

A woman with dark hair in a bun, wearing a white t-shirt with a red graphic that says "ALL THE KIDS CANE" and a blue patterned skirt, stands on a rooftop looking out over a city. Her right hand is raised. The background shows a cityscape with buildings, streets, and a body of water in the distance. A red circle in the top right corner contains the text "Improving Lives Locally".

Improving  
Lives  
Locally

2016 Financial Report

# Possibility

is finding opportunities;  
an expectation raised and an  
elevated dream for the future;  
an education; a job; a chance.



# Financial Report

for period ending June 30, 2016

It is my pleasure to present the Audit Committee report for the fiscal year ended June 30, 2016.

One of the key functions of the Audit Committee for United Way Regina (UWR) is to meet with the external auditors to review the annual audit plan, conduct an in-camera session with the auditors, review and make recommendations on the audited financial statements.

No significant issues were identified during the 2015-2016 audit and our external auditors, Virtus Group Chartered Accountants & Business Advisors LLP have provided an "unqualified opinion" of our audited financial statements.

As we review the Statement of Financial Position, notable is the decrease in short term investments and cash of approximately \$500K, reflecting a lower portion of our investments held in money market & GICs maturing within the year, as we continue to ladder out long term investments. Consistent to the market, we saw stable returns overall on our investments in 2015-2016, however welcome a more lucrative investor environment in the upcoming fiscal year.

Under the Liabilities and Net Assets section, donor directed payables of **\$53,811** (2015- \$72,251) are fairly consistent to the previous year; however this number will always be variable in nature. These flow-thru accounts are donations received on behalf of other United Ways and charities, which are not part of the United Way Regina campaign therefore, are not reported as UWR revenue. The distribution of these flow-thru accounts occurred more frequently in the later part of 2014 onwards resulting in the decreased balance as compared to years prior. Funds held for 211 Saskatchewan (Note 7) of **\$26,656** (2015 – \$15,594) is the unexpended balance of funds received from United Way Saskatoon & Area for 211 Saskatchewan operations, which is jointly funded until March 31, 2017, under the current agreement. Deferred Contributions of **\$207,666** (2015- \$211,933) are donor designated funds to other registered charities pledged in the UWR General Campaign. During the fiscal year, over \$228K was distributed and, in accordance with accounting policy revenue and expense of this amount, was recognized as donation revenue and the related expense is reported under the line item Donor Directed to Other Charities on the Statement of Operations.



Within the Statement of Net Assets, you will notice that at the ending balance for the Community Innovations Fund is nil as it was discontinued as of December 31, 2014. Any excess revenues are now distributed 80% to the Community Use Reserve, 10% to each of the Tomorrow Fund endowments once the Operating Reserve has reached its six month maximum. It should be noted that funds over and above the required funding commitments held in the Community Use Reserve will be used at the Board's discretion to further United Way Regina's Investment Strategy.

The Statement of Operations shows gross campaign revenue of **\$3,820,868** (2015-\$4,307,386). When compared to the year prior, campaign revenue was down due to overall gifts received, however further magnified due to the unpredictable nature of bequests (220K in 2015). A positive highlight on the revenue side occurred in the diversification of funding sources, particularly Contributions/Grants, recording income of \$255,520 (2015-\$102,195) during the fiscal year. This 150% increase in income in this category contained grants from the Federal Government for the Homeless Individuals & Families Information System (HIFIS) program, as well as multiple other funding partners for the Literacy Initiative, Day of Caring, Major Gift and Summer Success programs. Investment income of \$49,453 was considerably less than 2015 of \$76,247, due both a prior year adjustment of approximately (\$16,500), as well as standard market fluctuations.

Notable expenses are Fundraising Expenses of \$574,365 (2015-\$526,195), which are itemized on Schedule 2. Total fundraising costs prior to allocation of general office admin expenses were slightly over budget, however typically only in strategically identified areas of opportunity, while many other costs fell under budget overall. Programs Funded increased to \$506,290 (2015-\$236,884), including expenses of HIFIS, School Readiness, Day of Caring and the expansion of the Summer Success initiative. Community Impact posted a lower than budgeted expense of \$616,437 (2015-\$674,587), due to project timelines and revenue generation. General Administration Expenses (Schedule 1), which posted an expense of \$236,492 (2015-\$265,310), was well under budget due to staff changes and projects. United Way Regina's major operating expense continues to be the Allocation to Funded Partners for a total of almost \$2.1 million dollars (listed in Schedule 3). Total Community Impact expenses amounted to over \$3.6 million dollars, inclusive of allocations, which supports a variety of programming which strategically mobilizes the community in an effort to make positive changes collectively in our 3 key focus areas.

