



# United Way Regina Annual Report 2013



**United Way**  
Regina

**Change starts here.**

**United Way believes our city is strongest  
when everyone is able to reach their full potential.**

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We bring together frontline agencies, community partners,  
the private sector and all levels of government in a common purpose —  
to create possibilities for a better life for everyone.

Together, we are changing lives.



**THANK YOU**  
for your support!



**United Way**  
**Regina**

**Change starts here.**

# Board of Directors 2013

**Bob Lane**  
Chair  
Solvera Solutions

**Ken Flaman**  
Vice Chair

**Laura Soparlo**  
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Laura Soparlo Consulting

**Rosalee Longmoore**  
Chair - Audit &  
Risk Management Committee  
Regina and District Labour Council

**Shelley Paterson**  
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Directors

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**Michael Redenbach**  
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**Brent Sjoberg**  
City of Regina

**Brad Vance**  
MacPherson Leslie & Tyerman LLP

# 2013 Chair Report

## Bob Lane Chair of the Board of Directors

It has been an honour and privilege to serve as Chair of the Board for the last two years. During my tenure I have witnessed the importance of the work that United Way does every day in our community.

That work simply would not be possible without your commitment and financial support and for that I wish to extend the Board's deepest appreciation for your generosity.

We work, live and raise our families in a fabulous community, and United Way is working to ensure that our future is a bright one.

Our objective at United Way is simple – to improve the lives of Regina residents. What United Way does is special and unique.

United Way works collectively with businesses, individuals and government to solve our community's most pressing issues. We do this by supporting programs that serve thousands of people every year and invest in the building blocks of a great community. Our staff and volunteers then honestly evaluate the effectiveness of these programs to ensure that our donors receive the highest return on their investment.

In addition to supporting our network of human and community services your United Way is a leader in creating community change that matters.

Because of your support, innovative programming like 211 Saskatchewan is now a

province-wide reality. 211 is an online catalogue of non-emergency human and community services connecting people with the help they need. In partnership with United Way Saskatoon we have delivered this service province-wide providing access to all Saskatchewan communities. It is Canada's first mobile responsive 211 website.

To help close the hunger gap in our community, United Way is supporting the Community Food Assessment (CFA). The CFA is examining a broad range of food-related issues and resources in Regina. The CFA will provide the research to improve food security programming and services: making ours and our community's effort more efficient and effective in fighting hunger and food insecurity in Regina.

### **We all know that in the end what matters most are results.**

This past year significant work was accomplished with our funded partners identifying community level outcomes and indicators within our three national focus areas – All that Kids Can Be, Poverty to Possibility and Strong Communities. This work is fundamental to creating, measuring and sustaining real change in our community.

Your Board recognizes that in order to support all of this work we need to continue to attract, develop and engage the talent we need as an organization to further our goals of creating meaningful and lasting change in this community. We have made significant progress on and will continue our work on developing a formal Talent Management Strategy for our volunteers and staff. Modelled on the work of the United Way Worldwide's talent strategy, our goal is attracting, retaining and training both the professional and volunteer resources we need.

# 2013 Chair Report

All of this is being accomplished in a very challenging environment.

Each year more and more of our friends and neighbors find themselves in a position of needing the support of United Way. Whether it's providing safe haven to a victim of domestic violence, early childhood education for preschoolers, or financial counseling to a recently arrived immigrant family, the funds you contribute to United Way play a vital role in our community.

Yet over the last few years we have faced the reality of not reaching our fundraising targets. In this we are not unique to the movement as many United Ways across the country share similar challenges of growing demand for community investments, while revenue remains stalled or is declining. For United Way Regina that reality meant in 2013 significant reductions in staff and support within our organization and freezing of the allocation levels to our funded partners.

The Board clearly recognizes the shortfalls in revenue are part of a larger, broader challenge facing us and the movement as a whole. To meet that challenge will demand change on every level: from how we engage our donors, to the way we invest their gifts in this community; and, developing a clearer, shared vision of what we together view as success.

Over the last two years, the Board has committed the organization to becoming a far more donor centric, impact orientated United Way. This means a United Way focused on creating measurable meaningful results in our community directly tied to the interests and desires of our donors. It means a United Way that steps up and steps out in front

of issues and offers a pathway to real solutions. It means a Board, a staff and a team of volunteers committed to telling the story of this organization's pivotal role in this community.

It means change for all of us.

Our challenges of today are a call to action to adopt and live as an organization and as a movement our national credo: change starts here. Our commitment to this community demands nothing less.

Thank you.

