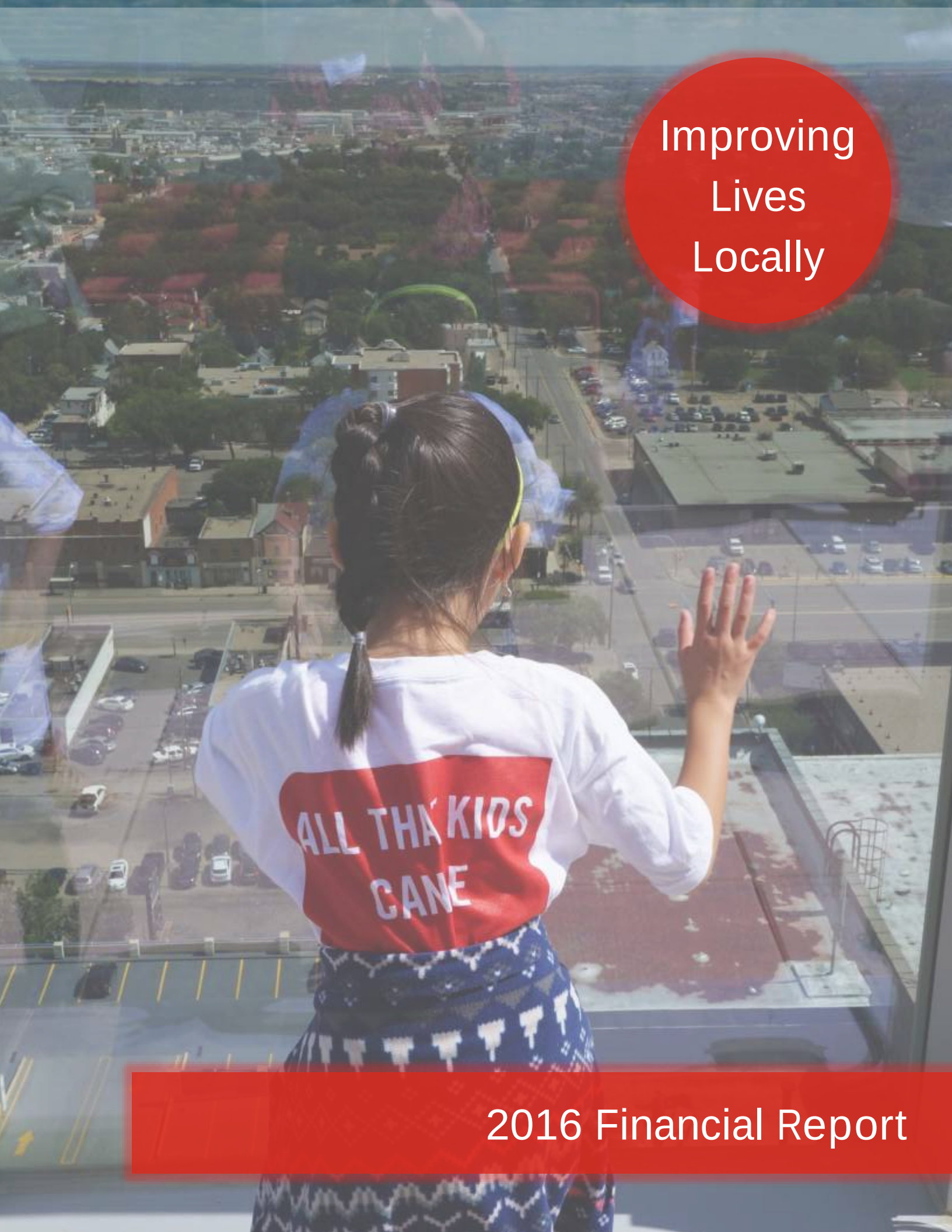


# Improving Lives Locally

## 2016 Financial Report

# Possibility

is finding opportunities;
an expectation raised and an
elevated dream for the future;
an education; a job; a chance.

United Way Regina

# Financial Report

for period ending June 30, 2016

Audit Committee Report

**It is my pleasure to present the Audit Committee report for the fiscal year ended June 30, 2016.**

One of the key functions of the Audit Committee for United Way Regina (UWR) is to meet with the external auditors to review the annual audit plan, conduct an in-camera session with the auditors, review and make recommendations on the audited financial statements.
No significant issues were identified during the 2015-2016 audit and our external auditors, Virtus Group Chartered Accountants & Business Advisors LLP have provided an "unqualified opinion" of our audited financial statements.

As we review the Statement of Financial Position, notable is the decrease in short term investments and cash of approximately $500K, reflecting a lower portion of our investments held in money market & GICs maturing within the year, as we continue to ladder out long term investments. Consistent to the market, we saw stable returns overall on our investments in 2015-2016, however welcome a more lucrative investor environment in the upcoming fiscal year.

