

# **UNITED WAY OF REGINA**

**Financial Statements**

**June 30, 2019**

# 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 Committee. The Audit and Risk 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.

Robyn Edwards-Bentz  
Chief Executive Officer

Sept. 19, 2019  
Date



## INDEPENDENT AUDITORS' REPORT

### To the Members, United Way of Regina

#### *Opinion*

We have audited the financial statements of United Way of Regina, which comprise the statement of financial position as at June 30, 2019, and the statements of operations, net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2019, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Information Other than the Financial Statements and Auditors' Report Thereon*

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

continued...

## INDEPENDENT AUDITORS' REPORT continued

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

September 17, 2019  
Regina, Saskatchewan

*Virtus Group LLP*

Chartered Professional Accountants

# UNITED WAY OF REGINA

**Statement of Financial Position**  
**As at June 30, 2019**  
(with comparative figures at June 30, 2018)

	Operating Fund	Tomorrow Fund	Total 2019	Total 2018
<b>Assets</b>				
<b>Current assets</b>				
Cash	\$ 680,299	\$ -	\$ 680,299	\$ 412,826
Investments (Note 3)	1,352,718	-	1,352,718	1,239,365
Accounts receivable	39,458	-	39,458	24,639
Pledges receivable (Note 4)	829,493	-	829,493	822,628
Prepaid expenses	38,582	-	38,582	5,391
	2,940,550	-	2,940,550	2,504,849
<b>Investments (Note 3)</b>	792,790	1,477,412	2,270,202	2,034,050
<b>Tangible capital assets (Note 5)</b>	180,091	-	180,091	229,697
	\$ 3,913,431	\$ 1,477,412	\$ 5,390,843	\$ 4,768,596
<b>Liabilities and Net Assets</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 69,334	\$ -	\$ 69,334	\$ 62,068
Donor directed payable (Note 6)	3,787	-	3,787	1,041
Deferred revenue	20,714	-	20,714	41,429
Funds held for 211 Saskatchewan (Note 7)	375,000	-	375,000	131,693
Funds held in trust (Note 8)	35,984	-	35,984	20,785
	504,819	-	504,819	257,016
<b>Deferred contributions (Note 10)</b>	202,236	-	202,236	123,047
	707,055	-	707,055	380,063
<b>Net Assets</b>	3,206,376	1,477,412	4,683,788	4,388,533
	\$ 3,913,431	\$ 1,477,412	\$ 5,390,843	\$ 4,768,596

**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, 2019

(with comparative figures for the year ended June 30, 2018)

	-----Operating Fund-----			-----Tomorrow Fund-----			-Total-
	Invested in Tangible Capital Assets	Community Use Reserve	Operating Fund	Total Operating Fund	Community Legacy Endowment Fund	Operating Endowment Fund	Total Tomorrow Fund
<b>Balance – beginning of year</b>	\$ 229,697	\$ 2,163,460	\$ 550,700	\$ 2,943,857	\$ 757,943	\$ 686,734	\$ 1,444,677
Excess revenue (expenses)	(73,263)	-	335,782	262,519	17,409	15,326	32,735
Purchase of tangible capital assets	23,657	-	(23,657)	-	-	-	-
Transfer to Community Use Reserve (Note 9)	-	315,325	(315,325)	-	-	-	-
<b>Balance - end of year</b>	\$ 180,091	\$ 2,478,785	\$ 547,500	\$ 3,206,376	\$ 775,352	\$ 702,060	\$ 1,477,412

  

	-----Operating Fund-----			-----Tomorrow Fund-----			-Total-
	Invested in Tangible Capital Assets	Community Use Reserve	Operating Fund	Total Operating Fund	Community Legacy Endowment Fund	Operating Endowment Fund	Total Tomorrow Fund
<b>Balance – beginning of year</b>	\$ 334,965	\$ 1,845,863	\$ 361,825	\$ 2,542,653	\$ 702,294	\$ 636,314	\$ 1,338,608
Excess revenue (expenses)	(115,595)	-	516,799	401,204	55,649	50,420	106,069
Purchase of tangible capital assets	10,327	-	(10,327)	-	-	-	-
Transfer to Community Use Reserve (Note 9)	-	317,597	(317,597)	-	-	-	-
<b>Balance - end of year</b>	\$ 229,697	\$ 2,163,460	\$ 550,700	\$ 2,943,857	\$ 757,943	\$ 686,734	\$ 1,444,677