Bob Lane  
Chair - Board of Directors

## 2013 CEO Report

## Joanne Grant Chief Executive Officer

Change starts here. At the beginning of 2013, we implemented a restructure of our Resource Development staff team. The old structure was based on our model as a federated fundraiser. Using existing staff resources, responsibilities were realigned, job titles were changed and a client relationship management process was implemented. The focus is to strengthen existing committed donor relationships while positioning us to engage in new relationships particularly in the area of major gifts and legacy gifts. Day of Caring was re-focused to increase awareness and engagement around the social issues in our community. In our highly competitive market place, it is imperative that we create a meaningful brand experience for our donors.

We began the implementation of the integrated client relationship database called Andar. The Donor Tracking/Campaign module was implemented for the 2013 Circle of Care Campaign. There are many functionalities in Andar such as the ability to host on-line workplace campaigns, ability to produce and automatically email tax receipts and the ability to import financial data directly into our accounting software. There are two more modules to be introduced – Community Building and Major Individual Gift modules. The functionality of this software is expected to improve efficiency as manual paper-based processes become automated.

Last year, United Way Centraide Canada introduced an outcome framework for the three national focus areas – All That Kids Can Be, Poverty to Possibility and Strong Communities. The framework is intended to provide our national office with collective impact data that can be shared on a national basis creating a common United Way experience across the country. We were fortunate last year to have Sarah Sangster complete her internship on community-wide outcome

measurements using our national framework. Through her work, we were able to introduce the outcome framework to our funded partners and begin to build our local alignment with the national outcomes.

At the same time, we spent considerable time revising the paper funding application in anticipation of Andar's on-line application process. The Allocations Committee spent over 500 hours reviewing each application this year. This cornerstone process is critical for maintaining a high standard of accountability to our donors.

Results matter! Thanks to all the funded partners that participated in the process. Your input and expertise has laid a strong foundation for us to move forward in the development and measurement of the impact we collectively have on our community.

The Circle of Care Campaign in 2012 fell short of its target by \$300,000. Part of that shortfall was the result of a major workplace opting out of the fall campaign as part of their plan to transition to a more appropriate time in their business cycle. To accommodate this shortfall, United Way Regina made the difficult decision to eliminate three staff positions and significantly reduced an outside Training contract. Reducing our staff complement from 16 to 13.

I would like to take this opportunity to thank our Board of Directors and Committee members that worked tirelessly throughout the year. Their commitment to our community is outstanding! I would like to extend a heartfelt thank you to our dedicated staff for their patience and positive attitude through the multiple changes that are occurring at United Way Regina.

Special thanks to all our donors for your continued commitment to creating positive social change in our community.

## Audit & Risk Management Committee

## Rosalee Longmoore Chair - Audit & Risk Management Committee

It is my pleasure to present the Audit Committee report for the fiscal year ended December 31, 2013.

One of key functions of the Audit Committee for United Way Regina 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 2013 audit and our external auditors, Virtus Group Chartered Accountants & Business Advisors LLP have provided an “unqualified opinion” of our audited financial statements.

One matter that members should be made aware of is the “Restatement” of the 2012 comparative figures. For the year ended December 31, 2012, an error in pledges receivable of \$61,032 was discovered in the summer of 2013. The comparative financial statements have been restated to reflect this error. The correction of the error resulted in a decrease of \$61,032 in pledges receivable, donation revenue, the operating surplus and transfers to the Tomorrow Fund.

Under the Current Assets section, please note that Investments were drawn down during 2013 to meet cash flow requirements. This was necessitated due to the decrease in campaign revenues for the past two Circle of Care Campaigns; Tangible Capital Assets have increased substantially to \$411,079 reflecting a major investment in a new donor management database system called Andar. Further investment will be made in this project over the next two years as additional modules are added. Several factors led us to proceed with a new system. Our industry is changing – Constituent Relationship Management or CRM will assist us in interacting with our donors,

managing the changing patterns of giving and demands from our donors such as e-pledge. In addition our previous system had reached the end of its life cycle and is no longer supported.

Under the Liabilities and Net Assets section, the donor directed payable balance which is payable to other United Ways is approximately \$50,000 higher due to a change in policy of payouts to only once per year versus three times. This change was implemented to reduce banking and handling costs. Deferred revenue of \$102,078 is a contribution received from an anonymous donor to assist with the implementation costs of the new Andar system. This amount will be recognized as revenue over a ten year period the same amortization period as the capital item.

The Funds Held for 211 Saskatchewan of \$5,485 were drawn down over 2013, this represents the unexpended balance of contributions received from United Way Saskatoon & Area for their 50% share of 211 Saskatchewan costs.

The Community Innovation Fund under the Tomorrow Fund umbrella has also been well utilized in 2013. This reflects United Way Regina’s commitment to invest in innovative projects such as 211 Saskatchewan, Ignite Adult Learning Centre, Oxford House Society and the Salvation Army Waterston Centre – Cold Weather Strategy just to name a few.