Under the Liabilities and Net Assets section, donor directed payables of **$53,811** (2015- $72,251) are fairly consistent to the previous year; however this number will always be variable in nature. These flow-thru accounts are donations received on behalf of other United Ways and charities, which are not part of the United Way Regina campaign therefore, are not reported as UWR revenue. The distribution of these flow-thru accounts occurred more frequently in the later part of 2014 onwards resulting in the decreased balance as compared to years prior. Funds held for 211 Saskatchewan (Note 7) of **$26,656** (2015 – $15,594) is the unexpended balance of funds received from United Way Saskatoon & Area for 211 Saskatchewan operations, which is jointly funded until March 31, 2017, under the current agreement. Deferred Contributions of **$207,666** (2015- $211,933) are donor designated funds to other registered charities pledged in the UWR General Campaign. During the fiscal year, over $228K was distributed and, in accordance with accounting policy revenue and expense of this amount, was recognized as donation revenue and the related expense is reported under the line item Donor Directed to Other Charities on the Statement of Operations.

# Audit Committee Report

Within the Statement of Net Assets, you will notice that at the ending balance for the Community Innovations Fund is nil as it was discontinued as of December 31, 2014. Any excess revenues are now distributed 80% to the Community Use Reserve, 10% to each of the Tomorrow Fund endowments once the Operating Reserve has reached its six month maximum. It should be noted that funds over and above the required funding commitments held in the Community Use Reserve will be used at the Board's discretion to further United Way Regina's Investment Strategy.

The Statement of Operations shows gross campaign revenue of **$3,820,868** (2015-$4,307,386*)*. When compared to the year prior, campaign revenue was down due to overall gifts received, however further magnified due to the unpredictable nature of bequests (220K in 2015). A positive highlight on the revenue side occurred in the diversification of funding sources, particularly Contributions/Grants, recording income of $255,520 (2015-$102,195) during the fiscal year. This 150% increase in income in this category contained grants from the Federal Government for the Homeless Individuals & Families Information System (HIFIS) program, as well as multiple other funding partners for the Literacy Initiative, Day of Caring, Major Gift and Summer Success programs. Investment income of $49,453 was considerably less than 2015 of $76,247, due both a prior year adjustment of approximately ($16,500), as well as standard market fluctuations.

Notable expenses are Fundraising Expenses of $574,365 (2015-$526,195), which are itemized on Schedule 2. Total fundraising costs prior to allocation of general office admin expenses were slightly over budget, however typically only in strategically identified areas of opportunity, while many other costs fell under budget overall. Programs Funded increased to $506,290 (2015-$236,884), including expenses of HIFIS, School Readiness, Day of Caring and the expansion of the Summer Success initiative. Community Impact posted a lower than budgeted expense of $616,437 (2015-$674,587), due to project timelines and revenue generation. General Administration Expenses (Schedule 1), which posted an expense of $236,492 (2015-$265,310), was well under budget due to staff changes and projects. United Way Regina's major operating expense continues to be the Allocation to Funded Partners for a total of almost $2.1 million dollars (listed in Schedule 3). Total Community Impact expenses amounted to over $3.6 million dollars, inclusive of allocations, which supports a variety of programming which strategically mobilizes the community in an effort to make positive changes collectively in our 3 key focus areas.

For the fiscal period ended June 30, 2016, the both Operating Fund and Tomorrow Fund incurred a deficit of $92,851 and $3,234 respectively. While the organization did not invest additional dollars to its' Operating & Tomorrow Funds this fiscal year, currently both the Community Use Reserve and Operating Fund ending balances are compliant with the minimum and maximums as specified in our internal policy, which is a positive indicator of the charity's overall health. It was a great year at United Way Regina and we look forward to continued success as we start the 2016-2017 year!

*Brent Sjoberg*

Chair, Audit & Risk Management Committee

# UNITED WAY OF REGINA

**Financial Statements**

**June 30, 2016**

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# UNITED WAY OF REGINA

## Index to the Financial Statements
## June 30, 2016


Management's Responsibility for Financial Reporting ..... 1

Independent Auditors' Report ..... 2

Statement of Financial Position ..... 3

Statement of Net Assets ..... 4

Statement of Operations ..... 5

Tomorrow Fund - Statement of Revenue, Expenses ..... 6

Statement of Cash Flow ..... 7

Notes to the Financial Statements ..... 8-15

Schedule of General Management and Administrative Expenses ..... 16

Schedule of Fundraising Expenses ..... 17

Schedule of General Allocation to Funded Partners ..... 18

Schedule of Programs Funded ..... 19


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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 Management Committee. The Audit and Risk Management 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. 19, 2016
Date