See accompanying notes

# UNITED WAY OF REGINA

**Statement of Operations**  
**Year Ended June 30, 2019**  
(with comparative figures for the year ended June 30, 2018)

	Operating Fund	Tomorrow Fund	Total 2019	Total 2018
<b>Revenue</b>				
Donations	\$ 2,735,632	\$ -	\$ 2,735,632	\$ 2,987,475
Funds transferred from other United Ways	469,917	-	469,917	352,908
Gross campaign revenue	3,205,549	-	3,205,549	3,340,383
Less: Uncollectible pledges	(121,061)	-	(121,061)	(79,548)
Net campaign revenue	3,084,488	-	3,084,488	3,260,835
Contributions and grants	585,956	-	585,956	264,290
Investment income	102,499	45,002	147,501	147,453
Special events and other revenue	31,274	-	31,274	26,641
	3,804,217	45,002	3,849,219	3,699,219
<b>Fundraising expenses (Schedule 2)</b>	554,002	12,267	566,269	517,136
<b>Net revenue available for allocations and programs</b>	3,250,215	32,735	3,282,950	3,182,083
<b>Community Impact expenses</b>				
Funded partner investments (Schedule 3)	1,289,400	-	1,289,400	1,301,400
Donor directed to other charities	211,321	-	211,321	241,459
Programs and other investments (Schedule 4)	446,956	-	446,956	250,402
211 Saskatchewan	434,824	-	434,824	211,795
United Way of Canada dues	31,661	-	31,661	34,169
Community impact	573,534	-	573,534	635,585
<b>Total Community Impact expenses</b>	2,987,696	-	2,987,696	2,674,810
<b>Excess of revenue (expenses)</b>	\$ 262,519	\$ 32,735	\$ 295,254	\$ 507,273

See accompanying notes



# UNITED WAY OF REGINA

**Tomorrow Fund**  
**Statement of Revenue and Expenses**  
**Year Ended June 30, 2019**  
(with comparative figures for the year ended June 30, 2018)

	<b>Community Legacy Endowment</b>	<b>Operating Endowment</b>	<b>Total 2019</b>	<b>Total 2018</b>
<b>Revenue</b>				
Investment income	\$ 24,462	\$ 20,540	\$ 45,002	\$ 119,816
<b>Expenses</b>				
Fundraising expenses <i>(Schedule 2)</i>	7,053	5,214	12,267	13,747
<b>Excess of revenue (expenses)</b>	<b>\$ 17,409</b>	<b>\$ 15,326</b>	<b>\$ 32,735</b>	<b>\$ 106,069</b>

See accompanying notes

# UNITED WAY OF REGINA

**Statement of Cash Flow**  
**Year Ended June 30, 2019**  
(with comparative figures for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
<b><u>Operating Activities</u></b>		
Excess of revenues (expenses)	\$ 295,254	\$ 507,273
Plus item which does not require cash outlay:		
- Amortization	73,263	115,595
	368,517	622,868
Changes in non-cash working capital		
Investments – current	(113,353)	(450,415)
Accounts receivable	(14,819)	(5,663)
Pledges receivable	(6,865)	26,910
Prepaid expenses	(33,191)	1,639
Accounts payable	7,266	12,834
Donor directed payable	2,746	(14,444)
Deferred revenue	(20,715)	(49,326)
Funds held for 211 Saskatchewan	243,307	125,005
Deferred contributions	79,189	(7,343)
	143,565	(360,803)
Net cash (used) by operating activities	512,082	262,065
<b><u>Investing Activities</u></b>		
Purchase of tangible capital assets	(23,657)	(10,327)
Change in funds held in trust	15,200	(2,239)
(Increase) decrease in investments	(236,152)	(303,122)
Net cash (used) by investing activities	(244,609)	(315,688)
<b>Increase in cash resources</b>	<b>267,473</b>	<b>(53,623)</b>
<b>Cash - beginning of year</b>	<b>412,826</b>	<b>466,449</b>
<b>Cash - end of year</b>	<b>\$ 680,299</b>	<b>\$ 412,826</b>

See accompanying notes

# UNITED WAY OF REGINA

Notes to the Financial Statements  
June 30, 2019  
(with comparative figures for the year ended June 30, 2018)

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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.

