

UNITED WAY OF REGINA

Financial Statements

June 30, 2021

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 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 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-Bertz
Chief Executive Officer

Sept. 24, 2021
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, 2021, 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, 2021, 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 21, 2021
Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Professional Accountants

UNITED WAY OF REGINA


Statement of Financial Position As at June 30, 2021 (with comparative figures at June 30, 2020)

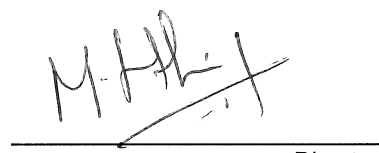
	Operating Fund	Tomorrow Fund	Total 2021	Total 2020
Assets				
Current assets				
Cash	\$ 697,098	\$ -	\$ 697,098	\$ 2,111,779
Investments (Note 3)	1,746,041	-	1,746,041	1,757,764
Accounts receivable	126,095	-	126,095	24,143
Pledges receivable (Note 4)	658,765	-	658,765	731,923
Prepaid expenses	37,754	-	37,754	6,543
	3,265,753	-	3,265,753	4,632,152
Investments (Note 3)	1,210,705	1,441,991	2,652,696	2,167,218
Tangible capital assets (Note 5)	126,806	-	126,806	146,167
	\$ 4,603,264	\$ 1,441,991	\$ 6,045,255	\$ 6,945,537
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 97,973	\$ -	\$ 97,973	\$ 52,157
Donor directed payable (Note 6)	31,729	-	31,729	1,193
Funds held for 211 Saskatchewan (Note 7)	362,304	-	362,304	408,505
Funds held for administration (Note 8)	938	-	938	16,608
	492,944	-	492,944	478,463
Deferred contributions (Note 10)	392,988	-	392,988	445,601
	885,932	-	885,932	924,064
Net Assets	3,717,332	1,441,991	5,159,323	6,021,473
	\$ 4,603,264	\$ 1,441,991	\$ 6,045,255	\$ 6,945,537

Commitments (Notes 7 & 12)

See accompanying notes

On behalf of the Board:


Director


Director

UNITED WAY OF REGINA

Statement of Net Assets Year Ended June 30, 2021

(with comparative figures for the year ended June 30, 2020)

	-----Operating Fund-----				-----Tomorrow Fund-----			-Total-	
	Invested in Tangible Capital Assets	Community Use Fund	Operating Fund	COVID-19 Response Fund	Total Operating Fund	Community Legacy Endowment Fund	Operating Endowment Fund		Total Tomorrow Fund
Balance – beginning 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
Excess revenue (expenses)	(81,583)	-	177,475	(1,088,133)	(992,241)	73,325	56,766	130,091	(862,150)
Purchase of tangible capital assets	62,222	-	(62,222)	-	-	-	-	-	-
Transfers from COVID-19 Fund (Note 9)	-	6,792	-	(6,792)	-	-	-	-	-
Balance - end of year	\$ 126,806	\$ 2,903,523	\$ 687,003	\$ -	\$ 3,717,332	\$ 855,363	\$ 586,628	\$ 1,441,991	\$ 5,159,323

	-----Operating Fund-----				-----Tomorrow Fund-----			-Total-	
	Invested in Tangible Capital Assets	Community Use Fund	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

See accompanying notes

UNITED WAY OF REGINA

Statement of Operations
Year Ended June 30, 2021
(with comparative figures for the year ended June 30, 2020)

	<u>Operating Fund</u>			Total 2021	Total 2020
	Operating Fund	COVID-19 Response	Tomorrow Fund		
Revenue					
Donations	\$ 2,280,556	\$ 24,151	\$ -	\$ 2,304,707	\$ 3,078,225
Funds transferred from other United Ways	546,965	27,245	-	574,210	414,415
Gross campaign revenue	2,827,521	51,396	-	2,878,917	3,492,640
Uncollectible pledge recovery (provision)	32,379	-	-	32,379	(71,783)
Net campaign revenue	2,859,900	51,396	-	2,911,296	3,420,857
Contributions and grants	866,611	491,275	-	1,357,886	1,851,254
Government COVID-19 relief funding	475,364	-	-	475,364	87,051
Investment income	57,830	-	41,758	99,588	111,631
Unrealized investment gain (loss)	73,361	-	88,333	161,694	(102,852)
Special events and other revenue	32,980	-	-	32,980	39,596
	4,366,046	542,671	130,091	5,038,808	5,407,537
Fundraising expenses (Schedule 2)	571,810	-	-	571,810	585,389
Net revenue available for allocations and programs	3,794,236	542,671	130,091	4,466,998	4,822,148
Community Impact expenses					
Funded partner investments (Schedule 3)	1,490,405	-	-	1,490,405	1,514,405
COVID-19 grants	-	1,535,721	-	1,535,721	97,007
Donor directed to other charities	233,508	-	-	233,508	242,826
Programs and other investments (Schedule 4)	687,916	-	-	687,916	560,072
211 Saskatchewan	698,237	-	-	698,237	469,769
United Way of Canada dues	32,411	-	-	32,411	31,148
Community impact	555,867	95,083	-	650,950	569,236
Total Community Impact expenses	3,698,344	1,630,804	-	5,329,148	3,484,463
(Deficiency) excess of revenue	\$ 95,892	\$ (1,088,133)	\$ 130,091	\$ (862,150)	\$ 1,337,685

