

UNITED WAY OF REGINA

Financial Statements

June 30, 2023

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-Bentz
Chief Executive Officer

October 3, 2023
Date



INDEPENDENT AUDITORS' REPORT

To the Members, United Way of Regina

Opinion

We have audited the financial statements of United Way of Regina (the "Organization"), which comprise the statement of financial position as at June 30, 2023, 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, 2023, 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 26, 2023
Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Professional Accountants

UNITED WAY OF REGINA

Statement of Financial Position
As at June 30, 2023
(with comparative figures at June 30, 2022)

| | Operating Fund | Tomorrow Fund | Total 2023 | Total 2022 |
|--|---------------------|---------------------|---------------------|---------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash | \$ 279,326 | \$ - | \$ 279,326 | \$ 443,451 |
| Investments (Note 3) | 1,706,687 | - | 1,706,687 | 2,090,758 |
| Accounts receivable | 23,769 | - | 23,769 | 84,329 |
| Pledges receivable (Note 4) | 339,606 | - | 339,606 | 563,658 |
| Prepaid expenses | 3,249 | - | 3,249 | 4,227 |
| | 2,352,637 | - | 2,352,637 | 3,186,423 |
| Investments (Note 3) | 1,251,469 | 1,210,367 | 2,461,836 | 2,600,835 |
| Tangible capital assets (Note 5) | 47,963 | - | 47,963 | 89,851 |
| | \$ 3,652,069 | \$ 1,210,367 | \$ 4,862,436 | \$ 5,877,109 |
| Liabilities and Net Assets | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ 74,339 | \$ - | \$ 74,339 | \$ 67,277 |
| Donor directed payable (Note 6) | 1,602 | - | 1,602 | 2,870 |
| Funds held for 211 Saskatchewan (Note 7) | 211,632 | - | 211,632 | 407,127 |
| | 287,573 | - | 287,573 | 477,274 |
| Deferred contributions (Note 9) | 429,765 | - | 429,765 | 481,232 |
| | 717,338 | - | 717,338 | 958,506 |
| Net Assets | 2,934,731 | 1,210,367 | 4,145,098 | 4,918,603 |
| | \$ 3,652,069 | \$ 1,210,367 | \$ 4,862,436 | \$ 5,877,109 |


Commitments (Notes 7 & 11)

See accompanying notes

On behalf of the Board:



Director



Director

UNITED WAY OF REGINA

Statement of Net Assets Year Ended June 30, 2023

(with comparative figures for the year ended June 30, 2022)

| | -----Operating Fund----- | | | -----Tomorrow Fund----- | | | -Total- |
|--|--|--------------------------|-------------------|----------------------------|--|--------------------------------|--------------|
| | Invested in Tangible Capital Assets | Community Use Fund | Operating Fund | Total Operating Fund | Community Legacy Endowment Fund | Operating Endowment Fund | |
| Balance – beginning of year | \$ 89,851 | \$ 2,877,523 | \$ 544,380 | \$ 3,511,754 | \$ 874,262 | \$ 532,587 | \$ 1,406,849 |
| Excess revenue (expenses) | (49,104) | - | (768,539) | (817,643) | 35,997 | 8,141 | 44,138 |
| Purchase of tangible capital assets | 7,216 | - | (7,216) | - | - | - | - |
| Transfers from Tomorrow Fund (Note 8) | - | - | 240,620 | 240,620 | - | (240,620) | (240,620) |
| Transfers from Community Use Fund (Note 8) | - | (785,200) | 785,200 | - | - | - | - |
| Balance - end of year | \$ 47,963 | \$ 2,092,323 | \$ 794,445 | \$ 2,934,731 | \$ 910,259 | \$ 300,108 | \$ 1,210,367 |

