

# **UNITED WAY OF REGINA**

**Financial Statements**

**June 30, 2020**

# 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.

R. Edwards-Bentz  
Chief Executive Officer

Sept. 23, 2020

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, 2020, 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, 2020, 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 22, 2020  
Regina, Saskatchewan

VIRTUS GROUP LLP  
Chartered Professional Accountants

# UNITED WAY OF REGINA


## Statement of Financial Position As at June 30, 2020 (with comparative figures at June 30, 2019)



	Operating Fund	Tomorrow Fund	Total 2020	Total 2019
<b>Assets</b>				
<b>Current assets</b>				
Cash	\$ 2,111,779	\$ -	\$ 2,111,779	\$ 680,299
Investments (Note 3)	1,757,764	-	1,757,764	1,352,718
Accounts receivable	24,143	-	24,143	39,458
Pledges receivable (Note 4)	731,923	-	731,923	829,493
Prepaid expenses	6,543	-	6,543	38,582
	4,632,152	-	4,632,152	2,940,550
Investments (Note 3)	855,318	1,311,900	2,167,218	2,270,202
Tangible capital assets (Note 5)	146,167	-	146,167	180,091
	\$ 5,633,637	\$ 1,311,900	\$ 6,945,537	\$ 5,390,843
<b>Liabilities and Net Assets</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 52,157	\$ -	\$ 52,157	\$ 69,334
Donor directed payable (Note 6)	1,193	-	1,193	3,787
Deferred revenue	-	-	-	20,714
Funds held for 211 Saskatchewan (Note 7)	408,505	-	408,505	375,000
Funds held in trust (Note 8)	16,608	-	16,608	35,984
	478,463	-	478,463	504,819
Deferred contributions (Note 10)	445,601	-	445,601	202,236
	924,064	-	924,064	707,055
Net Assets	4,709,573	1,311,900	6,021,473	4,683,788
	\$ 5,633,637	\$ 1,311,900	\$ 6,945,537	\$ 5,390,843

### 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, 2020

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

	-----Operating Fund-----				-----Tomorrow Fund-----			-Total-	
	Invested in Tangible Capital Assets	Community Use Reserve	Operating Fund	COVID-19 Response Fund	Total Operating Fund	Community Legacy Endowment Fund	Operating Endowment Fund		Total Tomorrow Fund
Balance – beginning of year	\$ 180,091	\$ 2,478,785	\$ 547,500	\$ -	\$ 3,206,376	\$ 775,352	\$ 702,060	\$ 1,477,412	\$ 4,683,788
Excess revenue (expenses)	(88,000)	-	321,272	1,094,925	1,328,197	6,686	2,802	9,488	1,337,685
Purchase of tangible capital assets	54,076	-	(54,076)	-	-	-	-	-	-
Transfers from Tomorrow Fund (Note 9)	-	-	175,000	-	175,000	-	(175,000)	(175,000)	-
Transfer to Community Use Reserve (Note 9)	-	417,946	(417,946)	-	-	-	-	-	-
Balance - end of year	\$ 146,167	\$ 2,896,731	\$ 571,750	\$ 1,094,925	\$ 4,709,573	\$ 782,038	\$ 529,862	\$ 1,311,900	\$ 6,021,473

	-----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	
Balance – beginning of year	\$ 229,697	\$ 2,163,460	\$ 550,700	\$ 2,943,857	\$ 757,943	\$ 686,734	\$ 1,444,677	\$ 4,388,534
Excess revenue (expenses)	(73,263)	-	335,782	262,519	17,409	15,326	32,735	295,254
Purchase of tangible capital assets	23,657	-	(23,657)	-	-	-	-	-
Transfer to Community Use Reserve (Note 9)	-	315,325	(315,325)	-	-	-	-	-
Balance - end of year	\$ 180,091	\$ 2,478,785	\$ 547,500	\$ 3,206,376	\$ 775,352	\$ 702,060	\$ 1,477,412	\$ 4,683,788