VIRTUS GROUP

VIRTUS GROUP
Chartered Professional Accountants & Business Advisors LLP

# INDEPENDENT AUDITORS' REPORT

**To the Members,**
**United Way of Regina**

We have audited the accompanying financial statements of **United Way of Regina** which comprise the statement of financial position as at June 30, 2016, and the statements of operations, net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2016 and its' results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**September 15, 2016**
**Regina, Saskatchewan**

VIRTUS GROUP LLP
**Chartered Professional Accountants**

# UNITED WAY OF REGINA

**Statement of Financial Position**
**As at June 30, 2016**
(with comparative figures at June 30, 2015)

| | OPERATING FUND | TOMORROW FUND | TOTAL 2016 | TOTAL 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **CURRENT ASSETS** | | | | |
| Cash | $ 581,965 | $ - | **$ 581,965** | $ 746,550 |
| Investments *(Note 3)* | 602,717 | - | **602,717** | 944,875 |
| Accounts receivable | 17,737 | - | **17,737** | 21,318 |
| Pledges receivable *(Note 4)* | 983,700 | - | **983,700** | 1,061,216 |
| Prepaid expenses | 6,615 | - | **6,615** | 16,643 |
| | 2,192,734 | - | **2,192,734** | 2,790,602 |
| **DUE (TO) FROM OTHER FUNDS** *(Note 9)* | - | - | - | - |
| **INVESTMENTS** *(Note 3)* | 594,199 | 1,251,881 | **1,846,080** | 1,395,494 |
| **TANGIBLE CAPITAL ASSETS** *(Note 5)* | 376,804 | - | **376,804** | 410,375 |
| | $ 3,163,737 | $ 1,251,881 | **$ 4,415,618** | $ 4,596,471 |
| **LIABILITIES AND NET ASSETS** | | | | |
| **CURRENT LIABILITIES** | | | | |
| Accounts payable | $ 40,486 | $ - | **$ 40,486** | $ 55,432 |
| Donor directed payable *(Note 6)* | 53,811 | - | **53,811** | 72,251 |
| Deferred revenue | 105,255 | - | **105,255** | 115,430 |
| Funds held for 211 Saskatchewan (Note 7) | 26,656 | - | **26,656** | 15,594 |
| Funds held in trust *(Note 8)* | 23,786 | - | **23,786** | 46,786 |
| | 249,994 | - | **249,994** | 305,493 |
| **DEFERRED CONTRIBUTIONS** *(Note 10)* | 207,666 | - | **207,666** | 211,933 |
| | 457,660 | - | **457,660** | 517,426 |
| **NET ASSETS** | 2,706,077 | 1,251,881 | **3,957,958** | 4,079,045 |
| | $3,163,737 | $ 1,251,881 | **$ 4,415,618** | $ 4,596,471 |

**COMMITMENTS** *(Note 12)*

See accompanying notes

**ON BEHALF OF THE BOARD**

Director

Director



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# UNITED WAY OF REGINA

**Statement of Net Assets**
**Year Ended June 30, 2016**
(with comparative figures for the year ended June 30, 2015)

| | Operating Fund | | | | Tomorrow Fund | | | | -Total- |
|---|---|---|---|---|---|---|---|---|---|
| | Invested in Tangible Capital Assets | Community Use Reserve | Operating Fund | Total Operating Fund | Community Innovation Fund | Community Legacy Endowment Fund | Operating Endowment Fund | Total Tomorrow Fund | 2016 |
| **BALANCE** – beginning of year | $ 410,375 | $ 1,910,742 | $ 502,225 | $ 2,823,342 | $ - | $ 651,602 | $ 604,101 | $ 1,255,703 | $ 4,079,045 |
| Excess revenue (expenses) | (55,565) | - | (62,286) | (117,851) | - | (1,576) | (1,658) | (3,234) | (121,085) |
| Purchase of tangible capital assets | 21,995 | - | (21,995) | - | - | - | - | - | - |
| Transfer from Tomorrow Fund *(Note 9)* | - | - | 587 | 587 | - | - | (587) | (587) | - |
| Transfer to Operating Fund *(Note 9)* | - | (25,000) | 25,000 | - | - | - | - | - | - |
| Internal transfers within Tomorrow Fund | - | - | - | - | - | 6,768 | (6,768) | - | - |
| BALANCE - end of year | $ 376,805 | $ 1,885,742 | $ 443,531 | $ 2,706,078 | $ - | $ 656,794 | $ 595,088 | $ 1,251,881 | $ 3,957,960 |