For the fiscal period ended June 30, 2016, the both Operating Fund and Tomorrow Fund incurred a deficit of \$92,851 and \$3,234 respectively. While the organization did not invest additional dollars to its' Operating & Tomorrow Funds this fiscal year, currently both the Community Use Reserve and Operating Fund ending balances are compliant with the minimum and maximums as specified in our internal policy, which is a positive indicator of the charity's overall health. It was a great year at United Way Regina and we look forward to continued success as we start the 2016-2017 year!

*Brent Sjoberg*

Chair, Audit & Risk Management Committee

# **UNITED WAY OF REGINA**

**Financial Statements**

**June 30, 2016**



# UNITED WAY OF REGINA

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of United Way of Regina have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of United Way of Regina's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfils its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit and Risk Management Committee. The Audit and Risk Management Committee is appointed by the Board and meets periodically with management and the organization's auditors to review significant accounting, reporting and internal control matters. Following review of the financial statements and discussions with the auditors, the Committee recommends to the Board of Directors the approval of the financial statements. The Committee also considers, for review and approval by the Board, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members of the United Way of Regina, in accordance with Canadian Auditing Standards.

R. Edwards-Bentz  
Chief Executive Officer

Sept. 19, 2016  
Date



## INDEPENDENT AUDITORS' REPORT

**To the Members,  
United Way of Regina**

We have audited the accompanying financial statements of **United Way of Regina** which comprise the statement of financial position as at June 30, 2016, and the statements of operations, net assets and cash flows for the year then ended, and 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 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.

**September 15, 2016  
Regina, Saskatchewan**

**VIRTUS GROUP LLP**  
**Chartered Professional Accountants**



# UNITED WAY OF REGINA

## Statement of Financial Position As at June 30, 2016 (with comparative figures at June 30, 2015)

	OPERATING FUND	TOMORROW FUND	TOTAL 2016	TOTAL 2015
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 581,965	\$ -	\$ 581,965	\$ 746,550
Investments (Note 3)	602,717	-	602,717	944,875
Accounts receivable	17,737	-	17,737	21,318
Pledges receivable (Note 4)	983,700	-	983,700	1,061,216
Prepaid expenses	6,615	-	6,615	16,643
	2,192,734	-	2,192,734	2,790,602
<b>DUE (TO) FROM OTHER FUNDS (Note 9)</b>	-	-	-	-
<b>INVESTMENTS (Note 3)</b>	594,199	1,251,881	1,846,080	1,395,494
<b>TANGIBLE CAPITAL ASSETS (Note 5)</b>	376,804	-	376,804	410,375
	\$ 3,163,737	\$ 1,251,881	\$ 4,415,618	\$ 4,596,471
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 40,486	\$ -	\$ 40,486	\$ 55,432
Donor directed payable (Note 6)	53,811	-	53,811	72,251
Deferred revenue	105,255	-	105,255	115,430
Funds held for 211 Saskatchewan (Note 7)	26,656	-	26,656	15,594
Funds held in trust (Note 8)	23,786	-	23,786	46,786
	249,994	-	249,994	305,493
<b>DEFERRED CONTRIBUTIONS (Note 10)</b>	207,666	-	207,666	211,933
	457,660	-	457,660	517,426
<b>NET ASSETS</b>	2,706,077	1,251,881	3,957,958	4,079,045
	\$3,163,737	\$ 1,251,881	\$ 4,415,618	\$ 4,596,471

### COMMITMENTS (Note 12)

See accompanying notes

### ON BEHALF OF THE BOARD

Director

Director

# UNITED WAY OF REGINA

## Statement of Net Assets

Year Ended June 30, 2016

(with comparative figures for the year ended June 30, 2015)

