

UNITED WAY OF REGINA

Financial Statements

Year Ended December 31, 2013

UNITED WAY OF REGINA

Index to the Financial Statements December 31, 2013

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.....	8-16
Schedule of General Management and Administrative Expenses.....	17
Schedule of Fundraising Expenses.....	18
Schedule of General Allocation to Funded Partners.....	19
Schedule of Grants.....	20
Schedule of Programs Funded.....	20

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the 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 the 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 Audit 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.



Chief Executive Officer

March 26/14
Date

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 December 31, 2013, 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 United Way of Regina as at December 31, 2013 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.

**March 20, 2014
Regina, Saskatchewan**


Chartered Accountants


UNITED WAY OF REGINA

Statement of Financial Position As at December 31, 2013

	OPERATING FUND	TOMORROW FUND	TOTAL 2013	<i>Restated</i> <i>(Note 14)</i> TOTAL 2012
ASSETS				
CURRENT ASSETS				
Cash	\$1,370,117	\$ 77	\$1,370,194	\$ 965,855
Investments (Note 3)	246,015	220,376	466,391	1,217,299
Accounts receivable	18,047	-	18,047	18,597
Pledges receivable (Note 4)	1,862,571	-	1,862,571	1,975,129
Prepaid expenses	19,191	-	19,191	8,845
	3,515,941	220,453	3,736,394	4,185,725
DUE (TO) FROM OTHER FUNDS (Note 8)	258,319	(258,319)	-	-
INVESTMENTS (Note 3)	279,668	1,314,744	1,594,412	1,540,525
TANGIBLE CAPITAL ASSETS (Note 5)	411,079	-	411,079	288,353
	\$ 4,465,007	\$ 1,276,878	\$ 5,741,885	\$ 6,014,603
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 39,509	\$ -	\$ 39,509	\$ 36,072
Donor directed payable (Note 6)	142,119	-	142,119	98,588
Deferred revenue	102,078	-	102,078	37,760
Funds held for 211 Saskatchewan (Note 7)	5,485	-	5,485	55,406
Funds held in trust (Note 8)	21,265	-	21,265	72,986
	310,456	-	310,456	300,812
DEFERRED CONTRIBUTIONS (Note 10)	436,846	-	436,846	388,020
	747,302	-	747,302	688,832
COMMITMENTS (Note 12)				
NET ASSETS	3,717,705	1,276,878	4,994,583	5,325,771
	\$ 4,465,007	\$ 1,276,878	\$ 5,741,885	\$ 6,014,603

See accompanying notes

ON BEHALF OF THE BOARD



Director



Director

UNITED WAY OF REGINA

Statement of Net Assets
Year Ended December 31, 2013

	-----Operating Fund-----			-----Tomorrow Fund-----			-Total-		
	Invested in Tangible Capital Assets	Community Use Fund	Operating Fund	Total Operating Fund	Community Innovation Fund	Community Legacy Endowment Fund		Operating Endowment Fund	Total Tomorrow Fund
BALANCE - beginning of year - 2013	\$ 288,354	\$ 3,027,177	\$ 458,464	\$ 3,773,995	\$ 583,943	\$ 501,431	\$ 466,402	\$ 1,551,776	\$ 5,352,771
Excess revenue (expenses)	(33,625)	-	48,598	14,973	(405,814)	30,182	29,471	(346,161)	(331,188)
Purchase of tangible capital assets	156,350	-	(156,350)	-	-	-	-	-	-
Transfer to Tomorrow Fund (Note 9)	-	-	(71,263)	(71,263)	43,534	15,207	12,522	71,263	-
Allocation to Funded Partners	-	(2,476,728)	2,476,728	-	-	-	-	-	-
Transfer to Community Use	-	2,300,907	(2,300,907)	-	-	-	-	-	-
Internal transfers within Tomorrow Fund (Note 9)	-	-	-	-	(10,276)	6,166	4,110	-	-
BALANCE - end of year - 2013	\$ 411,079	\$ 2,851,356	\$ 455,270	\$ 3,717,705	\$ 211,387	\$ 552,986	\$ 512,505	\$ 1,276,878	\$ 4,994,583