Gross Campaign Revenue of \$3,736,394 has decreased from the prior year, reflective of the reduction in revenues from the 2013 Circle of Care Campaign.

A highlight on the revenue side is the amount of investment income recognized in 2013. We were

## Audit & Risk Management Committee

very pleased to see an 8.0% growth rate in the value of our Endowment Funds held with the South Saskatchewan Community Foundation.

Total revenue for the 2013 fiscal year was just over \$4.0 Million dollars;

Our fundraising expenses of \$608,266 for 2013 declined from 2012, this decline is attributed to lower expenses for salaries, benefits and overhead for project staff whose time was allocated to the development and implementation of the new Andar system.

Of course United Way Regina's major operating expense is the Allocation to funded partners for a total of \$2.4 Million dollars. Schedule 3 lists all the agencies that received funding for 2013.

Total Community Impact Expenses for 2013 amounted to just over \$3.7 Million dollars.

For the fiscal year ended December 31, 2013 the Operating Fund realized a very small surplus of \$14,973 and the Tomorrow Fund had a deficit of (\$346,161), for a combined deficit of (\$331,188).

Now to move onto plans for the future, United Way Regina has had a fiscal year ending December 31 for many years and a December year-end has always proven to be problematic. Our major fundraising is done in the fall of each year, many workplace campaigns are only completing their campaigns in November and December which then creates an extremely short time frame in which to collect all the pledges, complete the verification, data entry and accounting processes in time for a February audit.

We have reviewed our work flow cycles and determined that a different year-end would be most beneficial in smoothing out the entire data entry, accounting and budgeting processes. We requested approval from Canada Revenue Agency to change

our year-end to June 30 and we are very pleased to report that approval has been granted.

Therefore a motion is being set forth to the membership that United Way Regina change the fiscal year-end from December 31 to June 30 with an effective date of June 30, 2014.

In closing, I want to thank my fellow Audit Committee members:

Betty Hoffart  
CEO, CMA Canada-Saskatchewan Division

Brent Sjoberg  
Deputy City Manager & Chief Operating Officer  
City of Regina

Clare Isman  
Deputy Minister Finance  
Government of Saskatchewan

Brad Vance  
Legal Counsel  
MacPherson Leslie & Tyerman LLP

Their expertise in this area of work is so valuable to United Way Regina.

Thank you.

Rosalee Longmoore  
Chair - Audit & Risk Management Committee

# **UNITED WAY OF REGINA**

**Financial Statements**

**Year Ended December 31, 2013**

# UNITED WAY OF REGINA

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

The financial statements of the 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 the 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 Committee. The Audit 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 Audit 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.

  
\_\_\_\_\_  
Chief Executive Officer

March 26/14  
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 December 31, 2013, 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 United Way of Regina as at December 31, 2013 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.

**March 20, 2014  
Regina, Saskatchewan**

  
**Chartered Accountants**

# UNITED WAY OF REGINA

## Statement of Financial Position As at December 31, 2013

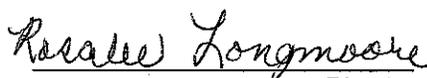
	OPERATING FUND	TOMORROW FUND	TOTAL 2013	<i>Restated</i> <i>(Note 14)</i> TOTAL 2012
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$1,370,117	\$ 77	<b>\$1,370,194</b>	\$ 965,855
Investments (Note 3)	246,015	220,376	<b>466,391</b>	1,217,299
Accounts receivable	18,047	-	<b>18,047</b>	18,597
Pledges receivable (Note 4)	1,862,571	-	<b>1,862,571</b>	1,975,129
Prepaid expenses	19,191	-	<b>19,191</b>	8,845
	3,515,941	220,453	<b>3,736,394</b>	4,185,725
<b>DUE (TO) FROM OTHER FUNDS (Note 8)</b>	258,319	(258,319)	-	-
<b>INVESTMENTS (Note 3)</b>	279,668	1,314,744	<b>1,594,412</b>	1,540,525
<b>TANGIBLE CAPITAL ASSETS (Note 5)</b>	411,079	-	<b>411,079</b>	288,353
	<b>\$ 4,465,007</b>	<b>\$ 1,276,878</b>	<b>\$ 5,741,885</b>	<b>\$ 6,014,603</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 39,509	\$ -	<b>\$ 39,509</b>	\$ 36,072
Donor directed payable (Note 6)	142,119	-	<b>142,119</b>	98,588
Deferred revenue	102,078	-	<b>102,078</b>	37,760
Funds held for 211 Saskatchewan (Note 7)	5,485	-	<b>5,485</b>	55,406
Funds held in trust (Note 8)	21,265	-	<b>21,265</b>	72,986
	310,456	-	<b>310,456</b>	300,812
<b>DEFERRED CONTRIBUTIONS (Note 10)</b>	436,846	-	<b>436,846</b>	388,020
	747,302	-	<b>747,302</b>	688,832
<b>COMMITMENTS (Note 12)</b>				
<b>NET ASSETS</b>	3,717,705	1,276,878	<b>4,994,583</b>	5,325,771
	<b>\$ 4,465,007</b>	<b>\$ 1,276,878</b>	<b>\$ 5,741,885</b>	<b>\$ 6,014,603</b>

