



2019

annual report

Local Love in action



United Way
Kingston, Frontenac,
Lennox and Addington



“ I give to the United Way because I care about my community and the United Way ensures that my gift has the best impact possible ”

-Donor



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@unitedwaykfla

www.unitedwaykfla.ca

Mission

To build and strengthen our community by bringing people and resources together to facilitate change.

Vision

We see a future where people are self-sufficient in a community where individuals live with hope, dignity and a sense of belonging.

Values

We will be known as an organization that:

- Operates with integrity, transparency and accountability to the highest ethical standards to ensure public trust
- Provides leadership in driving social change, partnerships and collaborative innovation
- Respects community wisdom by considering diverse viewpoints
- Harnesses and engages the talents and resources in our community to enhance a philanthropic culture
- Promotes volunteerism through creating awareness and engagement

Strategic Direction

Engage Our Community

- Facilitate community collaboration to address root causes, focus on prevention and provide intervention and support for vulnerable populations
- Intentionally engage diverse groups in all that we do
- Expand partnerships with the community and agencies

Communicate The Impact

- Be a leader in understanding and communicating the social issues impacting our community
- Increase awareness through targeted communication strategies
- Maintain and protect our brand and reputation

Invest In The Future

- Align and implement fundraising strategy to include multiple channels and diversification
- Leverage technology
- Sustain, growth, retain and develop human resources (staff, volunteers, donors, board)

“ I give to the United Way because I see the positive impacts of United Way in my community everyday. ”

-Donor

Board Chair and CEO Report

Local love was the 2019 campaign theme – and it truly was a year where people in this region demonstrated their love for our local United Way, helping their friends and neighbours.

Thank you to all of you, our supporters, who rose to the challenge and helped surpass our record target. Thank you to Scott Harris, 2019 Campaign Chair, for his leadership, and to all volunteers on the Cabinet, in workplaces and on committees. Your dedication and commitment to finding innovative ways to raise funds is truly impressive!

Leaders of the Way are donors who give \$1,200 or more annually. These donations make up 50% of the campaign. This year we are very grateful to Jessica Bayne Hogan, for stepping in to provide us with a Leadership Challenge Grant, inspiring donors to give at the Leadership level or increase their gifts. This has resulted in an increase of 21% in leadership giving.

We launched a refreshed Women United initiative, with a series of receptions. This inspiring group of women Leaders of the Way give individually or jointly with their partners and spouses. The receptions included panel discussions about issues faced by women who are vulnerable and experiencing homelessness, addictions, mental health, abuse. Collective donations by Women United members increased 33% in 2019! Thank you so much for the leadership provided by Chief Antje McNeely and Desiree Kennedy to the Women United initiative

This year, we waded into brand new territory for the United Way - with a very successful rock concert at the shuttered Kingston Penitentiary. A shout out to the bands who donated their time and talent, to the many sponsors, ticketholders, volunteers, led by an incredible committee. Thank you Joanne Langlois, Pat Murphy, and Chris Murphy for leading the charge on this historic event. Funds raised through this event were invested immediately in One Roof, the service hub for local young people and young adults.

Through research, conversations with youth and agencies, we became aware of the high number of youth who are vulnerable in our community. The collective impact work of Ending Youth Homelessness in Kingston & Area is making a difference in the lives of youth, reducing the number of youth on the street, and increasing the number of youth who are able to access programs locally.

In this annual report we have provided you some highlights, sharing the impact of your donations. Your support has enabled our United Way to invest in local programs, work with our funded agencies on tackling issues like poverty, homelessness, food insecurity. We have worked collectively with partners, agencies and youth on addressing the root cause of youth homelessness, creating new programs and supports to help youth at critical points of their lives.

