------|------------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Furniture and fixtures | \$ 59,029 | \$ 42,953 | \$ 59,029 | \$ 38,934 |
| Computer equipment | 94,584 | 81,006 | 93,258 | 75,186 |
| Electronic office equipment | 6,953 | 3,969 | 6,953 | 3,392 |
| Leasehold improvements | 5,773 | 2,223 | 5,773 | 1,155 |
| | \$ 166,339 | \$ 130,151 | \$ 165,013 | \$ 118,667 |
| Net book value | | \$ 36,188 | | \$ 46,346 |

3. Net assets

The Agency considers its capital to be its net assets, restricted and unrestricted. Its restricted net assets consist of amounts invested to earn interest income for the purposes outlined below. The Agency's objectives when managing its capital are to safeguard its ability to continue as a going concern so it can continue to provide financial support to recognized charities and benevolent organizations. Annual budgets are developed and monitored to ensure the Agency's capital is maintained at an appropriate level.

a) Externally restricted

Endowment Fund: The Endowment Fund contains a \$50,000 donation restricted until the year 2050. The income earned on this deposit is annually transferred to the campaign operating account for allocation to the United Way's Human Care Service Agencies. During the year, the Agency received bequests by way of donations from the estate of local donors totaling \$498,873. These funds are internally restricted for future use.

The Community Assistance Trust Fund: These funds are to be used to fund specific community needs identified and approved by the Board of Directors and the Trillium Foundation.

United Way of Sault Ste. Marie & District
Notes to Financial Statements

March 31, 2010

3. Net assets (continued)

b) Internally restricted:

The Board of Directors restricts internally restricted funds as follows:

Stabilization Fund: These funds are to be used to offset annual campaign fluctuations and help supplement allocations for general operating needs.

Endowment Fund Capital: These funds are to be used as follows:

- i) an extraordinary event has been identified or an emergency has been declared by the Board;
- ii) the Stabilization Fund has been exhausted; or
- iii) the Planned Giving Committee and the United Way Board unanimously recommend the disbursement. No more than 10% of the fund balance to a maximum of \$50,000 is disbursed at any one time and the frequency of disbursement is restricted to once every five years.

Solution Council Trust Fund: These funds are to be used to fund community priority needs identified and approved by the Board of Directors.

Invested in capital assets represents internally restricted assets related to capital assets.

4. Inter-fund transfers

During the year the Board of Directors approved the following transfers from the General Fund to other funds for their share of campaign allocations:

| | | |
|---------------------------------|----|--------|
| Community Assistance Trust Fund | \$ | 58,054 |
| Solutions Council Trust Fund | | 25,000 |

In addition, the Board of Directors approved a transfer from the Stabilization Fund to the General Fund of \$8,163.

5. Pension plan

Employees are eligible to participate in a defined contribution pension plan. Employer contributions totaled \$7,634 (2009 - \$7,437) during the current period and were fully expensed.

6. Commitments

The Agency leases office equipment with annual lease payments of \$8,931. The lease for the fax machine expires in November 2014, while the lease for a photocopier expires in March 2013. The Agency leases an office building with annual payments of \$24,806, expiring August 2017.

United Way of Sault Ste. Marie & District

Notes to Financial Statements

March 31, 2010

7. Financial instruments

The fair value of investments is equal to the quoted market value. The fair value of other financial assets and liabilities, being cash, campaign pledges receivable, other receivables, accounts payable and accrued liabilities and payable to outside United Way Agencies, approximate their carrying values due to the relatively short-term nature of these financial instruments.

Campaign pledges receivable and other receivables are subject to credit risk. Cash and cash equivalents are held in credit-worthy financial institutions.

The risk associated with the investments are the risks associated with the securities in which the funds are invested. The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issue the securities. The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

United Way mitigates these risks with an investment policy designed to limit exposure and concentration while achieving optimal return within reasonable risk tolerances.