	-----Operating Fund-----			-----Tomorrow Fund-----			-Total-		
	Invested in Tangible Capital Assets	Community Use Fund	Operating Fund	Total Operating Fund	Community Innovation Fund	Community Legacy Endowment Fund		Operating Endowment Fund	Total Restated (Note 14) 2012
BALANCE - beginning of year - 2012	\$ 230,894	\$ 2,995,509	\$ 457,138	\$ 3,683,541	\$ 762,086	\$ 468,168	\$ 438,828	\$ 1,669,082	\$ 5,352,623
Excess revenue (expenses)	(22,121)	-	186,784	164,663	(197,321)	(271)	6,077	(191,515)	(26,852)
Purchase of tangible capital assets	79,581	-	(79,581)	-	-	-	-	-	-
Transfer to Tomorrow Fund (Note 9)	-	-	(74,209)	(74,209)	34,720	24,209	15,280	74,209	-
Allocation to Funded Partners	-	(2,445,060)	2,445,060	-	-	-	-	-	-
Transfer to Community Use	-	2,476,728	(2,476,728)	-	-	-	-	-	-
Internal transfers within Tomorrow Fund (Note 9)	-	-	-	-	(15,542)	9,325	6,217	-	-
BALANCE - end of year - 2012	\$ 288,354	\$ 3,027,177	\$ 458,464	\$ 3,773,995	\$ 583,943	\$ 501,431	\$ 466,402	\$ 1,551,776	\$ 5,325,771

See accompanying notes

UNITED WAY OF REGINA

Statement of Operations Year Ended December 31, 2013

	OPERATING FUND	TOMORROW FUND	TOTAL 2013	<i>Restated</i> <i>(Note 14)</i> TOTAL 2012
REVENUE				
Donations	\$ 3,578,851	\$ 20,553	\$ 3,599,404	\$ 3,769,027
Funds transferred from other United Ways	364,495	-	364,495	307,780
Gross campaign revenue	3,943,346	20,553	3,963,899	4,076,807
Less: Uncollectible pledges	(110,071)	-	(110,071)	(96,373)
Net campaign revenue	3,833,275	20,553	3,853,828	3,980,434
Contributions/Grants	14,564	45,000	59,564	32,353
Special events	3,250	-	3,250	9,245
Investment income	15,692	92,085	107,777	89,592
Other revenue	4,440	-	4,440	3,984
	3,871,221	157,638	4,028,859	4,115,608
FUNDRAISING EXPENSES <i>(Schedule 2)</i>	568,770	39,496	608,266	759,703
NET REVENUE AVAILABLE FOR ALLOCATIONS AND PROGRAMS	3,302,451	118,142	3,420,593	3,355,905
COMMUNITY IMPACT EXPENSES				
Allocation to funded partners <i>(Schedule 3)</i>	2,476,728	-	2,476,728	2,445,060
Donor directed to other charities	209,208	-	209,208	176,732
Grants to Community partners <i>(Schedule 4)</i>	-	269,382	269,382	145,424
Programs funded <i>(Schedule 5)</i>	171,881	-	171,881	158,209
211 Saskatchewan <i>(Note 7)</i>	-	194,921	194,921	74,593
United Way of Canada dues	37,123	-	37,123	35,266
Community impact	392,538	-	392,538	347,473
TOTAL COMMUNITY IMPACT EXPENSES	3,287,478	464,303	3,751,781	3,382,757
EXCESS OF REVENUE (EXPENSES)	\$ 14,973	\$ (346,161)	\$ (331,188)	\$ (26,852)