| | Operating Fund | | | | Tomorrow Fund | | | | -Total- |
|---|---|---|---|---|---|---|---|---|---|
| | Invested in Tangible Capital Assets | Community Use Reserve | Operating Fund | Total Operating Fund | Community Innovation Fund | Community Legacy Endowment Fund | Operating Endowment Fund | Total Tomorrow Fund | 2015 |
| **BALANCE** – beginning of year | $ 431,015 | $ 1,675,268 | $ 481,000 | **$ 2,587,283** | $ 81,173 | $ 593,192 | $ 547,938 | **$ 1,222,303** | **$ 3,809,586** |
| Excess revenue (expenses) | (54,168) | - | 282,191 | **228,023** | - | 21,654 | 19,782 | **41,436** | **269,459** |
| Purchase of tangible capital assets | 33,528 | - | (33,528) | - | - | - | - | - | - |
| Transfer (to) from Tomorrow Fund *(Note 9)* | - | - | 8,036 | **8,036** | (81,173) | 36,756 | 36,381 | **(8,036)** | - |
| Transfer to Community Use Reserve | - | 235,474 | (235,474) | - | - | - | - | - | - |
| **BALANCE** - end of year | $ 410,375 | $ 1,910,742 | $ 502,225 | **$ 2,823,342** | $ - | $ 651,602 | $ 604,101 | **$ 1,255,703** | **$ 4,079,045** |

See accompanying notes

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# UNITED WAY OF REGINA

**Statement of Operations**
**Year Ended June 30, 2016**
(with comparative figures for the year ended June 30, 2015)

| | OPERATING FUND | TOMORROW FUND | TOTAL 2016 | TOTAL 2015 |
|---|---|---|---|---|
| **REVENUE** | | | | |
| Donations | $ 3,426,240 | $ - | **$ 3,426,240** | $ 4,019,878 |
| Funds transferred from other United Ways | 394,628 | - | **394,628** | 287,508 |
| Gross campaign revenue | 3,820,868 | - | **3,820,868** | 4,307,386 |
| Less: Uncollectible pledges | (85,715) | - | **(85,715)** | (134,142) |
| Net campaign revenue | 3,735,153 | - | **3,735,153** | 4,173,244 |
| Contributions/Grants | 255,520 | - | **255,520** | 102,195 |
| Investment income | 37,552 | 11,901 | **49,453** | 76,247 |
| Special events/Other revenue | 17,920 | - | **17,920** | 38,501 |
| | 4,046,145 | 11,901 | **4,058,046** | 4,390,187 |
| **FUNDRAISING EXPENSES** *(Schedule 2)* | 559,230 | 15,135 | **574,365** | 526,195 |
| **NET REVENUE AVAILABLE FOR ALLOCATIONS AND PROGRAMS** | 3,486,915 | (3,234) | **3,483,681** | 3,863,992 |
| **COMMUNITY IMPACT EXPENSES** | | | | |
| Allocation to funded partners *(Schedule 3)* | 2,096,553 | - | **2,096,553** | 2,225,559 |
| Donor directed to other charities | 228,039 | - | **228,039** | 257,766 |
| Programs funded *(Schedule 4)* | 506,290 | | **506,290** | 236,884 |
| 211 Saskatchewan (Note 7) | 113,938 | - | **113,938** | 164,636 |
| United Way of Canada dues | 43,509 | - | **43,509** | 35,101 |
| Community impact | 616,437 | - | **616,437** | 674,587 |
| **TOTAL COMMUNITY IMPACT EXPENSES** | 3,604,766 | - | **3,604,766** | 3,594,533 |
| **EXCESS OF REVENUE (EXPENSES)** | (117,851) | (3,234) | **(121,085)** | 269,459 |
| **TRANSFER – COMMUNITY USE RESERVE** | 25,000 | - | **25,000** | - |
| **NET CHANGE IN OPERATING FUND FROM THE ABOVE** | $ (92,851) | $ (3,234) | **$ (96,085)** | $ 269,459 |

See accompanying notes



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# UNITED WAY OF REGINA

## TOMORROW FUND
**Statement of Revenue and Expenses**
**Year Ended June 30, 2016**
(with comparative figures for the year ended June 30, 2015)

| | COMMUNITY INNOVATIONS (Note 2) | COMMUNITY LEGACY ENDOWMENT | OPERATING ENDOWMENT | TOTAL 2016 | TOTAL 2015 |
|---|---|---|---|---|---|
| **REVENUE** | | | | | |
| Donations | $ - | $ - | $ - | $ - | $ - |
| Investment income | - | 6,348 | 5,553 | **11,901** | 55,705 |
| | - | 6,348 | 5,553 | **11,901** | 55,705 |
| **EXPENSES** | | | | | |
| **FUNDRAISING EXPENSES** *(Schedule 2)* | - | 7,924 | 7,211 | **15,135** | 14,269 |
| **Total Expenses** | - | 7,924 | 7,211 | **15,135** | 14,269 |
| **EXCESS OF REVENUE (EXPENSES)** | $ - | $ (1,576) | $ (1,658) | **($ 3,234)** | $ 41,436 |