See accompanying notes

ON BEHALF OF THE BOARD



Director



Director

# UNITED WAY OF REGINA

Statement of Net Assets  
Year Ended December 31, 2013

	Invested in Tangible Capital Assets	-----Operating Fund-----			-----Community Legacy Endowment Fund-----			-Total-
		Community Use Fund	Operating Fund	Total Operating Fund	Community Innovation Fund	Community Legacy Endowment Fund	Operating Endowment Fund	Total Tomorrow Fund 2013
BALANCE - beginning of year - 2013	\$ 288,354	\$ 3,027,177	\$ 458,464	\$ 3,773,995	\$ 583,943	\$ 501,431	\$ 466,402	\$ 1,551,776
Excess revenue (expenses)	(33,625)	-	48,598	14,973	(405,814)	30,182	29,471	(346,161)
Purchase of tangible capital assets	156,350	-	(156,350)	-	-	-	-	-
Transfer to Tomorrow Fund (Note 9)	-	-	(71,263)	(71,263)	43,534	15,207	12,522	71,263
Allocation to Funded Partners	-	(2,476,728)	2,476,728	-	-	-	-	-
Transfer to Community Use	-	2,300,907	(2,300,907)	-	-	-	-	-
Internal transfers within Tomorrow Fund (Note 9)	-	-	-	-	(10,276)	6,166	4,110	-
<b>BALANCE - end of year - 2013</b>	<b>\$ 411,079</b>	<b>\$ 2,851,356</b>	<b>\$ 455,270</b>	<b>\$ 3,717,705</b>	<b>\$ 211,387</b>	<b>\$ 552,986</b>	<b>\$ 512,505</b>	<b>\$ 1,276,878</b>

**BALANCE - end of year - 2013**      **\$ 411,079**      **\$ 2,851,356**      **\$ 455,270**      **\$ 3,717,705**      **\$ 211,387**      **\$ 552,986**      **\$ 512,505**      **\$ 1,276,878**      **\$ 4,994,583**

	Invested in Tangible Capital Assets	-----Operating Fund-----			-----Community Legacy Endowment Fund-----			-Total-
		Community Use Fund	Operating Fund	Total Operating Fund	Community Innovation Fund	Community Legacy Endowment Fund	Operating Endowment Fund	Total Tomorrow Fund 2012
BALANCE - beginning of year - 2012	\$ 230,894	\$ 2,995,509	\$ 457,138	\$ 3,683,541	\$ 762,086	\$ 468,168	\$ 438,828	\$ 1,669,082
Excess revenue (expenses)	(22,121)	-	186,784	164,663	(197,321)	(271)	6,077	(191,515)
Purchase of tangible capital assets	79,581	-	(79,581)	-	-	-	-	-
Transfer to Tomorrow Fund (Note 9)	-	-	(74,209)	(74,209)	34,720	24,209	15,280	74,209
Allocation to Funded Partners	-	(2,445,060)	2,445,060	-	-	-	-	-
Transfer to Community Use	-	2,476,728	(2,476,728)	-	-	-	-	-
Internal transfers within Tomorrow Fund (Note 9)	-	-	-	-	(15,542)	9,325	6,217	-
<b>BALANCE - end of year - 2012</b>	<b>\$ 288,354</b>	<b>\$ 3,027,177</b>	<b>\$ 458,464</b>	<b>\$ 3,773,995</b>	<b>\$ 583,943</b>	<b>\$ 501,431</b>	<b>\$ 466,402</b>	<b>\$ 1,551,776</b>

**BALANCE - end of year - 2012**      **\$ 288,354**      **\$ 3,027,177**      **\$ 458,464**      **\$ 3,773,995**      **\$ 583,943**      **\$ 501,431**      **\$ 466,402**      **\$ 1,551,776**      **\$ 5,325,771**