See accompanying notes

UNITED WAY OF REGINA

TOMORROW FUND Statement of Revenue, Expenses Year Ended December 31, 2013

	COMMUNITY INNOVATIONS	COMMUNITY LEGACY ENDOWMENT	OPERATING ENDOWMENT	TOTAL 2013	TOTAL 2012
REVENUE					
Donations	\$ 20,553	\$ -	\$ -	\$ 20,553	\$ 32,083
Grants	45,000	-	-	45,000	27,353
Investment income	11,057	42,212	38,816	92,085	71,479
Special event	-	-	-	-	6,220
	76,610	42,212	38,816	157,638	137,135
EXPENSES					
FUNDRAISING EXPENSES (Schedule 2)	18,120	12,030	9,345	39,495	108,633
COMMUNITY IMPACT EXPENSES					
211 Saskatchewan (Note 7)	194,922	-	-	194,922	74,593
Grants to community partners (Schedule 4)	269,382	-	-	269,382	145,424
Total Community Impact Expenses	464,304	-	-	464,304	220,017
Total Expenses	482,424	12,030	9,345	503,799	328,650
EXCESS OF REVENUE (EXPENSES)	\$ (405,814)	\$ 30,182	\$ 29,471	\$ (346,161)	\$ (191,515)

See accompanying notes

UNITED WAY OF REGINA

Statement of Cash Flow Year Ended December 31, 2013

	<u>2013</u>	<i>Restated</i> <i>(Note 14)</i> <u>2012</u>
<u>OPERATING ACTIVITIES</u>		
Excess of (expenses)	\$ (331,188)	\$ (26,852)
Plus item which does not require cash outlay:		
- Amortization	33,624	22,121
	<u>(297,564)</u>	<u>(4,731)</u>
Changes in non-cash working capital		
Investments – current	750,908	588,101
Accounts receivable	550	2,177
Pledges receivable	112,558	430,922
Prepaid expenses	(10,346)	(3,733)
Accounts payable	3,437	10,187
Donor directed payable	43,531	29,380
Deferred revenue	64,318	16,407
Funds held for 211 Saskatchewan	(49,921)	55,406
Deferred contributions	48,826	(3,195)
	<u>963,861</u>	<u>1,125,652</u>
Net cash provided by operating activities	<u>666,297</u>	<u>1,120,921</u>
<u>INVESTING ACTIVITIES</u>		
Purchase of tangible capital assets	(156,350)	(79,580)
Change in funds held in trust	(51,721)	(25,684)
(Increase) in investments	(53,887)	(489,705)
Net cash (used by) investing activities	<u>(261,958)</u>	<u>(594,969)</u>
INCREASE IN CASH RESOURCES	404,339	525,952
CASH - beginning of year	965,855	439,903
CASH - end of year	\$ 1,370,194	\$ 965,855

See accompanying notes

UNITED WAY OF REGINA

Notes to the Financial Statements December 31, 2013

1. PURPOSE OF THE ORGANIZATION

The United Way of Regina is incorporated under The Non-profit Corporations Act of Saskatchewan. Its principal purpose, described in the United Way mission statement, is to improve lives and build community by engaging individuals and mobilizing collective action in Regina and the surrounding area.

As a registered charitable foundation under Section 149 (1) of the Income Tax Act, the Organization is exempt from income taxes and is allowed to issue charitable donation receipts for income tax purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations, the most significant accounting policies are as follows:

a) Fund accounting

The United Way of Regina follows the restricted fund method of accounting for contributions.

Operating Fund

The Operating Fund reports revenues and expenses related to program delivery, fundraising and administrative activities of the Organization. Within the Operating Fund, the Organization delivers special programs as part of its mandate to be a Community Impact United Way. The Organization also receives and distributes funds restricted by donors (donor option) for payment to specified charities. The Operating Fund has the following internally restricted funds:

Invested in Equipment, Furniture and Leaseholds Fund

Reports the net assets held by the Organization.

Community Use Fund

Reports the amount internally restricted by the Board for the allocation to funded partners for the subsequent year. It also provides a small reserve to protect stability of funding to our partners in the event of negative fluctuations in fundraising revenue.

Tomorrow Fund

The Tomorrow Fund includes three separate streams: Community Innovations, Community Legacy and Operating Endowment. The Tomorrow Fund includes 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.

UNITED WAY OF REGINA

Notes to the Financial Statements
December 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

Fund accounting - cont'd

Community Innovations

Contributions provide short-term funding to community partners for bold new strategies that have the potential to address long-standing problems facing the local community in new and innovative ways.

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. Unrestricted investment income earned on Tomorrow Fund resources is recognized as revenue of the Community Innovations 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.