See accompanying notes



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# UNITED WAY OF REGINA

**Statement of Cash Flow**
**Year Ended June 30, 2016**
(with comparative figures for the year ended June 30, 2015)

| | 2016 | 2015 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Excess of revenues (expenses) | **$ (96,085)** | $ 269,459 |
| Plus item which does not require cash outlay: | | |
| - Amortization | **55,565** | 54,168 |
| | **(40,520)** | 323,627 |
| Changes in non-cash working capital | | |
| Investments – current | **342,158** | (186,872) |
| Accounts receivable | **3,581** | (3,243) |
| Pledges receivable | **77,516** | 14,960 |
| Prepaid expenses | **10,028** | 6,749 |
| Accounts payable | **(14,946)** | (13,913) |
| Donor directed payable | **(18,440)** | (202,851) |
| Deferred revenue | **(10,175)** | 18,725 |
| Funds held for 211 Saskatchewan | **11,062** | (64,635) |
| Deferred contributions | **(4,267)** | 36,376 |
| Community Use Reserve Fund allocation | **(25,000)** | - |
| | **(371,517)** | (394,704) |
| Net cash (used) by operating activities | **330,997** | (71,077) |
| **INVESTING ACTIVITIES** | | |
| Purchase of tangible capital assets | **(21,994)** | (33,528) |
| Change in funds held in trust | **(23,000)** | 25,521 |
| Increase in investments | **(450,585)** | 107,673 |
| Net cash (used) by investing activities | **(495,580)** | 99,666 |
| **DECREASE IN CASH RESOURCES** | **(164,583)** | 28,589 |
| **CASH** - beginning of year | **746,550** | 717,961 |
| **CASH** - end of year | **$ 581,965** | $ 746,550 |

See accompanying notes



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# UNITED WAY OF REGINA

**Notes to the Financial Statements**
**June 30, 2016**
(with comparative figures for the year ended June 30, 2015)

## 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. Effective with the 2014-15 year, donations received by way of assigned life insurance policies, bequests, gifts in memoriam, major gifts (from individuals, corporations and foundations) and similar sources unrelated to the United Way's annual campaign are included in operations.

The Operating Fund has the following internally restricted funds:

Invested in Tangible Capital Asset Fund
Reports the net assets held by 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. 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

Historically the Tomorrow Fund included three separate streams: Community Innovations, Community Legacy and Operating Endowment. In the 2014-15 fiscal year the Community Innovations Fund was decommissioned and the fund balance was transferred to the Operating Fund.



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**2. SIGNIFICANT ACCOUNTING POLICIES** - continued

**Fund accounting** - continued

Community Legacy Endowment
Contributions made to this endowment fund are accumulated and invested for the purpose of generating investment income to fund activities which address the root causes of community issues facing Regina.

Operating Endowment
Contributions made to this endowment fund are invested to eventually provide annual earnings sufficient to cover the ongoing operations and fundraising costs of United Way of Regina.

**b) Revenue recognition**

Campaign revenue

Campaign revenue comprises unrestricted contributions received in cash or pledges receivable during the annual campaign. These are recognized as revenue in the period in which the campaign is held. A provision for uncollectible pledges is recorded to reduce pledges receivable and revenue.

Donor restricted funds

Contributions that are restricted by donors are initially deferred, then recognized as revenue of the Operating Fund in the year in which the related expenses are incurred.

Tomorrow Fund

Endowment contributions 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.



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**2. SIGNIFICANT ACCOUNTING POLICIES** - continued

**d) Financial instruments**

Financial instruments are recorded on the statement of financial position at cost, and where required under Canadian accounting standards for not-for-profit organizations, at fair value. The Organization's carrying value of cash, investments, accounts receivable and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

**e) 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 | Ten years (Operational July 1, 2013 – ½ year amortization) |
| Equipment and furniture | Three years |
| Leaseholds | Remaining term of the lease (10 years) |

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

General management and administrative expenses are incurred to support fundraising and community impact programs. Expenses are allocated between fundraising and community impact programs and are allocated on a square footage basis.

General management and administrative expenses are allocated as follows:

| | 2016 % | 2015 % |
|---|---|---|
| Community Impact program expenses | **79** | 79 |
| Fundraising expenses | **21** | 21 |
| 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:

- Ten per cent (10%) to the Tomorrow Fund's Operating Endowment;
- Ten per cent (10%) to the Tomorrow Fund's Community Legacy stream;
- The remainder of the operating surplus 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.