See accompanying notes

# UNITED WAY OF REGINA

## Statement of Operations Year Ended December 31, 2013

	OPERATING FUND	TOMORROW FUND	TOTAL 2013	Restated (Note 14) TOTAL 2012
<b>REVENUE</b>				
Donations	\$ 3,578,851	\$ 20,553	\$ 3,599,404	\$ 3,769,027
Funds transferred from other United Ways	364,495	-	364,495	307,780
Gross campaign revenue	3,943,346	20,553	3,963,899	4,076,807
Less: Uncollectible pledges	(110,071)	-	(110,071)	(96,373)
Net campaign revenue	3,833,275	20,553	3,853,828	3,980,434
Contributions/Grants	14,564	45,000	59,564	32,353
Special events	3,250	-	3,250	9,245
Investment income	15,692	92,085	107,777	89,592
Other revenue	4,440	-	4,440	3,984
	3,871,221	157,638	4,028,859	4,115,608
<b>FUNDRAISING EXPENSES (Schedule 2)</b>	568,770	39,496	608,266	759,703
<b>NET REVENUE AVAILABLE FOR ALLOCATIONS AND PROGRAMS</b>	3,302,451	118,142	3,420,593	3,355,905
<b>COMMUNITY IMPACT EXPENSES</b>				
Allocation to funded partners (Schedule 3)	2,476,728	-	2,476,728	2,445,060
Donor directed to other charities	209,208	-	209,208	176,732
Grants to Community partners (Schedule 4)	-	269,382	269,382	145,424
Programs funded (Schedule 5)	171,881	-	171,881	158,209
211 Saskatchewan (Note 7)	-	194,921	194,921	74,593
United Way of Canada dues	37,123	-	37,123	35,266
Community impact	392,538	-	392,538	347,473
<b>TOTAL COMMUNITY IMPACT EXPENSES</b>	3,287,478	464,303	3,751,781	3,382,757
<b>EXCESS OF REVENUE (EXPENSES)</b>	\$ 14,973	\$ (346,161)	\$ (331,188)	\$ (26,852)

See accompanying notes

# UNITED WAY OF REGINA

## TOMORROW FUND Statement of Revenue, Expenses Year Ended December 31, 2013

	COMMUNITY INNOVATIONS	COMMUNITY LEGACY ENDOWMENT	OPERATING ENDOWMENT	TOTAL 2013	TOTAL 2012
<b>REVENUE</b>					
Donations	\$ 20,553	\$ -	\$ -	\$ 20,553	\$ 32,083
Grants	45,000	-	-	45,000	27,353
Investment income	11,057	42,212	38,816	92,085	71,479
Special event	-	-	-	-	6,220
	76,610	42,212	38,816	157,638	137,135
<b>EXPENSES</b>					
<b>FUNDRAISING EXPENSES</b> (Schedule 2)	18,120	12,030	9,345	39,495	108,633
<b>COMMUNITY IMPACT EXPENSES</b>					
211 Saskatchewan (Note 7)	194,922	-	-	194,922	74,593
Grants to community partners (Schedule 4)	269,382	-	-	269,382	145,424
<b>Total Community Impact Expenses</b>	464,304	-	-	464,304	220,017
<b>Total Expenses</b>	482,424	12,030	9,345	503,799	328,650
<b>EXCESS OF REVENUE (EXPENSES)</b>	\$ (405,814)	\$ 30,182	\$ 29,471	\$ (346,161)	\$ (191,515)

See accompanying notes

# UNITED WAY OF REGINA

## Statement of Cash Flow Year Ended December 31, 2013

	<u>2013</u>	<i>Restated</i> <i>(Note 14)</i> <u>2012</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Excess of (expenses)	\$ (331,188)	\$ (26,852)
Plus item which does not require cash outlay:		
- Amortization	33,624	22,121
	<u>(297,564)</u>	<u>(4,731)</u>
Changes in non-cash working capital		
Investments – current	750,908	588,101
Accounts receivable	550	2,177
Pledges receivable	112,558	430,922
Prepaid expenses	(10,346)	(3,733)
Accounts payable	3,437	10,187
Donor directed payable	43,531	29,380
Deferred revenue	64,318	16,407
Funds held for 211 Saskatchewan	(49,921)	55,406
Deferred contributions	48,826	(3,195)
	<u>963,861</u>	<u>1,125,652</u>
Net cash provided by operating activities	<u>666,297</u>	<u>1,120,921</u>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of tangible capital assets	(156,350)	(79,580)
Change in funds held in trust	(51,721)	(25,684)
(Increase) in investments	(53,887)	(489,705)
Net cash (used by) investing activities	<u>(261,958)</u>	<u>(594,969)</u>
<b>INCREASE IN CASH RESOURCES</b>	<b>404,339</b>	<b>525,952</b>
<b>CASH - beginning of year</b>	<b>965,855</b>	<b>439,903</b>
<b>CASH - end of year</b>	<b>\$ 1,370,194</b>	<b>\$ 965,855</b>

See accompanying notes

# UNITED WAY OF REGINA

Notes to the Financial Statements  
December 31, 2013

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## 1. PURPOSE OF THE ORGANIZATION

The 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. The Operating Fund has the following internally restricted funds:

#### Invested in Equipment, Furniture and Leaseholds Fund

Reports the net assets held by the Organization.