| | -----Operating Fund----- | | | -----Tomorrow Fund----- | | | -Total- |
|--|--|--------------------------|-------------------|----------------------------|--|--------------------------------|--------------|
| | Invested in Tangible Capital Assets | Community Use Fund | Operating Fund | Total Operating Fund | Community Legacy Endowment Fund | Operating Endowment Fund | |
| Balance – beginning of year | \$ 126,806 | \$ 2,903,523 | \$ 667,003 | \$ 3,717,332 | \$ 855,363 | \$ 586,628 | \$ 1,441,991 |
| Excess revenue (expenses) | (62,511) | - | (220,464) | (282,975) | 18,899 | 23,356 | 42,255 |
| Purchase of tangible capital assets | 25,556 | - | (25,556) | - | - | - | - |
| Transfers from Tomorrow Fund (Note 8) | - | - | 77,397 | 77,397 | - | (77,397) | (77,397) |
| Transfers from Community Use Fund (Note 8) | - | (26,000) | 26,000 | - | - | - | - |
| Balance - end of year | \$ 89,851 | \$ 2,877,523 | \$ 544,380 | \$ 3,511,754 | \$ 874,262 | \$ 532,587 | \$ 1,406,849 |

See accompanying notes

UNITED WAY OF REGINA

Statement of Operations
Year Ended June 30, 2023
(with comparative figures for the year ended June 30, 2022)

| | Operating Fund | Tomorrow Fund | Total 2023 | Total 2022 |
|---|-------------------|------------------|---------------|---------------|
| Revenue | | | | |
| Donations | \$ 2,042,413 | \$ - | \$ 2,042,413 | \$ 2,395,587 |
| Funds transferred from other United Ways | 371,790 | - | 371,790 | 392,732 |
| Gross campaign revenue | 2,414,203 | - | 2,414,203 | 2,788,319 |
| Uncollectible pledge provision | (35,112) | - | (35,112) | (48,300) |
| Net campaign revenue | 2,379,091 | - | 2,379,091 | 2,740,019 |
| Contributions and grants Community Services Recovery Fund (Note 13) | 1,185,710 | - | 1,185,710 | 1,008,665 |
| Government COVID-19 relief funding | 1,578,277 | - | 1,578,277 | - |
| Investment income | - | - | - | 182,651 |
| Investment income | 120,120 | 40,052 | 160,172 | 88,139 |
| Unrealized investment (loss) gain | (44,741) | 4,086 | (40,655) | (8,910) |
| Special events and other revenue | 8,832 | - | 8,832 | 17,385 |
| | 5,227,289 | 44,138 | 5,271,427 | 4,027,949 |
| Fundraising expenses (Schedule 2) | 631,674 | - | 631,674 | 633,171 |
| Net revenue available for allocations and programs | 4,595,615 | 44,138 | 4,639,753 | 3,394,778 |
| Community Impact expenses | | | | |
| Funded partner investments (Schedule 3) | 1,077,850 | - | 1,077,850 | 1,301,933 |
| Community Services Recovery Fund grants (Note 13) | 1,531,773 | - | 1,531,773 | - |
| Donor directed to other charities | 183,776 | - | 183,776 | 250,209 |
| Programs and other investments (Schedule 4) | 1,524,084 | - | 1,524,084 | 891,479 |
| 211 Saskatchewan (Schedule 5) | 542,471 | - | 542,471 | 613,917 |
| United Way of Canada dues | 34,288 | - | 34,288 | 35,117 |
| Community impact | 519,016 | - | 519,016 | 542,843 |
| Total Community Impact expenses | 5,413,258 | - | 5,413,258 | 3,635,498 |
| (Deficiency) excess of revenue | \$ (817,643) | \$ 44,138 | \$ (773,505) | \$ (240,720) |

See accompanying notes

UNITED WAY OF REGINA

Tomorrow Fund
Statement of Revenue and Expenses
Year Ended June 30, 2023
(with comparative figures for the year ended June 30, 2022)

| | Community Legacy Endowment | Operating Endowment | Total 2023 | Total 2022 |
|--|----------------------------------|------------------------|---------------|---------------|
| Revenue | | | | |
| Investment income | \$ 35,997 | \$ 8,141 | \$ 44,138 | \$ 42,255 |
| Expenses | | | | |
| Fundraising expenses <i>(Schedule 2)</i> | - | - | - | - |
| Excess of revenue | \$ 35,997 | \$ 8,141 | \$ 44,138 | \$ 42,255 |