UNITED WAY OF REGINA

Notes to the Financial Statements
December 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

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) Equipment, furniture and leaseholds

Purchased equipment, furniture and leaseholds 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 (11 years)

f) Allocation of general management and administrative expenses

General management and administrative expenses are incurred to support the fundraising and community impact programs. Expenses are allocated between fundraising and community impact programs and are allocated on a direct salary and benefit cost basis.

General management and administrative expenses are allocated as follows:

	2013	2012
	%	%
Community Impact program expenses	51	40
Fundraising expenses	49	60
Total allocated	100	100

g) 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.

UNITED WAY OF REGINA

Notes to the Financial Statements
December 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

h) 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 the United Way of Regina held the following investments.

	2013	2012
Cash/Money Market Mutual Funds	\$ 36,152	\$ 913,234
Common Shares	147,441	-
Guaranteed Investment Certificates (GIC)	764,978	944,323
South Saskatchewan Community Foundation (in trust for United Way of Regina)	1,112,232	900,267
Total Investments	2,060,803	2,757,824
Less current	(466,391)	(1,217,299)
Long term	\$ 1,594,412	\$ 1,540,525

As stated in note 2, investments are measured at their current market value. GIC investments are laddered out with various maturity dates between May 2014 and May 2018 and accrue interest at rates between 1.60% to 3.25%.

4. PLEDGES RECEIVABLE

	2013	<i>Restated</i> <i>(Note 14)</i> 2012
Current campaign commencing September	\$ 1,565,161	\$ 1,639,357
Prior campaigns	297,410	335,772
	\$ 1,862,571	\$ 1,975,129

The provision for uncollectible pledges at year end is \$115,000 (2012 - \$115,000) and is included in receivables above.

UNITED WAY OF REGINA

Notes to the Financial Statements December 31, 2013

5. TANGIBLE CAPITAL ASSETS

	2013		2012	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Donor Management System	\$ 221,608	\$ 11,080	\$ 210,528	\$ 67,785
Leasehold improvements	328,417	133,482	194,935	211,886
Office equipment	16,779	11,163	5,616	8,682
	\$ 566,804	\$ 155,725	\$ 411,079	\$ 288,353

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 administration fee. During the 2013 year United Way of Regina distributed flow-thru funds of \$109,697 (2012 - \$366,147) and has a payable at year-end of \$142,119 (2012 - \$98,588).

7. FUNDS HELD FOR 211 SASKATCHEWAN

211 Saskatchewan

The 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. As of December 31, 2013 - \$5,485 (2012- \$55,406) of contributions by UWSA to the project was unexpended and appears as a liability on the statement of financial position.

211 Saskatchewan	2013	2012
Grant revenue – Urban Aboriginal Strategy	\$ 45,000	\$ -
Expenses - gross	344,842	149,186
Net expenses shared equally by UWR and UWSA	\$ 299,842	149,186
United Way Regina – 50% share	149,921	74,593
United Way Saskatoon and Area – 50% share	149,921	74,593

UNITED WAY OF REGINA

Notes to the Financial Statements December 31, 2013

211 Saskatchewan - continued

COMMITMENT – As per the MOU between UWR and UWSA a commitment has been made for ongoing funding of 211 Saskatchewan of \$350,000 per year shared equally for a term of three years 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 per the direction of the committees' members.

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

	2013	2012
Regina Intersectoral Committee	\$ 11,870	\$ 68,841
Proud Generation Committee	9,395	4,145
	\$ 21,265	\$ 72,986

9. FUND TRANSFERS

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

An annual transfer of the excess revenue over expenses of the Operating Fund to be transferred to the Tomorrow Fund with an allocation of 80% to Community Innovations, 10% to Community Legacy Endowment and 10% Operating Endowment denoted below as Operations.

A transfer from the Operating Fund to the Tomorrow Fund to cover the costs of resource development activities denoted below as Resource.