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## 2. SIGNIFICANT ACCOUNTING POLICIES - continued

### 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 are 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.

## 3. INVESTMENTS

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

| | 2016 | 2015 |
|---|---|---|
| Cash/Money Market Mutual Funds | **$ 96,178** | $ 605,094 |
| Common Shares | **205,235** | 158,928 |
| Guaranteed Investment Certificates (GIC) | **895,502** | 321,239 |
| South Saskatchewan Community Foundation (in trust for United Way of Regina) | **1,251,881** | 1,255,108 |
| Total Investments | **2,448,796** | 2,340,369 |
| Less current | **(602,717)** | (944,875) |
| Long term | **$ 1,846,079** | $ 1,395,494 |

As stated in note 2, investments are measured at their current market value. GIC investments are laddered out with various maturity dates between July 2016 and May 2021 and accrue interest at rates between 1.4% and 2.35%.

## 4. PLEDGES RECEIVABLE

| | 2016 | 2015 |
|---|---|---|
| Current campaign commencing January | **$ 109,159** | $ 103,428 |
| Prior campaigns | **874,541** | 957,788 |
| | **$ 983,700** | $ 1,061,216 |

The provision for uncollectible pledges at year end is $126,000 (2015 - $130,000) and is included in receivables above.



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## 5. TANGIBLE CAPITAL ASSETS

| | 2016 | | | 2015 |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Donor Management System | $ 296,740 | $ 81,486 | **$ 215,254** | $ 229,727 |
| Leasehold improvements | 329,671 | 176,098 | **153,573** | 170,643 |
| Office equipment | 27,727 | 19,750 | **7,977** | 10,005 |
| | $ 643,938 | $ 277,334 | **$ 376,804** | $ 410,375 |

## 6. DONOR DIRECTED PAYABLES

United Way of Regina acts as the administrative host for several provincial, regional, and national workplace campaigns that have offices located in Regina. These flow-thru funds are not raised as part of United Way of Regina's Circle of Care campaign but are gathered by various organizations directly and therefore are not included in the reported operations of United Way of Regina. Funds received are distributed less any applicable processing fee. During the 2016 year United Way of Regina distributed flow-thru funds of $308,515(2015 - $529,769) and has a payable at year-end of $53,811 (2015 - $72,251).

## 7. FUNDS HELD FOR 211 SASKATCHEWAN

### 211 Saskatchewan

211 Saskatchewan is a province-wide database accessible to Internet users to find a full range of community, social, government and health services.

In June 2012, United Way Regina (UWR) and United Way Saskatoon and Area (UWSA) entered into a Memorandum of Understanding (MOU) to collaborate on funding the initial phase of the 211 Saskatchewan Initiative. A second MOU was signed by UWSA and UWR in June, 2013 to commit to ongoing funding of $350,000 per year for a term of 3 years or until such time as the support is no longer required. Funding and expenses are shared equally with UWR responsible for the financial administration of the MOU. In the spring of 2016, both United Way boards have committed to maintaining funding for an additional year ending March, 2017. As of June 30, 2016 - $26,656 (2015 - $15,594) of contributions by UWSA to the project was unexpended and appears as a liability on the statement of financial position.

| 211 Saskatchewan | 2016 | 2015 |
|---|---|---|
| Revenue | **$ -** | $ - |
| Expenses | **227,875** | 329,272 |
| Net expenses shared equally by UWR and UWSA | **$ 227,875** | $ 329,272 |
| United Way Regina – 50% share | **113,938** | 164,636 |
| United Way Saskatoon and Area – 50% share | **113,937** | 164,636 |



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## 7. FUNDS HELD FOR 211 SASKATCHEWAN - continued

**COMMITMENT** – As per the MOU between UWR and UWSA, and subsequent extension, a commitment has been made for ongoing funding of 211 Saskatchewan of up to $350,000 per year shared equally until March, 2017 or until such time as the support is no longer required.

## 8. FUNDS HELD IN TRUST

United Way of Regina has agreed to receive and administer funds on behalf of the Regina Intersectoral Committee and the Proud Generation Committee. These committees are independent of the authority and operation of the United Way of Regina and usage of these funds are distributed under the direction of the committees' members.

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

| | 2016 | 2015 |
|---|---|---|
| Regina Intersectoral Committee | **$ 23,673** | $ 46,673 |
| Proud Generation Committee | **113** | 113 |
| | **$ 23,786** | $ 46,786 |

## 9. FUND TRANSFERS

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

Upon the decommissioning of the Community Innovation Fund in 2015, the remaining investment matured in the 2016 fiscal year, and $587 was transferred from the Tomorrow Fund to the Operating Fund accordingly. As there was no accumulated surplus for the 2016 year, no transfers occurred to the Tomorrow Fund endowments, however there was an internal transfer on the statements to balance the accounts to actual in the amount of $6,768 (net $0).