See accompanying notes

UNITED WAY OF REGINA

Statement of Cash Flow
Year Ended June 30, 2023
(with comparative figures for the year ended June 30, 2022)

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|
| <u>Operating Activities</u> | | |
| Deficiency of revenue over expenses | \$ (773,505) | \$ (240,720) |
| Plus items which does not require cash outlay: | | |
| Amortization | 49,104 | 62,511 |
| Unrealized investment loss | 40,655 | 8,910 |
| | (683,746) | (169,299) |
| Changes in non-cash working capital | | |
| Investments – current | 384,071 | (344,717) |
| Accounts receivable | 60,560 | 41,766 |
| Pledges receivable | 224,052 | 95,107 |
| Prepaid expenses | 978 | 33,527 |
| Accounts payable | 7,062 | (30,696) |
| Donor directed payable | (1,268) | (28,859) |
| Funds held for 211 Saskatchewan | (195,495) | 44,823 |
| Deferred contributions | (51,467) | 88,244 |
| | 428,493 | (100,805) |
| Net cash used by operating activities | (255,253) | (270,104) |
| <u>Investing Activities</u> | | |
| Purchase of tangible capital assets | (7,216) | (25,556) |
| Change in funds held in trust | - | (938) |
| Increase in investments | 98,344 | 42,951 |
| Net cash provided by investing activities | 91,128 | 16,457 |
| Decrease in cash resources | (164,125) | (253,647) |
| Cash - beginning of year | 443,451 | 697,098 |
| Cash - end of year | \$ 279,326 | \$ 443,451 |

See accompanying notes

UNITED WAY OF REGINA

Notes to the Financial Statements
Year Ended June 30, 2023
(with comparative figures for the year ended June 30, 2022)

1. Purpose of the organization

United Way of Regina is continued under *The Non-profit Corporations Act, 2022* of Saskatchewan. Its principal purpose, described in the United Way mission statement, is to ignite 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 Campaign for Grade Level Reading initiatives 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
Year Ended June 30, 2023
(with comparative figures for the year ended June 30, 2022)

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 and program donations received in cash or pledges receivable during annual campaigns. These are recognized as revenue in the period in which the campaign or program 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 Year Ended June 30, 2023

(with comparative figures for the year ended June 30, 2022)

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 the amount can be reasonably estimated and the ultimate collection is reasonably assured based on 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 consists 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 |
| Equipment and furniture | Three years |
| Leaseholds | Remaining term of the lease (2 years) |

UNITED WAY OF REGINA

Notes to the Financial Statements
Year Ended June 30, 2023
(with comparative figures for the year ended June 30, 2022)

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:

| | 2023 | 2022 |
|-----------------------------------|------|------|
| | % | % |
| 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 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
Year Ended June 30, 2023
(with comparative figures for the year ended June 30, 2022)

3. Investments

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

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Cash/money market mutual funds | \$ 305,801 | \$ 399,060 |
| Guaranteed investment certificates (GIC) and bonds | 2,238,772 | 2,430,461 |
| Common shares | 413,583 | 455,223 |
| Tomorrow Fund (in trust for United Way of Regina) | | |
| Cash/money market mutual funds | 105,692 | 355,532 |
| Guaranteed investment certificates (GIC) | 628,759 | 522,787 |
| Common shares | 475,916 | 528,530 |
| Total investments | 4,168,523 | 4,691,593 |
| Less current | (1,706,687) | (2,090,758) |
| Long term | \$ 2,461,836 | \$ 2,600,835 |

As stated in note 2(d), investments are measured at their current market value. GIC investments have various maturity dates between July 2023 and September 2025 (2022 – July 2022 and May 2025) and accrue interest at rates between 1.38% and 5.25% (2022 – 0.75% and 4.35%).