	Operating Fund				Tomorrow Fund				Total
	Invested in Tangible Capital Assets	Community Use Reserve	Operating Fund	Total Operating Fund	Community Innovation Fund	Community Legacy Endowment Fund	Operating Endowment Fund	Total Tomorrow Fund	-Total-
<b>BALANCE – beginning of year</b>	\$ 410,375	\$ 1,910,742	\$ 502,225	\$ 2,823,342	\$ -	\$ 651,602	\$ 604,101	\$ 1,255,703	\$ 4,079,045
Excess revenue (expenses)	(55,565)	-	(62,286)	(117,851)	-	(1,576)	(1,658)	(3,234)	(121,085)
Purchase of tangible capital assets	21,995	-	(21,995)	-	-	-	-	-	-
Transfer from Tomorrow Fund (Note 9)	-	-	587	587	-	-	(587)	(587)	-
Transfer to Operating Fund (Note 9)	-	(25,000)	25,000	-	-	-	-	-	-
Internal transfers within Tomorrow Fund	-	-	-	-	-	6,768	(6,768)	-	-
<b>BALANCE - end of year</b>	\$ 376,805	\$ 1,885,742	\$ 443,531	\$ 2,706,078	\$ -	\$ 656,794	\$ 595,088	\$ 1,251,881	\$ 3,957,960

	Operating Fund				Tomorrow Fund				Total
	Invested in Tangible Capital Assets	Community Use Reserve	Operating Fund	Total Operating Fund	Community Innovation Fund	Community Legacy Endowment Fund	Operating Endowment Fund	Total Tomorrow Fund	-Total-
<b>BALANCE – beginning of year</b>	\$ 431,015	\$ 1,675,268	\$ 481,000	\$ 2,587,283	\$ 81,173	\$ 593,192	\$ 547,938	\$ 1,222,303	\$ 3,809,586
Excess revenue (expenses)	(54,168)	-	282,191	228,023	-	21,654	19,782	41,436	269,459
Purchase of tangible capital assets	33,528	-	(33,528)	-	-	-	-	-	-
Transfer (to) from Tomorrow Fund (Note 9)	-	-	8,036	8,036	(81,173)	36,756	36,381	(8,036)	-
Transfer to Community Use Reserve	-	235,474	(235,474)	-	-	-	-	-	-
<b>BALANCE - end of year</b>	\$ 410,375	\$ 1,910,742	\$ 502,225	\$ 2,823,342	\$ -	\$ 651,602	\$ 604,101	\$ 1,255,703	\$ 4,079,045

See accompanying notes

# UNITED WAY OF REGINA

Statement of Operations  
Year Ended June 30, 2016  
(with comparative figures for the year ended June 30, 2015)

	OPERATING FUND	TOMORROW FUND	TOTAL 2016	TOTAL 2015
<b>REVENUE</b>				
Donations	\$ 3,426,240	\$ -	\$ 3,426,240	\$ 4,019,878
Funds transferred from other United Ways	394,628	-	394,628	287,508
Gross campaign revenue	3,820,868	-	3,820,868	4,307,386
Less: Uncollectible pledges	(85,715)	-	(85,715)	(134,142)
Net campaign revenue	3,735,153	-	3,735,153	4,173,244
Contributions/Grants	255,520	-	255,520	102,195
Investment income	37,552	11,901	49,453	76,247
Special events/Other revenue	17,920	-	17,920	38,501
	4,046,145	11,901	4,058,046	4,390,187
<b>FUNDRAISING EXPENSES (Schedule 2)</b>	559,230	15,135	574,365	526,195
<b>NET REVENUE AVAILABLE FOR ALLOCATIONS AND PROGRAMS</b>	3,486,915	(3,234)	3,483,681	3,863,992
<b>COMMUNITY IMPACT EXPENSES</b>				
Allocation to funded partners (Schedule 3)	2,096,553	-	2,096,553	2,225,559
Donor directed to other charities	228,039	-	228,039	257,766
Programs funded (Schedule 4)	506,290	-	506,290	236,884
211 Saskatchewan (Note 7)	113,938	-	113,938	164,636
United Way of Canada dues	43,509	-	43,509	35,101
Community impact	616,437	-	616,437	674,587
<b>TOTAL COMMUNITY IMPACT EXPENSES</b>	3,604,766	-	3,604,766	3,594,533
<b>EXCESS OF REVENUE (EXPENSES)</b>	(117,851)	(3,234)	(121,085)	269,459
<b>TRANSFER – COMMUNITY USE RESERVE</b>	25,000	-	25,000	-
<b>NET CHANGE IN OPERATING FUND FROM THE ABOVE</b>	\$ (92,851)	\$ (3,234)	\$ (96,085)	\$ 269,459