See accompanying notes

UNITED WAY OF REGINA

Tomorrow Fund
Statement of Revenue and Expenses
Year Ended June 30, 2021
(with comparative figures for the year ended June 30, 2020)

	Community Legacy Endowment	Operating Endowment	Total 2021	Total 2020
Revenue				
Investment income	\$ 73,325	\$ 56,766	\$130,091	\$ 9,488
Expenses				
Fundraising expenses (<i>Schedule 2</i>)	-	-	-	-
Excess of revenue	\$ 73,325	\$ 56,766	\$130,091	\$ 9,488

See accompanying notes

UNITED WAY OF REGINA

Statement of Cash Flow Year Ended June 30, 2021

(with comparative figures for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
<u>Operating Activities</u>		
(Deficiency) excess of revenue over expenses	\$ (862,150)	\$ 1,337,685
Plus items which does not require cash outlay:		
Amortization	81,583	88,000
Unrealized investment (gain) loss	(161,694)	102,852
	(942,261)	1,528,537
Changes in non-cash working capital		
Investments – current	11,723	(405,046)
Accounts receivable	(101,952)	15,315
Pledges receivable	73,158	97,570
Prepaid expenses	(31,211)	32,039
Accounts payable	45,816	(17,177)
Donor directed payable	30,536	(2,594)
Deferred revenue	-	(20,714)
Funds held for 211 Saskatchewan	(46,201)	33,505
Deferred contributions	(52,613)	243,365
	(70,744)	(23,737)
Net cash (used) provided by operating activities	(1,013,005)	1,504,800
<u>Investing Activities</u>		
Purchase of tangible capital assets	(62,222)	(54,076)
Change in funds held in trust	(15,670)	(19,376)
Decrease in investments	(323,784)	132
	(401,676)	(73,320)
Net cash (used) provided by investing activities	(401,676)	(73,320)
(Decrease) increase in cash resources	(1,414,681)	1,431,480
Cash - beginning of year	2,111,779	680,299
Cash - end of year	\$ 697,098	\$ 2,111,779

See accompanying notes

UNITED WAY OF REGINA

Notes to the Financial Statements June 30, 2021

(with comparative figures for the year ended June 30, 2020)

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 ignited the desire in everyone to improve lives by mobilizing our community for lasting social change in Regina and other communities in Saskatchewan.

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 nine (9) 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 nine (9) months of approved funding commitments for Funded Partners and a minimum of twelve (12) months for 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, 2021

(with comparative figures for the year ended June 30, 2020)

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

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.

Donation revenue

Donation revenue comprises unrestricted contributions received in cash or pledges receivable during annual campaigns. 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.

UNITED WAY OF REGINA

Notes to the Financial Statements June 30, 2021

(with comparative figures for the year ended June 30, 2020)

2. Significant accounting policies - continued

Revenue recognition - continued

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 (4 years)

UNITED WAY OF REGINA

Notes to the Financial Statements June 30, 2021

(with comparative figures for the year ended June 30, 2020)

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:

	2021	2020
	%	%
Community Impact program expenses	78.8	81.5
Fundraising expenses	21.2	18.5
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 nine – (9) 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, 2021

(with comparative figures for the year ended June 30, 2020)

3. Investments

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

	2021	2020
Cash/money market mutual funds	\$ 477,560	\$ 736,860
Guaranteed investment certificates (GIC) & bonds	2,029,473	1,500,469
Common shares	449,712	375,753
Tomorrow Fund (in trust for United Way of Regina)		
Cash/money market mutual funds	374,370	668,270
Guaranteed investment certificates (GIC)	553,250	225,185
Common shares	514,371	418,445
Total investments	4,398,736	3,924,982
Less current	(1,746,041)	(1,757,764)
Long term	\$ 2,652,695	\$ 2,167,218

As stated in note 2, investments are measured at their current market value. GIC investments are laddered out with various maturity dates between November 2021 and June 2023 (2020 – July 2020 and June 2023) and accrue interest at rates between 0.48% and 3% (2020 – 1.42% and 3.03%).