The details of the transfer are as follows:

	Operations	Resource	2013	<i>Restated</i> <i>(Note 14)</i> 2012
Community Innovations	\$ 25,414	\$ 18,120	\$ 43,534	\$ 34,720
Community Legacy Endowment	3,177	12,030	15,207	24,209
Operating Endowment	3,177	9,345	12,522	15,280
	\$ 31,768	\$ 39,495	\$ 71,263	\$ 74,209

UNITED WAY OF REGINA

Notes to the Financial Statements December 31, 2013

9. FUND TRANSFERS - continued

A transfer for contributions to the Tomorrow Fund was internally restricted to the Community Legacy Endowment stream and the Operating Endowment stream for \$6,166 (2012 - \$9,325) and \$4,110 (2012 - \$6,217) respectively.

In 2013 a transfer from the Community Use Fund to the Operating Fund was required to fund allocations to our Funded Partners totalling (\$175,821), in 2012 the amount of \$31,668 was transferred in.

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

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 is the donor directed funds.

Deferred contributions include the following:

	<u>2013</u>	<u>2012</u>
Donor Options Funded Partners	\$ 111,080	\$ 126,870
Donor Options Non-Member Agencies	325,766	261,150
	\$ 436,846	\$ 388,020

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.

UNITED WAY OF REGINA

Notes to the Financial Statements
December 31, 2013

11. FINANCIAL RISK MANAGEMENT - continued

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.

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. The allocations to Funded Partners approved subsequent to the fiscal year-end were \$2,300,907 (2012 - \$2,461,728).

b) United Way of Regina has also committed to provide Tomorrow Fund grants to the following agencies/projects:

Ignite Adult Learning Corporation (2014)	\$ 44,736
REACH – Community Food Assessment (2014)	10,970
211 Saskatchewan (ongoing annual funding to March, 2016)	175,000

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

Rental of Premises (11 year lease)	\$ 60,000
Equipment Lease (66 month term)	3,017
Equipment Lease (66 month term)	5,116
Equipment Lease (60 month term)	3,609
Equipment Rental Contract (1 year term)	659

UNITED WAY OF REGINA

Notes to the Financial Statements December 31, 2013

13. RATIO CALCULATION

		<i>Restated</i> <i>(Note 14)</i>
	2013	2012
Direct costs of fundraising	11.86%	15.06%
General management and administrative costs associated with fundraising	2.84%	3.57%
	14.70%	18.63%

These ratios were calculated on the total fundraising revenue, before deducting the pledge loss and are exclusive of any general management and administrative costs related to community impact expenses. During the year United Way of Regina incurred \$490,918 (2012 - \$614,137) of direct fundraising costs. General management and administration costs associated with fundraising during the year were \$117,348 (2012 - \$145,556) which are allocated based on direct salary and benefit costs.

14. CORRECTION OF ERROR

For the year ended December 31, 2012, an error in pledges receivable of \$61,032 was discovered during 2013. The comparative financial statements have been restated to reflect this error. The correction of the error results in a decrease of pledges receivable, donation revenue and excess of operating revenue over expenses and transfers to the Tomorrow Fund of \$61,032.

UNITED WAY OF REGINA

Schedule of General Management and Administrative Expenses Year Ended December 31, 2013

	Schedule 1	
	2013	2012
Annual general and other meetings	\$ 5,780	\$ 5,625
Financial service fees	2,605	3,043
Occupancy	40,030	52,444
Printing and promotion	6,600	7,633
Professional development/travel	4,643	1,547
Professional services	15,557	19,260
Salaries and benefits	124,981	123,222
Supplies and small equipment	5,891	6,117
Volunteer training and recognition	940	1,836
General management and admin expenses prior to Amortization	207,027	220,727
Amortization of tangible capital assets (<i>Note 2</i>)	33,624	22,121
	240,651	242,848
Allocated to community impact (<i>Operating Fund</i>)	(123,303)	(97,282)
Allocated to fundraising (<i>Schedule 2</i>)	(117,348)	(145,566)
Unallocated general management and administrative expenses	\$ -	\$ -