See accompanying notes



# UNITED WAY OF REGINA

## TOMORROW FUND Statement of Revenue and Expenses Year Ended June 30, 2016 (with comparative figures for the year ended June 30, 2015)

	COMMUNITY INNOVATIONS (Note 2)	COMMUNITY LEGACY ENDOWMENT	OPERATING ENDOWMENT	TOTAL 2016	TOTAL 2015
<b>REVENUE</b>					
Donations	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	6,348	5,553	11,901	55,705
	-	6,348	5,553	11,901	55,705
<b>EXPENSES</b>					
FUNDRAISING EXPENSES (Schedule 2)	-	7,924	7,211	15,135	14,269
<b>Total Expenses</b>	-	7,924	7,211	15,135	14,269
<b>EXCESS OF REVENUE (EXPENSES) \$</b>	-	\$ (1,576)	\$ (1,658)	(\$ 3,234)	\$ 41,436

See accompanying notes



# UNITED WAY OF REGINA

## Statement of Cash Flow Year Ended June 30, 2016

(with comparative figures for the year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Excess of revenues (expenses)	\$ (96,085)	\$ 269,459
Plus item which does not require cash outlay:		
- Amortization	55,565	54,168
	(40,520)	323,627
Changes in non-cash working capital		
Investments – current	342,158	(186,872)
Accounts receivable	3,581	(3,243)
Pledges receivable	77,516	14,960
Prepaid expenses	10,028	6,749
Accounts payable	(14,946)	(13,913)
Donor directed payable	(18,440)	(202,851)
Deferred revenue	(10,175)	18,725
Funds held for 211 Saskatchewan	11,062	(64,635)
Deferred contributions	(4,267)	36,376
Community Use Reserve Fund allocation	(25,000)	-
	(371,517)	(394,704)
Net cash (used) by operating activities	330,997	(71,077)
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of tangible capital assets	(21,994)	(33,528)
Change in funds held in trust	(23,000)	25,521
Increase in investments	(450,585)	107,673
Net cash (used) by investing activities	(495,580)	99,666
<b>DECREASE IN CASH RESOURCES</b>	<b>(164,583)</b>	<b>28,589</b>
<b>CASH - beginning of year</b>	<b>746,550</b>	<b>717,961</b>
<b>CASH - end of year</b>	<b>\$ 581,965</b>	<b>\$ 746,550</b>

See accompanying notes

# UNITED WAY OF REGINA

## Notes to the Financial Statements

June 30, 2016

(with comparative figures for the year ended June 30, 2015)

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### 1. PURPOSE OF THE ORGANIZATION

United Way of Regina is incorporated under The *Non-profit Corporations Act* of Saskatchewan. Its principal purpose, described in the United Way mission statement, is to improve lives and build community by engaging individuals and mobilizing collective action in Regina and the surrounding area.

As a registered charitable foundation under Section 149 (1) of the *Income Tax Act*, the Organization is exempt from income taxes and is allowed to issue charitable donation receipts for income tax purposes.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations, the most significant accounting policies are as follows:

#### a) Fund accounting

The United Way of Regina follows the restricted fund method of accounting for contributions.

##### Operating Fund

The Operating Fund reports revenues and expenses related to program delivery, fundraising and administrative activities of the Organization. Within the Operating Fund, the Organization delivers special programs as part of its mandate to be a Community Impact United Way. The Organization also receives and distributes funds restricted by donors (donor option) for payment to specified charities. Effective with the 2014-15 year, donations received by way of assigned life insurance policies, bequests, gifts in memoriam, major gifts (from individuals, corporations and foundations) and similar sources unrelated to the United Way's annual campaign are included in operations.

The Operating Fund has the following internally restricted funds:

##### Invested in Tangible Capital Asset Fund

Reports the net assets held by the Organization.

##### Community Use Reserve

Reports the amount internally restricted by the Board to support a minimum of six (6) months of approved funding commitments. Any excess over and above the minimum balance will be available to stabilize and/or further United Way Regina's Community Investment strategy.

##### Tomorrow Fund

Historically the Tomorrow Fund included three separate streams: Community Innovations, Community Legacy and Operating Endowment. In the 2014-15 fiscal year the Community Innovations Fund was decommissioned and the fund balance was transferred to the Operating Fund.