4. Pledges receivable

	2021	2020
Current campaign commencing January	\$ 234,389	\$ 223,383
Prior campaigns	424,376	508,540
	\$ 658,765	\$ 731,923

The net provision for uncollectible pledges, after recoveries and write offs, at year end is \$145,500 (2020 - \$224,600) 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

	-----2021-----		---2020---	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Donor management system	\$ 310,888	\$ 310,888	\$ -	\$ 19,706
Leasehold improvements	332,439	262,926	69,513	86,953
Office equipment	142,598	85,305	57,293	39,508
	\$ 785,925	\$ 659,119	\$ 126,806	\$ 146,167

UNITED WAY OF REGINA

Notes to the Financial Statements June 30, 2021

(with comparative figures for the year ended June 30, 2020)

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 2021 year, United Way of Regina distributed flow-through funds of \$278,380 (2020 - \$193,980) and has a payable at year-end of \$31,729 (2020 - \$1,193).

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 2024 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, 2021 – contributions of \$43,850 (2020 - \$36,616) by UWSA, \$141,696 (2020 - \$245,365) by Ministry of Education, \$176,758 (2020 - nil) by Ministry of Justice and nil (2020- \$126,524) by Community Initiatives Fund for the project were unexpended and appear as a liability on the statement of financial position.

	2021	2020
Revenue	\$ 647,972	\$ 341,118
Expenses	748,504	598,419
Net expenses shared equally by UWR and UWSA	\$ 100,532	\$ 257,301
United Way Regina – 50% share	50,266	128,651
United Way Saskatoon and Area – 50% share	50,266	128,650

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 2022.

8. Funds held for administration

United Way of Regina has agreed to receive and administer funds on behalf of the George Reed Centre (in conjunction with the University of Regina Mitacs project) and the Regina Human Service Partnership previously. 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.

UNITED WAY OF REGINA

Notes to the Financial Statements June 30, 2021

(with comparative figures for the year ended June 30, 2020)

8. Funds held for administration – continued

As at year end the balances held for administration were as follows:

	2021	2020
Regina Human Service Partnership	\$ -	\$ 296
George Reed Centre (Mitacs)	938	16,312
	\$ 938	\$ 16,608

9. Fund transfers

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

In 2021, a transfer of \$6,792 (2020-nil) from the COVID-19 Response Fund was made to the Community Use Fund. In addition, a year end transfer of \$77,397 (2020-\$175,000) from the Tomorrow Fund Operating Endowment was approved to be made to the Operating Fund and subsequently transferred following the fiscal year end, to bring the fund to the nine (9) 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 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. These regions were granted to the organization on a permanent basis in late 2020. To ensure investment locally, 2021 regional designated project funding was deferred.

UNITED WAY OF REGINA

Notes to the Financial Statements June 30, 2021

(with comparative figures for the year ended June 30, 2020)

10. Deferred contributions – continued

Deferred contributions include the following:

	2021	2020
Donor directed giving to other charities	\$ 123,836	\$ 137,768
Deferred regional revenue	35,903	126,386
Deferred 211 Saskatchewan revenue	22,689	-
Miscellaneous deferred revenue	210,560	181,447
	\$ 392,988	\$ 445,601

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. The Organization is exposed to interest rate risk on its current and long-term investments. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating, investing, and financing activities.

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, 2021 a balance of \$885,000 remained committed to March 31, 2022 (2020 - \$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 2022)	\$ 150,000
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UNITED WAY OF REGINA

Notes to the Financial Statements June 30, 2021

(with comparative figures for the year ended June 30, 2020)

12. Commitments – continued

- 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)

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 2021 were \$510,647 (2020 - \$533,146). General management and administration costs associated with fundraising for 2021 were \$61,164 (2020 - \$52,242) which are allocated based on a square footage basis.

	2021	2020
Direct costs of fundraising	10.20%	9.73%
General management and administrative costs associated with fundraising	1.22%	.95%
	11.42%	10.68%

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. Due to the world wide financial market volatility, the value of investments held in equities has increased 21% in 2021 from \$794,198 to \$964,081 (2020- decrease of 11% from March - June). Future financial impacts on the Organization is unknown.

United Way of Regina provided 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 \$1,552,896 (2020 - \$1,061,621 and 2021 - \$491,275) has been received from the Government of Canada, via United Way of Canada - Centraide Canada, from the Emergency Community Support Fund to invest in agencies and programs who are delivering front line services to those affected by the COVID-19 pandemic. As at June 30, 2021, all distributions have been completed and no amounts deferred.