#### Community Use Fund

Reports the amount internally restricted by the Board for the allocation to funded partners for the subsequent year. It also provides a small reserve to protect stability of funding to our partners in the event of negative fluctuations in fundraising revenue.

#### Tomorrow Fund

The Tomorrow Fund includes three separate streams: Community Innovations, Community Legacy and Operating Endowment. The Tomorrow Fund includes 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.

# UNITED WAY OF REGINA

Notes to the Financial Statements  
December 31, 2013

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## 2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

### Fund accounting - cont'd

#### Community Innovations

Contributions provide short-term funding to community partners for bold new strategies that have the potential to address long-standing problems facing the local community in new and innovative ways.

#### 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. Unrestricted investment income earned on Tomorrow Fund resources is recognized as revenue of the Community Innovations 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 December 31, 2013

### 2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

#### 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) Equipment, furniture and leaseholds

Purchased equipment, furniture and leaseholds 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 (11 years)

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

General management and administrative expenses are incurred to support the fundraising and community impact programs. Expenses are allocated between fundraising and community impact programs and are allocated on a direct salary and benefit cost basis.

General management and administrative expenses are allocated as follows:

	2013	2012
	%	%
Community Impact program expenses	51	40
Fundraising expenses	49	60
Total allocated	100	100

#### g) 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.

# UNITED WAY OF REGINA

Notes to the Financial Statements  
December 31, 2013

## 2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

### h) 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 the United Way of Regina held the following investments.

	2013	2012
Cash/Money Market Mutual Funds	\$ 36,152	\$ 913,234
Common Shares	147,441	-
Guaranteed Investment Certificates (GIC)	764,978	944,323
South Saskatchewan Community Foundation (in trust for United Way of Regina)	1,112,232	900,267
Total Investments	2,060,803	2,757,824
Less current	(466,391)	(1,217,299)
Long term	\$ 1,594,412	\$ 1,540,525

As stated in note 2, investments are measured at their current market value. GIC investments are laddered out with various maturity dates between May 2014 and May 2018 and accrue interest at rates between 1.60% to 3.25%.

## 4. PLEDGES RECEIVABLE

	2013	<i>Restated</i> <i>(Note 14)</i> 2012
Current campaign commencing September	\$ 1,565,161	\$ 1,639,357
Prior campaigns	297,410	335,772
	\$ 1,862,571	\$ 1,975,129

The provision for uncollectible pledges at year end is \$115,000 (2012 - \$115,000) and is included in receivables above.

# UNITED WAY OF REGINA

## Notes to the Financial Statements December 31, 2013

### 5. TANGIBLE CAPITAL ASSETS

	2013		2012	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Donor Management System	\$ 221,608	\$ 11,080	\$ 210,528	\$ 67,785
Leasehold improvements	328,417	133,482	194,935	211,886
Office equipment	16,779	11,163	5,616	8,682
	<b>\$ 566,804</b>	<b>\$ 155,725</b>	<b>\$ 411,079</b>	<b>\$ 288,353</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 administration fee. During the 2013 year United Way of Regina distributed flow-thru funds of \$109,697 (2012 - \$366,147) and has a payable at year-end of \$142,119 (2012 - \$98,588).

### 7. FUNDS HELD FOR 211 SASKATCHEWAN

#### 211 Saskatchewan

The 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. As of December 31, 2013 - \$5,485 (2012- \$55,406) of contributions by UWSA to the project was unexpended and appears as a liability on the statement of financial position.

211 Saskatchewan	2013	2012
Grant revenue – Urban Aboriginal Strategy	\$ 45,000	\$ -
Expenses - gross	344,842	149,186
Net expenses shared equally by UWR and UWSA	<b>\$ 299,842</b>	149,186
United Way Regina – 50% share	149,921	74,593
United Way Saskatoon and Area – 50% share	149,921	74,593

# UNITED WAY OF REGINA

## Notes to the Financial Statements December 31, 2013

### 211 Saskatchewan - continued

**COMMITMENT** – As per the MOU between UWR and UWSA a commitment has been made for ongoing funding of 211 Saskatchewan of \$350,000 per year shared equally for a term of three years 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 per the direction of the committees' members.

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

	2013	2012
Regina Intersectoral Committee	\$ 11,870	\$ 68,841
Proud Generation Committee	9,395	4,145
	<b>\$ 21,265</b>	<b>\$ 72,986</b>

### 9. FUND TRANSFERS

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

An annual transfer of the excess revenue over expenses of the Operating Fund to be transferred to the Tomorrow Fund with an allocation of 80% to Community Innovations, 10% to Community Legacy Endowment and 10% Operating Endowment denoted below as Operations.

A transfer from the Operating Fund to the Tomorrow Fund to cover the costs of resource development activities denoted below as Resource.