See accompanying notes

# UNITED WAY OF REGINA

## Statement of Operations Year Ended June 30, 2020

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

	Operating Fund		Tomorrow	Total	Total
	Operating	COVID-19	Fund	2020	2019
	Fund	Response			
<b>Revenue</b>					
Donations	\$ 3,045,515	\$ 32,710	\$ -	\$ 3,078,225	\$ 2,735,632
Funds transferred from other United Ways	370,176	44,239	-	414,415	469,917
Gross campaign revenue	3,415,690	76,949	-	3,492,640	3,205,549
Less: Uncollectible pledges	(71,783)	-	-	(71,783)	(121,061)
Net campaign revenue	3,343,908	76,949	-	3,420,857	3,084,488
Contributions and grants	788,428	1,149,877	-	1,938,305	585,956
Investment income	68,097	-	43,534	111,631	118,112
Unrealized investment gain (loss)	(68,806)	-	(34,046)	(102,852)	29,389
Special events and other revenue	39,596	-	-	39,596	31,274
	4,171,223	1,226,826	9,488	5,407,537	3,849,219
<b>Fundraising expenses (Schedule 2)</b>	585,389	-	-	585,389	566,269
<b>Net revenue available for allocations and programs</b>	3,585,834	1,226,826	9,488	4,822,148	3,282,950
<b>Community Impact expenses</b>					
Funded partner investments (Schedule 3)	1,514,405	-	-	1,514,405	1,289,400
COVID-19 grants	-	97,006	-	97,006	-
Donor directed to other charities	242,826	-	-	242,826	211,321
Programs and other investments (Schedule 4)	560,072	-	-	560,072	446,956
211 Saskatchewan	469,769	-	-	469,769	434,824
United Way of Canada dues	31,148	-	-	31,148	31,661
Community impact	534,342	34,895	-	569,236	573,534
<b>Total Community Impact expenses</b>	3,352,562	131,901	-	3,484,463	2,987,696
<b>Excess of revenue</b>	\$ 233,272	\$ 1,094,925	\$ 9,488	\$ 1,337,685	\$ 295,254

See accompanying notes



# UNITED WAY OF REGINA

Tomorrow Fund  
Statement of Revenue and Expenses  
Year Ended June 30, 2020  
(with comparative figures for the year ended June 30, 2019)

	Community Legacy Endowment	Operating Endowment	Total 2020	Total 2019
<b>Revenue</b>				
Investment income	\$ 6,686	\$ 2,802	\$ 9,488	\$ 45,002
<b>Expenses</b>				
Fundraising expenses <i>(Schedule 2)</i>	-	-	-	12,267
<b>Excess of revenue</b>	\$ 6,686	\$ 2,802	\$ 9,488	\$ 32,735

See accompanying notes

# UNITED WAY OF REGINA

**Statement of Cash Flow**  
**Year Ended June 30, 2020**  
(with comparative figures for the year ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
<b><u>Operating Activities</u></b>		
Excess of revenues	\$ 1,337,685	\$ 295,254
Plus item which does not require cash outlay:		
- Amortization	88,000	73,263
	1,425,685	368,517
Changes in non-cash working capital		
Investments – current	(405,046)	(113,353)
Accounts receivable	15,315	(14,819)
Pledges receivable	97,570	(6,865)
Prepaid expenses	32,039	(33,191)
Accounts payable	(17,177)	7,266
Donor directed payable	(2,594)	2,746
Deferred revenue	(20,714)	(20,715)
Funds held for 211 Saskatchewan	33,505	243,307
Deferred contributions	243,365	79,189
	(23,737)	143,565
Net cash by operating activities	1,401,948	512,082
<b><u>Investing Activities</u></b>		
Purchase of tangible capital assets	(54,076)	(23,657)
Change in funds held in trust	(19,376)	15,200
Increase (decrease) in investments	102,984	(236,152)
Net cash (used) by investing activities	29,532	(244,609)
<b>Increase in cash resources</b>	<b>1,431,480</b>	<b>267,473</b>
<b>Cash - beginning of year</b>	<b>680,299</b>	<b>412,826</b>
<b>Cash - end of year</b>	<b>\$ 2,111,779</b>	<b>\$ 680,299</b>

See accompanying notes

# UNITED WAY OF REGINA

## Notes to the Financial Statements

June 30, 2020

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

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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.

##### COVID-19 Response Reserve

Contained within the COVID-19 Response Fund, a reserve to ensure that all available funds, including Federal Government funds received, are utilized for COVID-19 response, relief and recovery related community investments, less a nominal maximum amount available for administration cost recovery.