# UNITED WAY OF REGINA

## Notes to the Financial Statements June 30, 2016

(with comparative figures for the year ended June 30, 2015)

### 2. SIGNIFICANT ACCOUNTING POLICIES - continued

#### Fund accounting - continued

##### Community Legacy Endowment

Contributions made to this endowment fund are accumulated and invested for the purpose of generating investment income to fund activities which address the root causes of community issues facing Regina.

##### Operating Endowment

Contributions made to this endowment fund are invested to eventually provide annual earnings sufficient to cover the ongoing operations and fundraising costs of United Way of Regina.

#### **b) Revenue recognition**

##### Campaign revenue

Campaign revenue comprises unrestricted contributions received in cash or pledges receivable during the annual campaign. These are recognized as revenue in the period in which the campaign is held. A provision for uncollectible pledges is recorded to reduce pledges receivable and revenue.

##### Donor restricted funds

Contributions that are restricted by donors are initially deferred, then recognized as revenue of the Operating Fund in the year in which the related expenses are incurred.

##### Tomorrow Fund

Endowment contributions are recognized in the Tomorrow Fund as part of the Community Legacy Endowment stream and the Operating Endowment stream. Investment income earned on Tomorrow Fund resources that must be spent on Tomorrow Fund activities is recognized as revenue of the Tomorrow Fund.

#### **c) Pledges receivable**

Pledges are recorded as revenue and receivable when signed pledge documents are received or other documents are available to provide reasonable evidence of a valid pledge. Allowances are provided for amounts estimated to be uncollectible.



# UNITED WAY OF REGINA

## Notes to the Financial Statements

June 30, 2016

(with comparative figures for the year ended June 30, 2015)

### 2. SIGNIFICANT ACCOUNTING POLICIES - continued

#### d) Financial instruments

Financial instruments are recorded on the statement of financial position at cost, and where required under Canadian accounting standards for not-for-profit organizations, at fair value. The Organization's carrying value of cash, investments, accounts receivable and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

#### e) Tangible capital assets

Tangible capital assets with a value of \$1,000 or greater are recorded at cost and amortized on a straight-line basis as follows:

Donor management system	Ten years (Operational July 1, 2013 – ½ year amortization)
Equipment and furniture	Three years
Leaseholds	Remaining term of the lease (10 years)

#### f) Allocation of general management and administrative expenses

General management and administrative expenses are incurred to support fundraising and community impact programs. Expenses are allocated between fundraising and community impact programs and are allocated on a square footage basis.

General management and administrative expenses are allocated as follows:

	2016	2015
	%	%
Community Impact program expenses	79	79
Fundraising expenses	21	21
Total allocated	100	100

#### g) Distribution of operating surplus

In the event of an operating surplus the balance will be invested in the following manner:

- Ten per cent (10%) to the Tomorrow Fund's Operating Endowment;
- Ten per cent (10%) to the Tomorrow Fund's Community Legacy stream;
- The remainder of the operating surplus to the Operating Reserve until the operating reserve is sufficient to support six – (6) months of core operations. Any surplus remaining after ensuring the stability of the operating reserve will be contributed to the Community Use Reserve.



# UNITED WAY OF REGINA

## Notes to the Financial Statements

June 30, 2016

(with comparative figures for the year ended June 30, 2015)

## 2. SIGNIFICANT ACCOUNTING POLICIES - continued

### h) Contributed services

Significant portions of the United Way's operations are accomplished through the use of donated time, assets and services. Donated time is not recognized in the financial statements, as their value cannot be reasonably estimated. Donated assets and services are recognized if the value can be reasonably estimated.

### i) Use of accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported year. A significant estimate for uncollectible pledge receivables is included in the reported pledge receivable figure. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

## 3. INVESTMENTS

At year end United Way of Regina held the following investments.

	2016	2015
Cash/Money Market Mutual Funds	\$ 96,178	\$ 605,094
Common Shares	205,235	158,928
Guaranteed Investment Certificates (GIC)	895,502	321,239
South Saskatchewan Community Foundation (in trust for United Way of Regina)	1,251,881	1,255,108
Total Investments	2,448,796	2,340,369
Less current	(602,717)	(944,875)
Long term	\$ 1,846,079	\$ 1,395,494

As stated in note 2, investments are measured at their current market value. GIC investments are laddered out with various maturity dates between July 2016 and May 2021 and accrue interest at rates between 1.4% and 2.35%.