The details of the transfer are as follows:

	Operations	Resource	2013	<i>Restated</i> <i>(Note 14)</i> 2012
Community Innovations	\$ 25,414	\$ 18,120	<b>\$ 43,534</b>	\$ 34,720
Community Legacy Endowment	3,177	12,030	<b>15,207</b>	24,209
Operating Endowment	3,177	9,345	<b>12,522</b>	15,280
	<b>\$ 31,768</b>	<b>\$ 39,495</b>	<b>\$ 71,263</b>	<b>\$ 74,209</b>

# UNITED WAY OF REGINA

## Notes to the Financial Statements December 31, 2013

### 9. FUND TRANSFERS - continued

A transfer for contributions to the Tomorrow Fund was internally restricted to the Community Legacy Endowment stream and the Operating Endowment stream for \$6,166 (2012 - \$9,325) and \$4,110 (2012 - \$6,217) respectively.

In 2013 a transfer from the Community Use Fund to the Operating Fund was required to fund allocations to our Funded Partners totalling (\$175,821), in 2012 the amount of \$31,668 was transferred in.

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

### 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 is the donor directed funds.

Deferred contributions include the following:

	<u>2013</u>	<u>2012</u>
Donor Options Funded Partners	\$ 111,080	\$ 126,870
Donor Options Non-Member Agencies	325,766	261,150
	<u>\$ 436,846</u>	<u>\$ 388,020</u>

### 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.

# UNITED WAY OF REGINA

## Notes to the Financial Statements December 31, 2013

### 11. FINANCIAL RISK MANAGEMENT - continued

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.

#### 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. The allocations to Funded Partners approved subsequent to the fiscal year-end were \$2,300,907 (2012 - \$2,461,728).

b) United Way of Regina has also committed to provide Tomorrow Fund grants to the following agencies/projects:

Ignite Adult Learning Corporation (2014)	\$ 44,736
REACH – Community Food Assessment (2014)	10,970
211 Saskatchewan (ongoing annual funding to March, 2016)	175,000

c) United Way of Regina is committed to making the following minimum annual payments for the specified period.

Rental of Premises (11 year lease)	\$ 60,000
Equipment Lease (66 month term)	3,017
Equipment Lease (66 month term)	5,116
Equipment Lease (60 month term)	3,609
Equipment Rental Contract (1 year term)	659

# UNITED WAY OF REGINA

Notes to the Financial Statements  
December 31, 2013

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## 13. RATIO CALCULATION

	2013	<i>Restated</i> <i>(Note 14)</i> 2012
Direct costs of fundraising	11.86%	15.06%
General management and administrative costs associated with fundraising	2.84%	3.57%
	<b>14.70%</b>	18.63%

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These ratios were calculated on the total fundraising revenue, before deducting the pledge loss and are exclusive of any general management and administrative costs related to community impact expenses. During the year United Way of Regina incurred \$490,918 (2012 - \$614,137) of direct fundraising costs. General management and administration costs associated with fundraising during the year were \$117,348 (2012 - \$145,556) which are allocated based on direct salary and benefit costs.

## 14. CORRECTION OF ERROR

For the year ended December 31, 2012, an error in pledges receivable of \$61,032 was discovered during 2013. The comparative financial statements have been restated to reflect this error. The correction of the error results in a decrease of pledges receivable, donation revenue and excess of operating revenue over expenses and transfers to the Tomorrow Fund of \$61,032.

# UNITED WAY OF REGINA

## Schedule of General Management and Administrative Expenses Year Ended December 31, 2013

	<b>Schedule 1</b>	
	2013	2012
Annual general and other meetings	\$ 5,780	\$ 5,625
Financial service fees	2,605	3,043
Occupancy	40,030	52,444
Printing and promotion	6,600	7,633
Professional development/travel	4,643	1,547
Professional services	15,557	19,260
Salaries and benefits	124,981	123,222
Supplies and small equipment	5,891	6,117
Volunteer training and recognition	940	1,836
General management and admin expenses prior to Amortization	207,027	220,727
Amortization of tangible capital assets ( <i>Note 2</i> )	33,624	22,121
	<b>240,651</b>	<b>242,848</b>
Allocated to community impact ( <i>Operating Fund</i> )	(123,303)	(97,282)
Allocated to fundraising ( <i>Schedule 2</i> )	(117,348)	(145,566)
Unallocated general management and administrative expenses	\$ -	\$ -