# UNITED WAY OF REGINA

## Notes to the Financial Statements June 30, 2020

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

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### 2. Significant accounting policies - continued

#### Fund accounting - continued

##### Tomorrow Fund

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

##### 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

#### Contributions/grants

The Organization enters into agreements with government agencies and other organizations and the funding is recorded in the period specified in the agreement. Amounts received in advance of the contract period, or for which services have not yet been delivered, are deferred until the next fiscal period.

#### Investments

Investment income is recognized as revenue in the year it is earned and includes dividend and interest income, realized investment gains and losses on sales of investments measured at amortized cost. Unrealized gains and losses are reported separately on the statement of operations.

#### Special events

Revenue is recognized from special events in the period in which the event took place.

#### Other revenue

Revenue is recognized in the period when all performance criteria are met, and collection is reasonably assured.

#### 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.

# UNITED WAY OF REGINA

## Notes to the Financial Statements

June 30, 2020

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

### 2. Significant accounting policies - continued

#### Revenue recognition - continued

#### 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 assets and financial liabilities are recorded on the statement of financial position when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair values of financial assets and financial liabilities measured at fair value are recognized in excess of revenue over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

The Organization's recognized financial instruments costs of cash, investments, accounts receivable, pledges receivable, accounts payable, donor directed payable, and all funds held in trust.

#### **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 (5 years)

# UNITED WAY OF REGINA

Notes to the Financial Statements  
June 30, 2020  
(with comparative figures for the year ended June 30, 2019)

## 2. Significant accounting policies - continued

### 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:

	2020	2019 (restated)
	%	%
Community Impact program expenses	81.5	80.5
Fundraising expenses	18.5	19.5
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.

### 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.

# UNITED WAY OF REGINA

## Notes to the Financial Statements

June 30, 2020

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

### 3. Investments

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

	2020	2019
Cash/money market mutual funds	\$ 736,860	\$ 587,224
Guaranteed investment certificates (GIC)	1,500,469	1,114,871
Common shares	375,753	443,413
Tomorrow Fund (in trust for United Way of Regina)		
Cash/money market mutual funds	668,270	366,336
Guaranteed investment certificates (GIC)	225,185	658,585
Common shares	418,445	452,491
Total investments	3,924,982	3,622,920
Less current	(1,757,764)	(1,352,718)
Long term	\$ 2,167,218	\$ 2,270,202

As stated in note 2, investments are measured at their current market value. GIC investments are laddered out with various maturity dates between July 2020 and June 2023 (2019 – July 2019 and July 2022) and accrue interest at rates between 1.42% and 3.03% (2019 – 2.16% and 3.03%).

### 4. Pledges receivable

	2020	2019
Current campaign commencing January	\$ 223,383	\$ 259,262
Prior campaigns	508,540	570,231
	\$ 731,923	\$ 829,493

The provision for uncollectible pledges at year end is \$224,600 (2019 - \$232,900) and is included in receivables above. Allowance for uncollectible pledges is percentage based and determined based upon factors surrounding the credit risk of specific accounts, historical trends and other relevant information. Uncollected pledges are written off after 3 years.

### 5. Tangible capital assets

	-----2020-----			---2019---
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Donor management system	\$ 310,888	\$ 291,182	\$ 19,706	\$ 57,476
Leasehold improvements	332,439	245,486	86,953	104,392
Office equipment	78,445	38,937	39,508	18,223
	\$ 721,772	\$ 575,605	\$ 146,167	\$ 180,091

# UNITED WAY OF REGINA

## Notes to the Financial Statements June 30, 2020

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

### 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-through 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 2020 year, United Way of Regina distributed flow-through funds of \$193,980 (2019 - \$204,768) and has a payable at year-end of \$1,193 (2019 - \$3,787).

### 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, 2020 – contributions of \$36,616 (2019 - \$17,767) by UWSA, \$126,524 (2019- \$131,247) by Community Initiatives Fund, and \$245,365 (2019 - \$225,986) by Ministry of Education for the project were unexpended and appear as a liability on the statement of financial position.

	2020	2019
Revenue	\$ 341,118	\$ 338,095
Expenses	598,419	531,554
Net expenses shared equally by UWR and UWSA	\$ 257,301	\$ 193,459
United Way Regina – 50% share	128,651	96,729
United Way Saskatoon and Area – 50% share	128,650	96,730

**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 2021, or until such time as the support is no longer required.



# UNITED WAY OF REGINA

## Notes to the Financial Statements

June 30, 2020

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

### 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:

	2020	2019
Regina Human Service Partnership	\$ 296	\$ 4,296
George Reed Centre (Mitacs)	16,312	31,688
	<u>\$ 16,608</u>	<u>\$ 35,984</u>

### 9. Fund transfers

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

In 2020, a transfer of \$175,000 from the Tomorrow Fund Operating Endowment was made to the Operating Fund. In addition, a year end transfer of \$417,946 (2019 – \$315,325) 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.