The Operating Fund has the following internally restricted funds included within its Net Assets:

#### Invested in Tangible Capital Asset Fund

Reports the net assets held by the Organization.

#### Operating Reserve

Contained within the general Operating Fund, an amount of which is internally restricted by the Board to support a maximum of up to six (6) months of core operating for situations such as uninsured losses or wind-down of 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 for Funded Partners and 211 Saskatchewan. 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

The Tomorrow Fund includes two separate streams: Community Legacy and Operating Endowment.

# UNITED WAY OF REGINA

Notes to the Financial Statements  
June 30, 2019  
(with comparative figures for the year ended June 30, 2018)

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## 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, made both internally and from external donors, 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.

### **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.

# UNITED WAY OF REGINA

Notes to the Financial Statements  
June 30, 2019  
(with comparative figures for the year ended June 30, 2018)

## 2. Significant accounting policies - continued

### 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	Seven years (Operational July 1, 2013 – ½ year amortization)
Equipment and furniture	Three years
Leaseholds	Remaining term of the lease with renewal option (6 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:

	2019 %	2018 %
Community Impact program expenses	80	78
Fundraising expenses	20	22
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:

- 100% 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 to stabilize and/or further the overall community investment strategy.

### 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 may be recognized if the value can be reasonably estimated.

# UNITED WAY OF REGINA

Notes to the Financial Statements  
June 30, 2019  
(with comparative figures for the year ended June 30, 2018)

## 2. Significant accounting policies - continued

### 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.

	2019	2018
Cash/money market mutual funds	\$ 587,224	\$ 624,383
Common shares	443,413	403,261
Guaranteed investment certificates (GIC)	1,114,871	801,095
RBC Dominion Securities (in trust for United Way of Regina)	1,477,412	1,444,676
Total investments	3,622,920	3,273,415
Less current	(1,352,718)	(1,239,365)
Long term	\$ 2,270,202	\$ 2,034,050

As stated in note 2, investments are measured at their current market value. GIC investments are laddered out with various maturity dates between January 2020 and July 2022 (2018 – July 2018 and July 2022) and accrue interest at rates between 2.16% and 3.03% (2018 – 1.75% and 3.02%).

## 4. Pledges receivable

	2019	2018
Current campaign commencing January	\$ 259,262	\$ 200,195
Prior campaigns	570,231	622,433
	\$ 829,493	\$ 822,628

The provision for uncollectible pledges at year end is \$232,900 (2018 - \$168,000) and is included in receivables above.

# UNITED WAY OF REGINA

Notes to the Financial Statements  
June 30, 2019  
(with comparative figures for the year ended June 30, 2018)

## 5. Tangible capital assets

	-----2019-----			---2018---
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Donor management system	\$ 304,246	\$ 246,770	\$ 57,476	\$ 100,940
Leasehold improvements	332,439	228,047	104,392	121,832
Office equipment	37,081	18,858	18,223	6,925
	<u>\$ 673,766</u>	<u>\$ 493,675</u>	<u>\$ 180,091</u>	<u>\$ 229,697</u>

## 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 annual 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 2019 year, United Way of Regina distributed flow-thru funds of \$204,768 (2018 - \$152,029) and has a payable at year-end of \$3,787 (2018 - \$1,041).

## 7. Funds held for 211 Saskatchewan

### 211 Saskatchewan

211 Saskatchewan is a province-wide database accessible to internet, text and phone 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 their initial Memorandum of Understanding (MOU) to collaborate on funding the initial phase of the 211 Saskatchewan Initiative. In 2017, it was agreed by both Boards to integrate 211 Saskatchewan as a core service and commit ongoing funding until October 2020 or until such time as the support is no longer required, with funding levels to be determined annually. Funding and expenses are shared equally with UWR responsible for the financial administration of the initiative. As of June 30, 2019 – contributions of \$17,767 (2018 - \$9,496) by UWSA, \$131,247 (2018- \$122,197) by Community Initiatives Fund, and \$225,986 (2018 - \$0) by Ministry of Education for the project were unexpended and appear as a liability on the statement of financial position.