4. Pledges receivable

| | 2023 | 2022 |
|------------------|-------------------|-------------------|
| Current campaign | \$ 174,034 | \$ 165,400 |
| Prior campaigns | 165,572 | 398,258 |
| | \$ 339,606 | \$ 563,658 |

The net provision for uncollectible pledges, after recoveries and write offs, at year end is \$132,500 (2022 - \$143,300) 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

| | -----2023----- | | | ---2022--- |
|-------------------------|-------------------|-----------------------------|-------------------|-------------------|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Donor management system | \$ 310,888 | \$ 310,888 | \$ - | \$ - |
| Leasehold improvements | 333,904 | 298,293 | 35,611 | 52,074 |
| Office equipment | 117,023 | 104,671 | 12,352 | 37,777 |
| | \$ 761,815 | \$ 713,852 | \$ 47,963 | \$ 89,851 |

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Notes to the Financial Statements
Year Ended June 30, 2023
(with comparative figures for the year ended June 30, 2022)

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 2023 year, United Way of Regina distributed flow-through funds of \$250,684 (2022 - \$334,074) and has a payable at year-end of \$1,602 (2022 - \$2,870).

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.

United Way Regina (UWR) and United Way Saskatoon and Area (UWSA) have a Memorandum of Understanding (MOU) regarding 211 Saskatchewan to deliver the project 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, 2023 – contributions of \$149,941 (2022 - \$126,791) by UWSA, \$81,167 (2022 - \$169,122) by Ministry of Education, and (\$19,476) (2022- \$111,214) by Ministry of Justice for the project were unexpended and appear as a liability on the statement of financial position.

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 2024.

8. Fund transfers

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

In 2023, a transfer of \$785,200 (2022-\$26,000) from the Community Use Fund was made to the Operating Fund. In addition, a year end transfer of \$32,400 (2022-\$240,620) from the Tomorrow Fund Operating Endowment was approved to be made to the Operating Fund and was transferred following the fiscal year end.

9. 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

Year Ended June 30, 2023

(with comparative figures for the year ended June 30, 2022)

9. Deferred contributions – continued

Regional contributions

In 2020, United Way Centraide Canada assigned the regions formerly held by United Ways in Moose Jaw, Weyburn and Swift Current to United Way of Regina on a permanent basis. To ensure investment locally, 2023 regional designated project funding was deferred.

Deferred contributions include the following:

| | 2023 | 2022 |
|--|------------|------------|
| Donor directed giving to other charities | \$ 62,830 | \$ 109,918 |
| Deferred regional revenue | 14,517 | 2,958 |
| Deferred 211 Saskatchewan revenue | - | 11,345 |
| Community Services Recovery Fund | 93,637 | - |
| Miscellaneous deferred project revenue | 258,781 | 357,011 |
| | \$ 429,765 | \$ 481,232 |

10. 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.

11. Commitments

- a) United Way of Regina annually approves allocations to provide grants (previously core funding) to funded agencies based on the results of the previous year's annual campaign. As of June 30, 2023, a balance of \$200,000 remained committed to March 31, 2024 (2022 - \$750,000).

UNITED WAY OF REGINA

Notes to the Financial Statements
Year Ended June 30, 2023
(with comparative figures for the year ended June 30, 2022)

11. Commitments – continued

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

| | |
|--|------------|
| 211 Saskatchewan (estimated ongoing annual funding to June 2024) | \$ 150,000 |
| Campaign for Grade Level Reading (estimated funding to March 2024) | \$ 489,000 |

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) | \$ 95,000 (years 4-5) |
|---|-----------------------|

12. Transparency, accountability and financial reporting

The United Way follows the reporting guidelines as outlined in its membership agreement with United Way 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 2023 were \$562,710 (2022 - \$556,872). General management and administration costs associated with fundraising for 2023 were \$68,964 (2022 - \$76,299) which are allocated based on a square footage basis.

| | 2023 | 2022 |
|--|--------|--------|
| Direct costs of fundraising | 10.60% | 13.80% |
| General management and administrative costs associated with fundraising | 1.30% | 1.89% |
| | 11.90% | 15.69% |

13. Government of Canada Community Services Recovery Fund (CSRF)

Over the past year, the Government of Canada, through Employment and Social Development Canada, has been working with United Way Centraide Canada, Community Foundations of Canada and the Canadian Red Cross to develop and launch the Community Services Recovery Fund (CSRF).