### 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.

#### 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 administration of their assets and liabilities as at January 1, 2019.

# UNITED WAY OF REGINA

## Notes to the Financial Statements June 30, 2020

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

### 10. Deferred contributions – continued

Deferred contributions include the following:

	2020	2019
Donor directed giving to other charities	\$ 137,768	\$ 126,541
Deferred regional revenue - Weyburn & Swift Current	126,386	30,695
Miscellaneous deferred revenue	181,447	45,000
	\$ 445,601	\$ 202,236

United Way of Canada – Centraide Canada granted United Way of Regina these regions for temporary expansion for the 2019 & 2020 calendar years, alongside the region formerly held by United Way of Moose Jaw. To ensure investment locally, 2020 unspent revenue of \$125,284 for the Weyburn region and \$1,102 for the Swift Current region were deferred.

### 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. Recovery of prior year pledges written off are reported in the period where they are realized.

#### 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.

### 12. Commitments

- a) United Way of Regina annually approves allocations to provide core funding to funded agencies based on the results of the previous year's annual campaign. As of June 30, 2020 a balance of \$644,700 remained committed to December 31, 2020 (2019 - \$644,705).

# UNITED WAY OF REGINA

## Notes to the Financial Statements June 30, 2020

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

### 12. Commitments – continued

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

211 Saskatchewan (estimated ongoing annual funding to June 2021)      \$ 150,000

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

Rental of Premises (5 year lease – expires June 2025)      \$ 85,000 (years 1-2)

90,000 (year 3)

95,000 (years 4-5)

Equipment Lease (66 month term – expires August 2020)      1,460

- d) United Way of Regina entered into an agreement with United Way of Canada – Centraide Canada to distribute funds on behalf of Employment & Social Development Canada for the COVID-19 Emergency Community Support Fund (COVID-19 ESCF). While revenue of \$1,061,621 was recognized in 2020 in the COVID-19 Response Fund, distribution of funding for the program remains a commitment at June 30, 2020, to be distributed by July 31, 2020, less any applicable administration costs.

COVID-19 Emergency Community Support Fund      \$ 976,691

### 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 2020 were \$533,146 (2019 - \$509,904). General management and administration costs associated with fundraising for 2020 were \$52,242 (2019 - \$56,365) which are allocated based on a square footage basis.

	2020	2019
Direct costs of fundraising	9.73%	12.84%
General management and administrative costs associated with fundraising	.95%	1.42%
	10.68%	14.26%

# UNITED WAY OF REGINA

## Notes to the Financial Statements June 30, 2020

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

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### 14. COVID-19 impact

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Organization is following health advisories and mandatory requirements from local, provincial and national health and government organizations. As a result, the Organization has closed its doors to the public in March 2020, with only minimal staff working onsite as needed. Due to the world wide financial market declines, the value of investments held in equities has dropped 11% from \$895,312 (March 1) to \$794,198 (June 30). The Organization has increased its pledge loss allowance by \$43,888 due to the uncertainty of collections during the pandemic. Future financial impacts on the Organization is unknown.

United Way of Regina is providing increased services to the community it serves during the pandemic, including the administration of multiple federal programs in southern Saskatchewan. Additional funding in the amount of \$1,149,877 has been received from the Government of Canada, via United Way of Canada - Centraide Canada, to invest in agencies and programs who are delivering front line services to those affected by the COVID-19 pandemic.