# UNITED WAY OF REGINA

## Schedule of Fundraising Expenses Year Ended December 31, 2013

	<b>Schedule 2</b>	
	2013	2012
Bank service fees	\$ 12,284	\$ 30,065
Direct mail	3,447	5,718
Equipment	2,863	3,344
Occupancy	101,420	145,977
Other direct fundraising expenses	12,246	10,935
Postage	6,417	7,571
Printing and promotion	14,350	18,651
Professional development	3,074	1,434
Professional services	2,054	9,477
Promotional merchandise	3,273	1,778
Salaries and benefits	287,698	328,871
Special event expenses	37,619	46,800
Supplies	2,567	903
Volunteer training and recognition	1,606	2,613
	<b>490,918</b>	<b>614,137</b>
Allocation of general management & admin expenses ( <i>Schedule 1</i> )	<b>117,348</b>	<b>145,566</b>
	<b>\$ 608,266</b>	<b>\$ 759,703</b>
<b>Operating Fund</b>	<b>\$ 568,770</b>	<b>\$ 651,070</b>
<b>Tomorrow Fund</b>	<b>39,496</b>	<b>108,633</b>
	<b>\$ 608,266</b>	<b>\$ 759,703</b>

# UNITED WAY OF REGINA

## Schedule of General Allocation to Funded Partners Year Ended December 31, 2013

	Schedule 3	
	2013	2012
<b>CIRCLE OF CARE AGENCIES</b>		
AIDS Programs South Saskatchewan Inc.	\$ 51,500	\$ 51,500
Al Ritchie Community Association	26,523	26,523
The Canadian Mental Health Association (Regina Branch)	118,821	118,821
Canadian Paraplegic Association (Saskatchewan) Inc.	37,080	37,080
Carmichael Outreach Family Services	-	8,332
Catholic Family Services Society	169,520	169,520
Circle Project Association Inc.	112,402	112,402
Cornwall Alternative School	133,900	133,900
Early Childhood Intervention Program	47,084	47,084
Family Services Regina	192,759	192,759
Heritage Community Association	43,260	43,260
The John Howard Society of Saskatchewan (Regina)	69,525	69,525
Mobile Crisis Services Inc.	56,135	56,135
Rainbow Youth Centre	69,383	69,383
Regina Native Youth and Community Services Inc.	-	10,000
Regina Transition Women's Society	84,779	84,779
Regina and District Association for Community Living	61,749	61,749
Regina Big Brothers Association	20,200	20,200
Regina Early Learning Centre Inc.	145,024	145,024
Regina Education and Action on Child Hunger (REACH)	61,440	61,440
Regina Home Economics For Living Project	31,827	31,827
Regina Open Door Society	160,160	160,160
Regina Senior Citizens Centre	36,050	36,050
Regina Work Preparation Centre	46,113	46,113
Saskatchewan Abilities Council	65,714	65,714
Saskatchewan Deaf and Hard of Hearing Services	39,500	39,500
SCEP Centre	94,748	94,748
Schizophrenia Society of Saskatchewan	29,870	29,870
Scott Infant & Toddler Care Centre	31,812	31,812
Sofia House	61,800	61,800
Street Workers' Advocacy Project, Regina Inc.	107,742	57,742
YMCA of Regina	92,700	92,700
YWCA and Big Sisters Program	177,608	177,608
	<b>\$ 2,476,728</b>	<b>\$ 2,445,060</b>

# UNITED WAY OF REGINA

## Schedule of Grants Year Ended December 31, 2013

	<b>Schedule 4</b>	
	2013	2012
<b>Tomorrow Fund</b>		
Family Service Regina	\$ -	\$ 20,450
Ignite Adult Learning Corporation – Basic Building Blocks Pre-Program	89,472	-
Leadership Development Project - expenses	-	31,275
Leadership Development Certificate Program	11,540	-
Outcome Measure Grants (refunded)	(1,630)	-
Oxford House Society	60,000	60,000
REACH – Community Food Assessment	21,000	-
Regina Police Service – Policing Curriculum Project	15,000	-
Regina Public School Board – Anti-Bullying Program	33,700	33,700
Salvation Army Waterston Centre – Cold Weather Strategy	40,300	-
	<b>\$ 269,382</b>	<b>\$ 145,425</b>

## Schedule of Programs Funded Year Ended December 31, 2013

	<b>Schedule 5</b>			
	Sponsorship Revenue	Expenses	2013 Net	2012 Net
Capacity Building Programs	\$ 3,140	\$ 100,974	\$ (97,834)	\$ (71,579)
Day of Caring	-	18,290	(18,290)	(14,307)
Labour Community Services	-	52,617	(52,617)	(64,673)
	<b>\$ 3,140</b>	<b>\$ 171,881</b>	<b>\$ (168,741)</b>	<b>\$ (150,559)</b>





**United Way**  
**Regina**

**Change starts here.**

# ALL THAT KIDS CAN BE

**With United Way your support goes farther and wider than any other charitable investment a community member can make.**

**United Ways help lift people out of poverty, build independence, create safe neighbourhoods and strong families, and support children through their development years and beyond.**



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