## 4. PLEDGES RECEIVABLE

	2016	2015
Current campaign commencing January	\$ 109,159	\$ 103,428
Prior campaigns	874,541	957,788
	\$ 983,700	\$ 1,061,216

The provision for uncollectible pledges at year end is \$126,000 (2015 - \$130,000) and is included in receivables above.

# UNITED WAY OF REGINA

## Notes to the Financial Statements

June 30, 2016

(with comparative figures for the year ended June 30, 2015)

### 5. TANGIBLE CAPITAL ASSETS

	-----2016-----		---2015---	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Donor Management System	\$ 296,740	\$ 81,486	\$ 215,254	\$ 229,727
Leasehold improvements	329,671	176,098	153,573	170,643
Office equipment	27,727	19,750	7,977	10,005
	<b>\$ 643,938</b>	<b>\$ 277,334</b>	<b>\$ 376,804</b>	<b>\$ 410,375</b>

### 6. DONOR DIRECTED PAYABLES

United Way of Regina acts as the administrative host for several provincial, regional, and national workplace campaigns that have offices located in Regina. These flow-thru funds are not raised as part of United Way of Regina's Circle of Care campaign but are gathered by various organizations directly and therefore are not included in the reported operations of United Way of Regina. Funds received are distributed less any applicable processing fee. During the 2016 year United Way of Regina distributed flow-thru funds of \$308,515(2015 - \$529,769) and has a payable at year-end of \$53,811 (2015 - \$72,251).

### 7. FUNDS HELD FOR 211 SASKATCHEWAN

#### 211 Saskatchewan

211 Saskatchewan is a province-wide database accessible to Internet users to find a full range of community, social, government and health services.

In June 2012, United Way Regina (UWR) and United Way Saskatoon and Area (UWSA) entered into a Memorandum of Understanding (MOU) to collaborate on funding the initial phase of the 211 Saskatchewan Initiative. A second MOU was signed by UWSA and UWR in June, 2013 to commit to ongoing funding of \$350,000 per year for a term of 3 years or until such time as the support is no longer required. Funding and expenses are shared equally with UWR responsible for the financial administration of the MOU. In the spring of 2016, both United Way boards have committed to maintaining funding for an additional year ending March, 2017. As of June 30, 2016 - \$26,656 (2015 - \$15,594) of contributions by UWSA to the project was unexpended and appears as a liability on the statement of financial position.

211 Saskatchewan	2016	2015
Revenue	\$ -	\$ -
Expenses	227,875	329,272
Net expenses shared equally by UWR and UWSA	<b>\$ 227,875</b>	<b>\$ 329,272</b>
United Way Regina – 50% share	113,938	164,636
United Way Saskatoon and Area – 50% share	113,937	164,636



# UNITED WAY OF REGINA

## Notes to the Financial Statements

June 30, 2016

(with comparative figures for the year ended June 30, 2015)

### 7. FUNDS HELD FOR 211 SASKATCHEWAN - continued

**COMMITMENT** – As per the MOU between UWR and UWSA, and subsequent extension, a commitment has been made for ongoing funding of 211 Saskatchewan of up to \$350,000 per year shared equally until March, 2017 or until such time as the support is no longer required.

### 8. FUNDS HELD IN TRUST

United Way of Regina has agreed to receive and administer funds on behalf of the Regina Intersectoral Committee and the Proud Generation Committee. These committees are independent of the authority and operation of the United Way of Regina and usage of these funds are distributed under the direction of the committees' members.

As at year end the balances held in trust were as follows:

	2016	2015
Regina Intersectoral Committee	\$ 23,673	\$ 46,673
Proud Generation Committee	113	113
	<b>\$ 23,786</b>	<b>\$ 46,786</b>

### 9. FUND TRANSFERS

During the year the Board of Directors approved the following inter-fund transfers:

Upon the decommissioning of the Community Innovation Fund in 2015, the remaining investment matured in the 2016 fiscal year, and \$587 was transferred from the Tomorrow Fund to the Operating Fund accordingly. As there was no accumulated surplus for the 2016 year, no transfers occurred to the Tomorrow Fund endowments, however there was an internal transfer on the statements to balance the accounts to actual in the amount of \$6,768 (net \$0).