UNITED WAY OF REGINA

Schedule of General Management and Administrative Expenses Year Ended June 30, 2021

(with comparative figures for the year ended June 30, 2020)

	Schedule 1	
	2021	2020
Annual general and other meetings	\$ 1,059	\$ 1,067
Financial service fees	6,141	3,866
Occupancy	14,827	13,096
Printing and promotion	4,234	15,634
Professional development/travel	1,608	2,190
Professional services	40,671	41,070
Salaries and benefits	148,406	103,698
Supplies and small equipment	1,023	794
Transformational change strategy	7	12,385
Volunteer training and recognition	293	591
General management and admin expenses prior to amortization	218,269	194,391
Amortization of tangible capital assets	70,239	88,000
	288,508	282,391
Allocated to community impact (<i>Operating Fund</i>)	(227,344)	(230,149)
Allocated to fundraising (<i>Schedule 2</i>)	(61,164)	(52,242)
Unallocated general management and administrative expenses	\$ -	\$ -

UNITED WAY OF REGINA

Schedule of Fundraising Expenses Year Ended June 30, 2021

(with comparative figures for the year ended June 30, 2020)

	Schedule 2	
	2021	2020
Bank service fees	\$ 13,267	\$ 9,868
Direct mail	1,145	3,823
Equipment	17,238	16,735
Fundraising and processing fees	21,423	20,777
Occupancy	76,197	74,739
Other direct fundraising expenses	1,760	1,026
Postage	1,067	1,197
Printing and promotion	12,771	12,303
Professional development	1,595	3,660
Professional services	22,792	57,814
Salaries and benefits	373,316	332,347
Special event expenses	678	19,522
Supplies	2,344	2,117
Volunteer training and recognition	200	229
Fundraising and processing fees (recoveries)	(35,147)	(23,010)
	510,646	533,147
Allocation of general management & admin expenses (<i>Schedule 1</i>)	61,164	52,242
	\$ 571,810	\$ 585,389
Operating Fund	\$ 571,810	\$ 585,389
Tomorrow Fund	-	-
	\$ 571,810	\$ 585,389

UNITED WAY OF REGINA

Schedule of Funded Partner Investments Year Ended June 30, 2021

(with comparative figures for the year ended June 30, 2020)

	Schedule 3	
	2021	2020
Funded Agencies		
Big Brothers Big Sisters (Regina Branch)	\$ 30,000	\$ 30,000
Big Brothers Big Sisters (Weyburn Branch)	20,000	10,000
Canadian National Institute of the Blind (CNIB)	12,000	6,000
Canadian Mental Health Association (Regina Branch)	69,036	89,035
Canadian Mental Health Association (Weyburn Branch)	30,000	12,000
Canadian Red Cross (Weyburn and Area)	10,000	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	4,000	2,000
Cornwall Alternative School	108,124	108,124
Early Childhood Intervention Program	30,000	30,000
Envision Counselling and Support Centre Inc.	45,000	22,500
Family Services Regina	155,653	175,654
Inclusion Weyburn	7,000	6,500
Mobile Crisis Services Inc.	35,170	55,169
Rainbow Youth Centre	34,554	34,553
Regina Transition House	37,939	57,940
Regina Early Learning Centre Inc.	96,441	96,441
Regina Education and Action on Child Hunger (REACH)	80,858	60,858
Regina Open Door Society	106,506	106,506
Regina Work Preparation Centre	55,261	55,262
SCEP Centre	101,770	101,770
Sofia House	30,000	50,000
Spinal Cord Injury Saskatchewan (Weyburn Branch)	5,000	2,000
Street Workers' Advocacy Project, Regina Inc.	61,413	61,413
Weyburn Care-A-Van Inc.	10,000	5,000
Weyburn Special Care Home Auxiliary	8,000	5,000
Weyburn Youth Center	10,000	4,000
YMCA of Regina	52,840	52,840
YWCA and Big Sisters Program	143,420	163,420
	\$ 1,490,405	\$ 1,514,405

UNITED WAY OF REGINA

Schedule of Programs & Other Investments Funded Year Ended June 30, 2021

(with comparative figures for the year ended June 30, 2020)

			Schedule 4	
	Revenue	Expenses	2021 Net	2020 Net
Campaign for Grade Level Reading Initiatives	\$ 425,377	\$ 430,143	\$ (4,766)	\$ (75,459)
Capacity Building Programs	22,000	46,362	(24,362)	(33,186)
Labour Community Services	-	-	-	(383)
Stakeholder Engagement	15,773	74,406	(58,633)	(77,097)
Summer Success Program	133,042	137,005	(3,963)	(36,204)
	\$ 596,192	\$ 687,916	\$ (91,724)	\$ (222,329)