	2019	2018
Revenue	\$ 338,095	\$ 124,603
Expenses	531,554	298,988
Net expenses shared equally by UWR and UWSA	<u>\$ 193,459</u>	<u>\$ 174,385</u>
United Way Regina – 50% share	96,729	87,193
United Way Saskatoon and Area – 50% share	96,730	87,192

# UNITED WAY OF REGINA

Notes to the Financial Statements  
June 30, 2019  
(with comparative figures for the year ended June 30, 2018)

## 7. Funds held for 211 Saskatchewan - continued

**Commitment** – As per the joint budgeting process between UWR and UWSA, a commitment has been made for ongoing funding of 211 Saskatchewan of up to \$300,000 per year shared equally until June 2020, 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 Human Service Partnership and George Reed Centre (in conjunction with the University of Regina Mitacs project). These entities 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 entities' members.

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

	2019	2018
Regina Human Service Partnership	\$ 4,296	\$ 20,785
George Reed Centre (Mitacs)	31,688	-
	<u>\$ 35,984</u>	<u>\$ 20,785</u>

## 9. Fund transfers

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

In 2019, a year end transfer of \$315,325 (2018 – \$317,597) was made to the Community Use Reserve for the excess revenue over expenses of the Operating Fund above the six (6) months of core operating reserve maximum.

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

## 10. Deferred contributions

### Donor designated

The allocation through the annual campaign provides core funding to a stable network of agencies that provide foundational human services in the Regina area, aligned with United Way's key focus areas. Contributions designated by the donor to other charitable organizations during the annual campaign, including additional amounts to funded partners, are recognized as revenue and paid out as funds are received.



# UNITED WAY OF REGINA

Notes to the Financial Statements  
June 30, 2019  
(with comparative figures for the year ended June 30, 2018)

## 10. Deferred contributions - continued

### Closure of Weyburn & District United Way and Swift Current United Way Inc.

In 2018, members of both Weyburn & District United Way and Swift Current United Way Inc. voted to close their respective United Ways effective December 31, 2018. Upon closure, United Way of Regina agreed to accept and assume all of their assets and liabilities as at January 1, 2019. The net assets transferred were recorded at their carrying value of \$25,673 (Weyburn & District United Way) and \$15,727 (Swift Current United Way Inc.).

United Way of Canada – Centraide Canada granted United Way of Regina these regions for temporary expansion for the 2019 year, alongside the region formerly held by United Way of Moose Jaw. To ensure investment locally, unspent revenue of \$18,723 for the Weyburn region and \$11,972 for the Swift Current region were deferred.

Deferred contributions include the following:

	2019	2018
Donor directed giving to other charities	\$ 126,541	\$ 107,647
Deferred regional revenue - Weyburn & Swift Current	30,695	-
Miscellaneous deferred revenue	45,000	15,400
	\$ 202,236	\$ 123,047

## 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, 2019  
(with comparative figures for the year ended June 30, 2018)

## 12. Commitments

a) In the spring of each year, United Way of Regina approves allocations to provide core funding to funded agencies based on the results of the previous year's annual campaign. As of June 30, 2019 a balance of \$644,705 remained committed to December 31, 2019 (2018 - \$644,700).

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

211 Saskatchewan (estimated ongoing annual funding to June 2020)      \$ 150,000

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 August 2020)      5,839

## 13. Transparency, accountability and financial reporting

The United Way follows the reporting guidelines as outlined in its membership agreement with United Way of Canada – Centraide Canada. These ratios were calculated on total 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 2019 were \$509,904 (2018 - \$434,466). General management and administration costs associated with fundraising for 2019 were \$56,365 (2018 - \$82,670) which are allocated based on a square footage basis.