The details of the transfer are as follows:

	Operations	Resource	2016	2015
Community Innovations	\$ -	\$ -	\$ -	\$ (81,173)
Community Legacy Endowment	6,768	-	6,768	36,756
Operating Endowment	(7,355)	-	(7,355)	36,381
	<b>\$ (587)</b>	<b>-</b>	<b>\$ (587)</b>	<b>\$ (8,036)</b>

In 2016, a total of \$0 (2015 – \$235,474) was transferred from the Operating Fund to the Community Use Reserve. A transfer of \$25,000 was made in 2016 (2015 - \$0) from the Community Use Reserve to the Operating Fund to partially fund the School Readiness Program.

Interfund balances have no set repayment terms and bear no interest.

# UNITED WAY OF REGINA

## Notes to the Financial Statements

June 30, 2016

(with comparative figures for the year ended June 30, 2015)

### 10. DEFERRED CONTRIBUTIONS

#### Allocation to Funded Partners

The allocation through the Circle of Care Campaign provides core funding to a stable network of agencies that provide foundational human services in the Regina area.

Under the terms of written agreements with funded agencies United Way of Regina uses the first dollar in - first dollar out method for allocating funds to agencies. All donor directed dollars are assigned to an agency before the overall distribution is made. The minimum any agency would receive are the donor directed funds.

Deferred contributions include the following:

	<u>2016</u>	<u>2015</u>
Donor Options Funded Partners	\$ 4,905	\$ 5,838
Donor Options Non-Member Agencies	204,910	169,345
Miscellaneous deferred revenue	(2,149)	36,750
	<b>\$ 207,666</b>	<b>\$ 211,933</b>

### 11. FINANCIAL RISK MANAGEMENT

#### Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from donors. The Organization has a significant number of donors which minimizes concentration of credit risk. An allowance for uncollectible pledges is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

#### Interest Rate and Market Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating, investing, and financing activities.

The Organization is exposed to interest rate risk on its current and long-term investments. Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization is exposed to market risk on its current and long-term investments.

The Organization manages these risks through a structured investment policy including limitations on allowable risk exposure.



# UNITED WAY OF REGINA

## Notes to the Financial Statements

June 30, 2016

(with comparative figures for the year ended June 30, 2015)

### 11. FINANCIAL RISK MANAGEMENT - continued

#### Currency Risk

Currency risk is the risk to the Organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The Organization does not use derivative instruments to reduce its exposure to foreign currency risk.

### 12. COMMITMENTS

a) In February of each year, United Way of Regina approves allocations to provide core funding to our funded agencies based on the results of the previous year's Circle of Care Campaign. As of June 30, 2016 a balance of \$927,008 remained committed to December 31, 2016 (2015 - \$1,088,772).

b) United Way of Regina has also committed to provide operating funds to the following program:

211 Saskatchewan (ongoing annual funding to March, 2017)	175,000
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c) United Way of Regina is committed to making the following minimum annual payments for the specified period.

Rental of Premises (15 year lease – expires June 2020)	\$ 60,000
Equipment Lease (66 month term – expires Aug, 2020)	5,784
Equipment Lease (48 month term – expires Aug. 2018)	4,772
Equipment Lease (60 month term – expires Aug, 2018)	3,609
Equipment Rental Contract (1 year term)	659

### 13. RATIO CALCULATION

	2016	2015
Direct costs of fundraising	13.73%	10.92%
General management and administrative costs associated with fundraising	1.30%	1.30%
	15.03%	12.22%

These ratios were calculated on total fundraising revenue, before deducting the pledge loss and are exclusive of any general management and administrative costs related to community impact expenses. Direct fundraising costs for 2016 were \$524,702 (2015 - \$470,480). General management and administration costs associated with fundraising for 2016 were \$49,663 (2015 - \$55,715) which are allocated based on a square footage basis.