UNITED WAY OF REGINA

Schedule of Fundraising Expenses Year Ended December 31, 2013

	Schedule 2	
	2013	2012
Bank service fees	\$ 12,284	\$ 30,065
Direct mail	3,447	5,718
Equipment	2,863	3,344
Occupancy	101,420	145,977
Other direct fundraising expenses	12,246	10,935
Postage	6,417	7,571
Printing and promotion	14,350	18,651
Professional development	3,074	1,434
Professional services	2,054	9,477
Promotional merchandise	3,273	1,778
Salaries and benefits	287,698	328,871
Special event expenses	37,619	46,800
Supplies	2,567	903
Volunteer training and recognition	1,606	2,613
	490,918	614,137
Allocation of general management & admin expenses (<i>Schedule 1</i>)	117,348	145,566
	\$ 608,266	\$ 759,703
Operating Fund	\$ 568,770	\$ 651,070
Tomorrow Fund	39,496	108,633
	\$ 608,266	\$ 759,703

UNITED WAY OF REGINA

Schedule of General Allocation to Funded Partners Year Ended December 31, 2013

	Schedule 3	
	2013	2012
CIRCLE OF CARE AGENCIES		
AIDS Programs South Saskatchewan Inc.	\$ 51,500	\$ 51,500
Al Ritchie Community Association	26,523	26,523
The Canadian Mental Health Association (Regina Branch)	118,821	118,821
Canadian Paraplegic Association (Saskatchewan) Inc.	37,080	37,080
Carmichael Outreach Family Services	-	8,332
Catholic Family Services Society	169,520	169,520
Circle Project Association Inc.	112,402	112,402
Cornwall Alternative School	133,900	133,900
Early Childhood Intervention Program	47,084	47,084
Family Services Regina	192,759	192,759
Heritage Community Association	43,260	43,260
The John Howard Society of Saskatchewan (Regina)	69,525	69,525
Mobile Crisis Services Inc.	56,135	56,135
Rainbow Youth Centre	69,383	69,383
Regina Native Youth and Community Services Inc.	-	10,000
Regina Transition Women's Society	84,779	84,779
Regina and District Association for Community Living	61,749	61,749
Regina Big Brothers Association	20,200	20,200
Regina Early Learning Centre Inc.	145,024	145,024
Regina Education and Action on Child Hunger (REACH)	61,440	61,440
Regina Home Economics For Living Project	31,827	31,827
Regina Open Door Society	160,160	160,160
Regina Senior Citizens Centre	36,050	36,050
Regina Work Preparation Centre	46,113	46,113
Saskatchewan Abilities Council	65,714	65,714
Saskatchewan Deaf and Hard of Hearing Services	39,500	39,500
SCEP Centre	94,748	94,748
Schizophrenia Society of Saskatchewan	29,870	29,870
Scott Infant & Toddler Care Centre	31,812	31,812
Sofia House	61,800	61,800
Street Workers' Advocacy Project, Regina Inc.	107,742	57,742
YMCA of Regina	92,700	92,700
YWCA and Big Sisters Program	177,608	177,608
	\$ 2,476,728	\$ 2,445,060

UNITED WAY OF REGINA

Schedule of Grants Year Ended December 31, 2013

	Schedule 4	
	2013	2012
Tomorrow Fund		
Family Service Regina	\$ -	\$ 20,450
Ignite Adult Learning Corporation – Basic Building Blocks Pre-Program	89,472	-
Leadership Development Project - expenses	-	31,275
Leadership Development Certificate Program	11,540	-
Outcome Measure Grants (refunded)	(1,630)	-
Oxford House Society	60,000	60,000
REACH – Community Food Assessment	21,000	-
Regina Police Service – Policing Curriculum Project	15,000	-
Regina Public School Board – Anti-Bullying Program	33,700	33,700
Salvation Army Waterston Centre – Cold Weather Strategy	40,300	-
	\$ 269,382	\$ 145,425

Schedule of Programs Funded Year Ended December 31, 2013

	Schedule 5			
	Sponsorship Revenue	Expenses	2013 Net	2012 Net
Capacity Building Programs	\$ 3,140	\$ 100,974	\$ (97,834)	\$ (71,579)
Day of Caring	-	18,290	(18,290)	(14,307)
Labour Community Services	-	52,617	(52,617)	(64,673)
	\$ 3,140	\$ 171,881	\$ (168,741)	\$ (150,559)