	2019	2018
Direct costs of fundraising	12.84%	11.50%
General management and administrative costs associated with fundraising	1.42%	2.19%
	14.26%	13.69%

# UNITED WAY OF REGINA

## Schedule of General Management and Administrative Expenses Year Ended June 30, 2019

(with comparative figures for the year ended June 30, 2018)

	Schedule 1	
	2019	2018
Annual general and other meetings	\$ 1,242	\$ 1,370
Transformational change strategy	11,724	-
Financial service fees	3,058	7,478
Occupancy	10,655	25,478
Printing and promotion	7,810	4,533
Professional development/travel	6,493	37,468
Professional services	85,137	35,064
Salaries and benefits	88,437	142,036
Supplies and small equipment	453	1,695
Volunteer training and recognition	186	-
General management and admin expenses prior to amortization	215,195	255,122
Amortization of tangible capital assets	73,263	115,595
	288,458	370,717
Allocated to community impact ( <i>Operating Fund</i> )	(232,093)	(288,047)
Allocated to fundraising ( <i>Schedule 2</i> )	(56,365)	(82,670)
Unallocated general management and administrative expenses	\$ -	\$ -

# UNITED WAY OF REGINA

## Schedule of Fundraising Expenses Year Ended June 30, 2019 (with comparative figures for the year ended June 30, 2018)

	Schedule 2	
	2019	2018
Bank service fees	\$ 12,025	\$ 11,553
Direct mail	3,245	4,186
Equipment	15,105	13,747
Fundraising and processing fees	15,211	14,431
Occupancy	72,090	74,938
Other direct fundraising expenses	15,819	15,936
Postage	731	1,115
Printing and promotion	20,989	12,121
Professional development	8,217	3,444
Professional services	62,746	5,242
Salaries and benefits	297,239	286,658
Special event expenses	20,456	15,828
Supplies	1,964	989
Volunteer training and recognition	1,582	683
Fundraising and processing fees (recoveries)	(37,515)	(26,405)
	509,904	434,466
Allocation of general management & admin expenses ( <i>Schedule 1</i> )	56,365	82,670
	\$ 566,269	\$ 517,136
<b>Operating Fund</b>	<b>\$ 554,002</b>	<b>\$ 503,389</b>
<b>Tomorrow Fund</b>	<b>12,267</b>	<b>13,747</b>
	<b>\$ 566,269</b>	<b>\$ 517,136</b>

# UNITED WAY OF REGINA

## Schedule of Funded Partner Investments Year Ended June 30, 2019 (with comparative figures for the year ended June 30, 2018)

	Schedule 3	
	2019	2018
<b>Funded Agencies</b>		
Big Brothers Big Sisters of Regina	\$ 30,000	\$ 30,000
Catholic Family Services Society	30,000	80,522
Circle Project Association Inc.	70,420	70,420
Cornwall Alternative School	108,124	108,124
Early Childhood Intervention Program	30,000	30,000
Family Services Regina	155,653	155,653
Mobile Crisis Services Inc.	35,169	35,169
Rainbow Youth Centre	34,553	34,553
Regina Transition House	37,939	37,939
Regina Early Learning Centre Inc.	96,441	96,441
Regina Education and Action on Child Hunger (REACH)	40,858	40,858
Regina Open Door Society	106,506	106,506
Regina Work Preparation Centre	55,261	30,000
SCEP Centre	101,770	76,509
Scott Infant & Toddler Care Centre	-	12,000
Sofia House	30,000	30,000
Street Workers' Advocacy Project, Regina Inc.	61,413	61,413
The Canadian Mental Health Association (Regina Branch)	69,035	69,035
YMCA of Regina	52,839	52,839
YWCA and Big Sisters Program	143,419	143,419
	<b>\$ 1,289,400</b>	<b>\$ 1,301,400</b>

# UNITED WAY OF REGINA

## Schedule of Programs & Other Investments Funded Year Ended June 30, 2019

(with comparative figures for the year ended June 30, 2018)

	Schedule 4			
	Revenue	Expenses	2019 Net	2018 Net
Capacity Building Programs	\$ 23,833	\$ 72,610	\$ (48,777)	\$ (7,433)
Stakeholder Engagement	21,836	63,476	(41,640)	(33,938)
Literacy & Third Grade Reading Initiatives	112,719	141,471	(28,752)	(23,997)
Labour Community Services	-	531	(531)	(258)
Summer Success Program	80,614	168,868	(88,254)	(113,065)
	\$ 239,002	\$ 446,956	\$ (207,954)	\$ (178,691)