The details of the transfer are as follows:

| | Operations | Resource | 2016 | 2015 |
|---|---|---|---|---|
| Community Innovations | $ - | $ - | $ - | $ (81,173) |
| Community Legacy Endowment | 6,768 | - | **6,768** | 36,756 |
| Operating Endowment | (7,355) | - | **(7,355)** | 36,381 |
| | $ (587) | - | **$ (587)** | $ (8,036) |

In 2016, a total of $0 (2015 – $235,474) was transferred from the Operating Fund to the Community Use Reserve. A transfer of $25,000 was made in 2016 (2015 - $0) from the Community Use Reserve to the Operating Fund to partially fund the School Readiness Program.

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



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## 10. DEFERRED CONTRIBUTIONS

**Allocation to Funded Partners**

The allocation through the Circle of Care Campaign provides core funding to a stable network of agencies that provide foundational human services in the Regina area.

Under the terms of written agreements with funded agencies United Way of Regina uses the first dollar in - first dollar out method for allocating funds to agencies. All donor directed dollars are assigned to an agency before the overall distribution is made. The minimum any agency would receive are the donor directed funds.

Deferred contributions include the following:

| | 2016 | 2015 |
|---|---|---|
| Donor Options Funded Partners | $ 4,905 | $ 5,838 |
| Donor Options Non-Member Agencies | 204,910 | 169,345 |
| Miscellaneous deferred revenue | (2,149) | 36,750 |
| | $ 207,666 | $ 211,933 |

## 11. FINANCIAL RISK MANAGEMENT

Credit Risk
Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from donors. The Organization has a significant number of donors which minimizes concentration of credit risk. An allowance for uncollectible pledges is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

Interest Rate and Market Risk
Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating, investing, and financing activities.

The Organization is exposed to interest rate risk on its current and long-term investments. Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization is exposed to market risk on its current and long-term investments.

The Organization manages these risks through a structured investment policy including limitations on allowable risk exposure.



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## 11. FINANCIAL RISK MANAGEMENT - continued

Currency Risk

Currency risk is the risk to the Organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The Organization does not use derivative instruments to reduce its exposure to foreign currency risk.

## 12. COMMITMENTS

a) In February of each year, United Way of Regina approves allocations to provide core funding to our funded agencies based on the results of the previous year's Circle of Care Campaign. As of June 30, 2016 a balance of $927,008 remained committed to December 31, 2016 (2015 - $1,088,772).

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

| | |
|---|---|
| 211 Saskatchewan (ongoing annual funding to March, 2017) | 175,000 |

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

| | |
|---|---|
| Rental of Premises (15 year lease – expires June 2020) | $ 60,000 |
| Equipment Lease (66 month term – expires Aug, 2020) | 5,784 |
| Equipment Lease (48 month term – expires Aug. 2018) | 4,772 |
| Equipment Lease (60 month term – expires Aug, 2018) | 3,609 |
| Equipment Rental Contract (1 year term) | 659 |

## 13. RATIO CALCULATION

| | 2016 | 2015 |
|---|---|---|
| Direct costs of fundraising | **13.73%** | 10.92% |
| General management and administrative costs associated with fundraising | **1.30%** | 1.30% |
| | **15.03%** | 12.22% |

These ratios were calculated on total fundraising 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 2016 were $524,702 (2015 - $470,480). General management and administration costs associated with fundraising for 2016 were $49,663 (2015 - $55,715) which are allocated based on a square footage basis.



VIRTUS GROUP

# UNITED WAY OF REGINA

**Schedule of General Management and Administrative Expenses**
**Year Ended June 30, 2016**
(with comparative figures for the year ended June 30, 2015)

**Schedule 1**

| | 2016 | 2015 |
|---|---|---|
| Annual general and other meetings | $ 944 | $ 3,165 |
| Financial service fees | 2,290 | 1,861 |
| Occupancy | 7,919 | 6,667 |
| Printing and promotion | 3,868 | 16,593 |
| Professional development/travel | 159 | 5,793 |
| Professional services | 45,739 | 78,392 |
| Salaries and benefits | 112,917 | 94,474 |
| Supplies and small equipment | 7,091 | 4,197 |
| General management and admin expenses prior to amortization | 180,927 | 211,142 |
| Amortization of tangible capital assets *(Note 2)* | 55,565 | 54,168 |
| | 236,492 | 265,310 |
| Allocated to community impact *(Operating Fund)* | (186,829) | (209,595) |
| Allocated to fundraising *(Schedule 2)* | (49,663) | (55,715) |
| Unallocated general management and administrative expenses | $ - | $ - |



VIRTUS GROUP

# UNITED WAY OF REGINA

**Schedule of Fundraising Expenses**
**Year Ended June 30, 2016**
(with comparative figures for the year ended June 30, 2015)