8. Allocation of general management and administrative expenses

General management and administrative expenses are incurred to support functional areas and are allocated to fundraising and community capacity building activities expenses based on the estimated time spent in each area.

| | 2010 | % | 2009 | % |
|-------------------------|------|---|------|---|
| To fundraising expenses | 75 | | 75 | |
| To programs | 25 | | 25 | |

9. Investment in United Ways of Ontario Operational Fund

The United Ways of Ontario operating fund was established in 1999 for the purpose of conducting collaborative projects to benefit the provincial United Way member organizations. The fund will be distributed to the member organizations in the event that the United Ways of Ontario should ever be dissolved. Due to the fact, that the monies will only be transferred to the United Way of Sault Ste. Marie as a result of the dissolution of the United Ways of Ontario, it is uncertain whether these funds will provide a future benefit to the Agency and therefore, the balance of \$31,983 has been written off in the current year.

10. Change in accounting policy

Effective April 1, 2009, the Agency adopted the amended CICA Handbook Section 1000, Financial Statement Concepts, which focuses on the capitalization of costs that meet the definition of an asset and de-emphasizes the matching principle.

The amendments resulted in expensing in the period incurred campaign expenses, recognition of campaign revenue in the period earned, deferral of externally restricted donations and recognition of agency payment liability in the period that the allocations are approved and announced. This retrospective adoption resulted in the following changes to the comparative figures.

| | |
|--|--------------|
| Increase in allocations payable | \$ (680,174) |
| Decrease in net deferred campaign revenue/expenses | 688,461 |
| Decrease in general fund surplus | 30,656 |
| Increase in campaign revenue | (36,765) |
| Increase in campaign expenses | 4,844 |
| Decrease in agency program payments | (7,022) |

United Way of Sault Ste. Marie & District
Schedule 1 - Campaign Expenses

| For the year ended March 31 | 2010 | 2009 Restated (see Note 10) |
|--|-------------------|-----------------------------------|
| Advertising and promotion | \$ 13,660 | \$ 8,451 |
| Miscellaneous | 940 | 397 |
| Salaries and employee benefits | 60,342 | 59,907 |
| Stationery, supplies and postage | 11,642 | 18,587 |
| Travel | 4,200 | 8,208 |
| | <u>90,784</u> | <u>95,550</u> |
| Allocation of general management and administrative expenses | 158,840 | 167,882 |
| Net campaign expenses | \$ 249,624 | \$ 263,432 |

United Way of Sault Ste. Marie & District
Schedule 2 - Agency Program Payments and Developmental Grants

| For the year ended March 31 | 2010 | 2009 Restated (see Note 10) |
|--|-------------------|-----------------------------------|
| Agency program payments | | |
| Algoma Substance Abuse Rehabilitation Centre (Breton House) \$ | 28,068 | \$ 28,099 |
| Big Brothers Association of Sault Ste. Marie | 44,496 | 44,551 |
| Big Sisters Association of Sault Ste. Marie | 48,300 | 48,355 |
| Canadian Hearing Society | 27,964 | 27,993 |
| Canadian Mental Health/Sault Ste. Marie | 119,960 | 119,991 |
| Canadian National Institute for the Blind | 45,000 | 45,031 |
| Canadian Red Cross Society | 54,590 | 54,792 |
| Credit Counselling Service of Sault Ste. Marie and District Inc. | 15,000 | 15,147 |
| Family Y.M.C.A. | 25,000 | 35,234 |
| John Howard Society | 52,000 | 52,160 |
| Learning Disability Association | 3,000 | 13,666 |
| Ontario March of Dimes | 28,000 | 28,017 |
| Pauline's Place | 25,000 | 25,284 |
| Royal Canadian Air Cadets | 4,000 | 4,055 |
| St. John Ambulance | 15,965 | 16,087 |
| Sault Ste. Marie Alcohol Recovery Home Inc. | 15,450 | 15,481 |
| Sault Search and Rescue Inc. | 25,029 | 25,046 |
| Scouts Canada | - | 1,185 |
| Therapeutic Ride Algoma | 5,000 | 5,017 |
| Victim Services of Algoma | 10,000 | 10,017 |
| Victorian Order of Nurses | 22,150 | 22,167 |
| Women in Crisis | 32,000 | 32,709 |
| | 645,972 | 670,084 |
| Payments to non member agencies | 20,000 | 1,000 |
| Developmental grants: United Way of Canada | 9,225 | 8,875 |
| District grants | 12,501 | - |
| Miscellaneous payments to member programs | - | 215 |
| Agency program payments and developmental grants | \$ 687,698 | \$ 680,174 |