# UNITED WAY OF REGINA

## Schedule of General Management and Administrative Expenses Year Ended June 30, 2020

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

	Schedule 1	
	2020	2019
Annual general and other meetings	\$ 1,067	\$ 1,242
Financial service fees	3,866	3,058
Occupancy	13,096	10,655
Printing and promotion	15,634	7,810
Professional development/travel	2,190	6,493
Professional services	41,070	85,137
Salaries and benefits	103,698	88,437
Supplies and small equipment	794	453
Transformational change strategy	12,385	11,724
Volunteer training and recognition	591	186
General management and admin expenses prior to amortization	194,391	215,195
Amortization of tangible capital assets	88,000	73,263
	282,391	288,458
Allocated to community impact ( <i>Operating Fund</i> )	(230,149)	(232,093)
Allocated to fundraising ( <i>Schedule 2</i> )	(52,242)	(56,365)
Unallocated general management and administrative expenses	\$ -	\$ -

# UNITED WAY OF REGINA

**Schedule of Fundraising Expenses**  
**Year Ended June 30, 2020**  
(with comparative figures for the year ended June 30, 2019)

	<b>Schedule 2</b>	
	<b>2020</b>	<b>2019</b>
Bank service fees	\$ 9,868	\$ 12,025
Direct mail	3,823	3,245
Equipment	16,735	15,105
Fundraising and processing fees	20,777	15,211
Occupancy	74,739	72,090
Other direct fundraising expenses	1,026	15,819
Postage	1,197	731
Printing and promotion	12,303	20,989
Professional development	3,660	8,217
Professional services	57,814	62,746
Salaries and benefits	332,347	297,239
Special event expenses	19,522	20,456
Supplies	2,117	1,964
Volunteer training and recognition	229	1,582
Fundraising and processing fees (recoveries)	(23,010)	(37,515)
	533,147	509,904
Allocation of general management & admin expenses ( <i>Schedule 1</i> )	52,242	56,365
	\$ 585,389	\$ 566,269
<b>Operating Fund</b>	\$ 585,389	\$ 554,002
<b>Tomorrow Fund</b>	-	12,267
	\$ 585,389	\$ 566,269

# UNITED WAY OF REGINA

## Schedule of Funded Partner Investments Year Ended June 30, 2020 (with comparative figures for the year ended June 30, 2019)

	Schedule 3	
	2020	2019
<b>Funded Agencies</b>		
Big Brothers Big Sisters (Regina Branch)	\$ 30,000	\$ 30,000
Big Brothers Big Sisters (Weyburn Branch)	10,000	-
Canadian National Institute of the Blind (CNIB)	6,000	-
Canadian Mental Health Association (Regina Branch)	89,035	69,035
Canadian Mental Health Association (Weyburn Branch)	12,000	-
Canadian Red Cross (Weyburn and Area)	5,000	-
Catholic Family Services Society	30,000	30,000
Circle Project Association Inc.	70,420	70,420
City of Swift Current (Active Play)	5,000	-
Community Low Income Center	2,000	-
Cornwall Alternative School	108,124	108,124
Early Childhood Intervention Program	30,000	30,000
Envision Counselling and Support Centre Inc.	22,500	-
Family Services Regina	175,654	155,653
Inclusion Weyburn	6,500	-
Mobile Crisis Services Inc.	55,169	35,169
Rainbow Youth Centre	34,553	34,553
Regina Transition House	57,940	37,939
Regina Early Learning Centre Inc.	96,441	96,441
Regina Education and Action on Child Hunger (REACH)	60,858	40,858
Regina Open Door Society	106,506	106,506
Regina Work Preparation Centre	55,262	55,261
SCEP Centre	101,770	101,770
Sofia House	50,000	30,000
Spinal Cord Injury Saskatchewan (Weyburn Branch)	2,000	-
Street Workers' Advocacy Project, Regina Inc.	61,413	61,413
Weyburn Care-A-Van Inc.	5,000	-
Weyburn Special Care Home Auxiliary	5,000	-
Weyburn Youth Center	4,000	-
YMCA of Regina	52,840	52,839
YWCA and Big Sisters Program	163,420	143,419
	<b>\$ 1,514,405</b>	<b>\$ 1,289,400</b>

# UNITED WAY OF REGINA

## Schedule of Programs & Other Investments Funded Year Ended June 30, 2020

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

	Schedule 4			
	Revenue	Expenses	2020 Net	2019 Net
Campaign for Grade Level Reading Initiatives	48,826	124,285	(75,459)	(28,752)
Capacity Building Programs	\$ 64,000	\$ 97,186	\$ (33,186)	\$ (48,777)
Labour Community Services	-	383	(383)	(531)
Stakeholder Engagement	9,751	86,848	(77,097)	(41,640)
Summer Success Program	215,166	251,370	(36,204)	(88,254)
	\$ 337,743	\$ 560,072	\$ (222,329)	\$ (207,954)