**Schedule 2**

| | 2016 | 2015 |
|---|---|---|
| Bank service fees | **$ 11,297** | $ 13,608 |
| Direct mail | **2,885** | 3,669 |
| Equipment | **14,479** | 15,448 |
| Fundraising and processing fees | **22,310** | 16,213 |
| Occupancy | **62,176** | 61,255 |
| Other direct fundraising expenses | **23,514** | 16,222 |
| Postage | **3,916** | 2,907 |
| Printing and promotion | **20,418** | 20,821 |
| Professional development | **3,347** | 5,197 |
| Professional services | **31,972** | 2,629 |
| Promotional merchandise | **3,785** | 518 |
| Salaries and benefits | **328,915** | 309,764 |
| Special event expenses | **21,625** | 44,917 |
| Supplies | **2,015** | 1,717 |
| Volunteer training and recognition | **116** | 678 |
| Fundraising and processing fees (recoveries) | **(28,068)** | (45,083) |
| | **524,702** | 470,480 |
| Allocation of general management & admin expenses *(Schedule 1)* | **49,663** | 55,715 |
| | **$ 574,365** | $ 526,195 |
| **Operating Fund** | **$ 559,230** | $ 511,926 |
| **Tomorrow Fund** | **15,135** | 14,269 |
| | **$ 574,365** | $ 526,195 |



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# UNITED WAY OF REGINA

**Schedule of General Allocation to Funded Partners**
**Year Ended June 30, 2016**
(with comparative figures for the year ended June 30, 2015)

**Schedule 3**

| | 2016 | 2015 |
|---|---|---|
| **CIRCLE OF CARE AGENCIES** | | |
| AIDS Programs South Saskatchewan Inc. | $ **34,569** | $ 46,093 |
| Al Ritchie Community Association | **16,506** | 22,014 |
| The Canadian Mental Health Association (Regina Branch) | **98,604** | 98,630 |
| Canadian Paraplegic Association (Saskatchewan) Inc. | **26,415** | 35,226 |
| Catholic Family Services Society | **161,028** | 161,053 |
| Circle Project Association Inc. | **100,596** | 100,600 |
| Cornwall Alternative School | **127,176** | 127,223 |
| Early Childhood Intervention Program | **42,120** | 42,149 |
| Family Services Regina | **183,108** | 183,130 |
| Heritage Community Association | **30,816** | 41,097 |
| The John Howard Society of Saskatchewan (Regina) | **46,665** | 62,225 |
| Mobile Crisis Services Inc. | **50,220** | 50,250 |
| Rainbow Youth Centre | **57,588** | 57,588 |
| Regina Transition Women's Society | **75,864** | 75,886 |
| Regina and District Association for Community Living | **41,445** | 55,265 |
| Regina Big Brothers Association | **30,000** | 21,054 |
| Regina Early Learning Centre Inc. | **137,760** | 137,782 |
| Regina Education and Action on Child Hunger (REACH) | **58,368** | 58,368 |
| Regina Open Door Society | **152,136** | 152,161 |
| Regina Senior Citizens Centre | **-** | 13,518 |
| Regina Work Preparation Centre | **41,256** | 41,280 |
| Saskatchewan Abilities Council | **-** | 44,109 |
| Saskatchewan Deaf and Hard of Hearing Services | **26,514** | 35,353 |
| SCEP Centre | **89,976** | 90,029 |
| Schizophrenia Society of Saskatchewan | **20,043** | 26,734 |
| Scott Infant & Toddler Care Centre | **30,000** | 28,848 |
| Sofia House | **58,692** | 58,719 |
| Street Workers' Advocacy Project, Regina Inc. | **102,336** | 102,364 |
| YMCA of Regina | **88,044** | 88,074 |
| YWCA and Big Sisters Program | **168,708** | 168,737 |
| | **$ 2,096,553** | $ 2,225,559 |



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# UNITED WAY OF REGINA

**Schedule of Programs Funded**
**Year Ended June 30, 2016**
(with comparative figures for the year ended June 30, 2015)

**Schedule 4**

| | Revenue | Expenses | 2016 Net | 2015 Net |
|---|---|---|---|---|
| Capacity Building Programs | $ 18,375 | $ 98,828 | $ (80,453) | $ (81,905) |
| Day of Caring | 9,710 | 19,620 | (9,910) | (8,588) |
| Community Impact (includes HIFIS program) | 94,938 | 210,893 | (115,955) | - |
| Labour Community Services | 3,870 | 52,120 | (48,250) | (54,830) |
| Summer Success Program | 100,216 | 124,828 | (24,612) | (1,911) |
| | $ 227,109 | $ 506,289 | $ (279,180) | $ (147,234) |



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