# UNITED WAY OF REGINA

## Schedule of General Management and Administrative Expenses

Year Ended June 30, 2016

(with comparative figures for the year ended June 30, 2015)

	Schedule 1	
	2016	2015
Annual general and other meetings	\$ 944	\$ 3,165
Financial service fees	2,290	1,861
Occupancy	7,919	6,667
Printing and promotion	3,868	16,593
Professional development/travel	159	5,793
Professional services	45,739	78,392
Salaries and benefits	112,917	94,474
Supplies and small equipment	7,091	4,197
General management and admin expenses prior to amortization	180,927	211,142
Amortization of tangible capital assets (Note 2)	55,565	54,168
	236,492	265,310
Allocated to community impact (Operating Fund)	(186,829)	(209,595)
Allocated to fundraising (Schedule 2)	(49,663)	(55,715)
Unallocated general management and administrative expenses	\$ -	\$ -

# UNITED WAY OF REGINA

## Schedule of Fundraising Expenses

Year Ended June 30, 2016

(with comparative figures for the year ended June 30, 2015)

Schedule 2		
	2016	2015
Bank service fees	\$ 11,297	\$ 13,608
Direct mail	2,885	3,669
Equipment	14,479	15,448
Fundraising and processing fees	22,310	16,213
Occupancy	62,176	61,255
Other direct fundraising expenses	23,514	16,222
Postage	3,916	2,907
Printing and promotion	20,418	20,821
Professional development	3,347	5,197
Professional services	31,972	2,629
Promotional merchandise	3,785	518
Salaries and benefits	328,915	309,764
Special event expenses	21,625	44,917
Supplies	2,015	1,717
Volunteer training and recognition	116	678
Fundraising and processing fees (recoveries)	(28,068)	(45,083)
	524,702	470,480
Allocation of general management & admin expenses (Schedule 1)	49,663	55,715
	\$ 574,365	\$ 526,195
Operating Fund	\$ 559,230	\$ 511,926
Tomorrow Fund	15,135	14,269
	\$ 574,365	\$ 526,195



# UNITED WAY OF REGINA

## Schedule of General Allocation to Funded Partners Year Ended June 30, 2016 (with comparative figures for the year ended June 30, 2015)

	Schedule 3	
	2016	2015
<b>CIRCLE OF CARE AGENCIES</b>		
AIDS Programs South Saskatchewan Inc.	\$ 34,569	\$ 46,093
Al Ritchie Community Association	16,506	22,014
The Canadian Mental Health Association (Regina Branch)	98,604	98,630
Canadian Paraplegic Association (Saskatchewan) Inc.	26,415	35,226
Catholic Family Services Society	161,028	161,053
Circle Project Association Inc.	100,596	100,600
Cornwall Alternative School	127,176	127,223
Early Childhood Intervention Program	42,120	42,149
Family Services Regina	183,108	183,130
Heritage Community Association	30,816	41,097
The John Howard Society of Saskatchewan (Regina)	46,665	62,225
Mobile Crisis Services Inc.	50,220	50,250
Rainbow Youth Centre	57,588	57,588
Regina Transition Women's Society	75,864	75,886
Regina and District Association for Community Living	41,445	55,265
Regina Big Brothers Association	30,000	21,054
Regina Early Learning Centre Inc.	137,760	137,782
Regina Education and Action on Child Hunger (REACH)	58,368	58,368
Regina Open Door Society	152,136	152,161
Regina Senior Citizens Centre	-	13,518
Regina Work Preparation Centre	41,256	41,280
Saskatchewan Abilities Council	-	44,109
Saskatchewan Deaf and Hard of Hearing Services	26,514	35,353
SCEP Centre	89,976	90,029
Schizophrenia Society of Saskatchewan	20,043	26,734
Scott Infant & Toddler Care Centre	30,000	28,848
Sofia House	58,692	58,719
Street Workers' Advocacy Project, Regina Inc.	102,336	102,364
YMCA of Regina	88,044	88,074
YWCA and Big Sisters Program	168,708	168,737
	<b>\$ 2,096,553</b>	<b>\$ 2,225,559</b>



# UNITED WAY OF REGINA

## Schedule of Programs Funded Year Ended June 30, 2016 (with comparative figures for the year ended June 30, 2015)

			Schedule 4	
	Revenue	Expenses	2016 Net	2015 Net
Capacity Building Programs	\$ 18,375	\$ 98,828	\$ (80,453)	\$ (81,905)
Day of Caring	9,710	19,620	(9,910)	(8,588)
Community Impact (includes HIFIS program)	94,938	210,893	(115,955)	-
Labour Community Services	3,870	52,120	(48,250)	(54,830)
Summer Success Program	100,216	124,828	(24,612)	(1,911)
	\$ 227,109	\$ 506,289	\$ (279,180)	\$ (147,234)