CSRF aims to respond to the adaptation and modernization needs of charities and non-profits facing immediate and long-term impacts of the COVID-19 pandemic as they continue to support communities across Canada. United Way of Regina has received and distributed funds throughout southern Saskatchewan to various community partners, both charitable organizations and nonprofits, based on formal signed agreements. Pursuant to the agreement, \$1,468,764 was received for distribution plus an administrative allocation of \$203,150. At June 30, 2023, all of the community distribution and \$46,504 of administrative allocation had been expended, as well as \$63,009 of administration that was reallocated and distributed back into the community. The remaining \$93,637 administrative allocation had been deferred and included in miscellaneous deferred project revenue (note 9).

UNITED WAY OF REGINA

Schedule of General Management and Administrative Expenses

Year Ended June 30, 2023

(with comparative figures for the year ended June 30, 2022)

| | Schedule 1 | |
|---|------------|-----------|
| | 2023 | 2022 |
| Annual general and other meetings | \$ 562 | \$ 885 |
| Financial service fees | 3,835 | 3,929 |
| Occupancy | 28,873 | 17,524 |
| Printing and promotion | 12,406 | 804 |
| Professional development/travel | 930 | 4,017 |
| Professional services | 41,894 | 61,847 |
| Salaries and benefits | 191,501 | 201,587 |
| Supplies and small equipment | 4,992 | 2,604 |
| Transformational change strategy | 24,367 | 3,819 |
| Volunteer training and recognition | 529 | 225 |
| | | |
| General management and admin expenses prior to amortization | 309,889 | 297,241 |
| Amortization of tangible capital assets | 34,933 | 49,573 |
| | 344,822 | 346,814 |
| | | |
| Allocated to community impact (<i>Operating Fund</i>) | (275,858) | (270,515) |
| Allocated to fundraising (<i>Schedule 2</i>) | (68,964) | (76,299) |
| | | |
| Unallocated general management and administrative expenses | \$ - | \$ - |

UNITED WAY OF REGINA

Schedule of Fundraising Expenses
Year Ended June 30, 2023
(with comparative figures for the year ended June 30, 2022)

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | | Schedule 2 |
| | | |
| Bank service fees | \$ 14,379 | \$ 14,717 |
| Direct mail | 865 | 1,308 |
| Equipment | 18,284 | 17,366 |
| Fundraising and processing fees | 20,084 | 24,946 |
| Occupancy | 88,046 | 90,783 |
| Other direct fundraising expenses | 4,788 | 49 |
| Postage | 866 | 864 |
| Printing and promotion | 31,447 | 14,428 |
| Professional development | 6,002 | 4,091 |
| Professional services | 28,892 | 28,485 |
| Salaries and benefits | 358,612 | 388,029 |
| Special event expenses | 2,780 | 5,175 |
| Supplies | 1,134 | 925 |
| Volunteer training and recognition | 167 | 224 |
| Fundraising and processing recoveries | (13,636) | (34,518) |
| | 562,710 | 556,872 |
| Allocation of general management & admin expenses <i>(Schedule 1)</i> | 68,964 | 76,299 |
| | \$ 631,674 | \$ 633,171 |
| | | |
| Operating Fund | \$ 631,674 | \$ 633,171 |
| Tomorrow Fund | - | - |
| | \$ 631,674 | \$ 633,171 |

UNITED WAY OF REGINA

Schedule of Funded Partner Investments

Year Ended June 30, 2023

(with comparative figures for the year ended June 30, 2022)