United Way of Sault Ste. Marie & District
Schedule 3 - Volunteer Sault Ste. Marie

| For the year ended March 31 | 2010 | 2009 |
|--|-------------------|-------------------|
| 211 Project | \$ 30,932 | \$ 52,374 |
| Administrative charges | 8,000 | 8,000 |
| Advertising and promotion | 1,793 | 464 |
| Community Christmas for children | 5,245 | 4,327 |
| Equipment maintenance | 3,718 | 2,714 |
| Income tax program | 5,740 | 4,792 |
| Miscellaneous | 615 | 200 |
| Publications | 469 | 228 |
| Salaries and employee benefits | 48,905 | 50,339 |
| Social services solutions | 10,603 | 10,031 |
| Stationery, office supplies and postage | 1,217 | 1,398 |
| Telephone | 1,864 | 1,695 |
| Training and recruitment | 4,366 | 442 |
| Volunteer appreciation dinner | 7,182 | 7,290 |
| Volunteer fair | 1,086 | 181 |
| Volunteer leadership development | 33,004 | 32,296 |
| Volunteer resource group | 8,336 | 7,843 |
| | 173,075 | 184,614 |
| Allocation of general management and administrative expenses | 52,947 | 55,961 |
| Volunteer Sault Ste. Marie | \$ 226,022 | \$ 240,575 |

United Way of Sault Ste. Marie & District
Schedule 4 - General and Administrative Expenses

| For the year ended March 31 | 2010 | 2009 |
|---|------------------|------------------|
| Annual meeting and report | \$ 1,815 | \$ 1,318 |
| Building maintenance | 8,006 | 10,259 |
| Conference and travel | 9,521 | 7,725 |
| Equipment maintenance | 19,070 | 12,820 |
| Heat, water and light | 2,353 | 7,720 |
| Insurance | 2,470 | 3,138 |
| Interest and service charges | 315 | 433 |
| Miscellaneous | 898 | 1,365 |
| Professional fees | 9,000 | 9,002 |
| Public relations | 26,687 | 3,043 |
| Publications | 900 | 1,621 |
| Rent | 25,770 | 25,356 |
| Salaries and employee benefits | 94,921 | 127,933 |
| Stationery, office supplies and postage | 9,710 | 10,931 |
| Training | 351 | 1,179 |
| | 211,787 | 223,843 |
| Allocation to fundraising expenses | (158,840) | (167,882) |
| Allocation to programs | (52,947) | (55,961) |
| | \$ - | \$ - |

United Way of Sault Ste. Marie & District
Schedule 5 - Community Assistance Trust Program

| For the year ended March 31 | 2010 | 2009 |
|---|-------------------|-------------------|
| Expenses | | |
| Administrative charges | \$ 59,934 | \$ 44,966 |
| Advertising and promotion | 2,961 | 86 |
| Direct client expenditures | 503,450 | 316,118 |
| Equipment maintenance | 2,495 | 1,995 |
| Office supplies | 13,099 | 8,270 |
| Salaries and employee benefits | 103,430 | 104,071 |
| | <hr/> | <hr/> |
| Community Assistance Trust Program | \$ 685,369 | \$ 475,506 |