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Schedule 3 | | |
| Funded Partner Agencies | | |
| Big Brothers Big Sisters (Regina Branch) | \$ 45,000 | \$ 44,470 |
| Big Brothers Big Sisters (Weyburn Branch) | 9,870 | 10,000 |
| Canadian National Institute of the Blind (CNIB) | 5,870 | 6,000 |
| Canadian Mental Health Association (Regina Branch) | 45,000 | 44,470 |
| Canadian Mental Health Association (Weyburn Branch) | 14,870 | 19,500 |
| Canadian Red Cross (Weyburn and Area) | - | 6,000 |
| Catholic Family Services Society | 45,000 | 44,470 |
| Circle Project Association Inc. | 74,000 | 104,470 |
| City of Swift Current (Active Play) | - | 283 |
| Community Low Income Center | 2,000 | 2,000 |
| Cornwall Alternative School | 45,000 | 104,470 |
| Early Childhood Intervention Program | 45,000 | 44,470 |
| Envision Counselling and Support Centre Inc. | 22,370 | 29,250 |
| Family Services Regina | 74,000 | 104,470 |
| Inclusion Weyburn | 6,000 | 6,500 |
| Mobile Crisis Services Inc. | 45,000 | 44,470 |
| Rainbow Youth Centre | 45,000 | 44,470 |
| Regina Transition House | 45,000 | 44,470 |
| Regina Early Learning Centre Inc. | 45,000 | 44,470 |
| Regina Education and Action on Child Hunger (REACH) | 45,000 | 100,000 |
| Regina Open Door Society | 45,000 | 104,470 |
| Regina Work Preparation Centre | 45,000 | 40,000 |
| SCEP Centre | 74,000 | 74,470 |
| Sofia House | 45,000 | 74,470 |
| Southeast Advocates for Employment | 4,870 | - |
| Spinal Cord Injury Saskatchewan (Weyburn Branch) | 4,000 | 5,250 |
| Street Workers' Advocacy Project, Regina Inc. | 45,000 | 44,470 |
| Weyburn Care-A-Van Inc. | 4,000 | 5,000 |
| Weyburn Special Care Home Auxiliary | - | 5,000 |
| Weyburn Youth Center | 4,000 | 4,000 |
| YMCA of Regina Inc. | 74,000 | 51,630 |
| YWCA and Big Sisters Program | 74,000 | 44,470 |
| | \$ 1,077,850 | \$ 1,301,933 |

UNITED WAY OF REGINA

Schedule of Programs and Other Investments Funded Year Ended June 30, 2023

(with comparative figures for the year ended June 30, 2022)

| | | | Schedule 4 | |
|--|--------------|--------------|--------------|-------------|
| | Revenue | Expenses | 2023 Net | 2022 Net |
| Campaign for Grade Level Reading Initiatives | \$ 918,817 | \$ 1,108,464 | \$ (189,647) | \$ (47,925) |
| Capacity Building Programs & Community | | | | |
| Building Youth Futures (CBYF) Program | 254,167 | 313,700 | (59,533) | 2,046 |
| Regional Literacy Initiatives | 11,916 | 50,022 | (38,106) | (13,103) |
| Stakeholder Engagement | 4,492 | 51,898 | (47,406) | (22,942) |
| | \$ 1,189,392 | \$ 1,524,084 | \$ (334,692) | \$ (81,924) |

UNITED WAY OF REGINA

Schedule of 211 Saskatchewan Revenue and Expenses Year Ended June 30, 2023

(with comparative figures for the year ended June 30, 2022)

| | Schedule 5 | |
|---|-------------------|-------------|
| | 2023 | 2022 |
| Revenue | \$ 415,621 | \$ 529,357 |
| Expenses | | |
| Amortization | 11,345 | 11,345 |
| Equipment | 14,261 | 12,398 |
| Licences and memberships | 1,720 | 1,675 |
| Occupancy and communication | 44,001 | 54,011 |
| Postage | 1,032 | 2,480 |
| Printing and promotion | 128,861 | 111,900 |
| Professional development | 668 | 410 |
| Professional services | 161,108 | 174,440 |
| Salaries and benefits | 306,072 | 329,680 |
| Supplies | 253 | 138 |
| UWSA share of expenses | (126,850) | (84,560) |
| | 542,471 | 613,917 |
| Net expenses – UWR | \$ 126,850 | \$ 84,560 |
| Total share of expenses | | |
| United Way Regina - 50% share of net expense | \$ 126,850 | \$ 84,560 |
| United Way Saskatoon & Area- 50% share of net expense | 126,850 | 84,560 |
| Ministry of Education project | 172,954 | 142,574 |
| Ministry of Justice project | 194,762 | 227,771 |
| Other revenue sources and projects | 47,905 | 159,012 |
| | \$ 669,321 | \$ 698,477 |