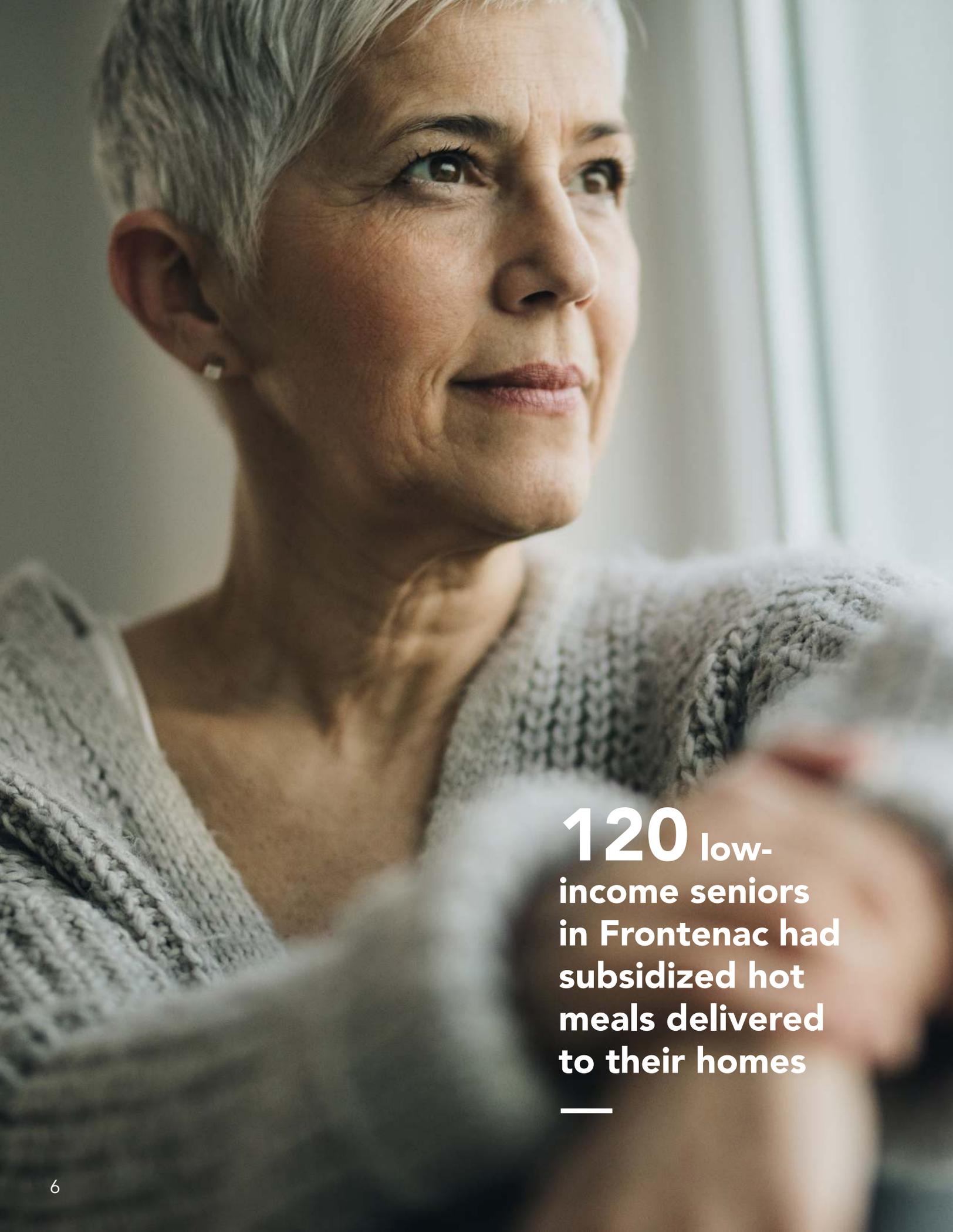
On behalf of the thousands of people who received services as a direct result of your support, we thank you for your demonstration of Local Love!



Daren Dougall
Chair Board of Directors



Bhavana Varma
President & CEO



120 low-
income seniors
in Frontenac had
subsidized hot
meals delivered
to their homes

2019 Board of Directors

United Way of Kingston, Frontenac, Lennox & Addington is governed by its Board of Directors, a diverse group of community leaders and key decision makers who provide vision, strategic leadership, accountability and stewardship.



Chair
Daren Dougall



Past Chair
Mike Ryan



Vice Chair
Patrick Murphy



Vice Chair
Leanne O'Mara



Treasurer
Matthew Van Nest



Director
Richard Allen



Director
Jessica Bayne-Hogan



Director
Briana Broderick



Director
Peter Clarke



Director
Scott Harris



Director
Joan Jardin



Director
Patrick Legresley



Director
Brian O'Neill



Director
Stephen Peck



Director
Mary C. Rae



Director
Michelle Wilson



President & CEO
Bhavana Varma

Staff Team

For more information about the United Way KFLA staff team visit: www.unitedwaykfla.ca/contact-us/

“ I give to the United Way because everyone in our community deserves the same opportunities. ”
-Donor

Accountability

Commitment to Community

United Way raises funds and invests them locally for maximum impact. We are able to accomplish this thanks to generous donors, partners, and supporters.

United Way KFL&A is proud to announce that our organization has, once again, been recognized by Charity Intelligence on their top 100 Rated Charities list for 2019. The list looks at 750 charities across the country and rates them based on rating methodology.

- Our financial statements are audited by an independent auditor and are available online at: www.unitedwaykfla.ca/financial-statements/

Effective, Efficient and Accountable

- We actively solicit in-kind donations, sponsorships, pro-bono services and the support of volunteers to keep expenses as low as possible. This ensures that as much as possible of every dollar goes directly to the community.
- Every year, thousands of volunteers come together to raise funds for services that benefit their family, friends and neighbours.

Risk Management

- To view risk management planning, visit: <https://www.unitedwaykfla.ca/risk-management/>

Annual Registered Charity Disclosure Staff and CEO Salaries

- Our latest Canada Revenue Agency annual T3010 registered charity disclosure is available at: <https://bit.ly/CRA-UWKFLA>

- The Compensation Committee periodically benchmarks CEO salaries of not-for-profit organizations within the region. We regularly review the compensation levels of our staff to ensure they are within reasonable rates for the level of skill, knowledge and experience required for the role.
- Compensation levels of the 10 highest paid staff for all charities are available at the CRA website, under Charities Listings. For a quick view of our compensation levels please visit: <https://bit.ly/CRA-UWKFLA>
- To view our financial statements visit: www.unitedwaykfla.ca/financial-statements/



237 people improved their literacy skills through one-to-one tutoring and group sessions

For the Year Ending 2019

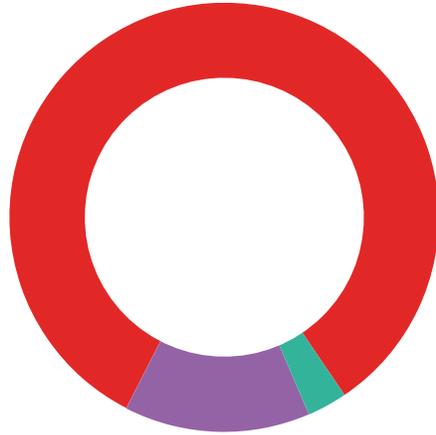
83% Funds invested directly into programs and services

14% Fundraising costs

* 11% without *Rockin' the Big House*

3% Related Administrative Costs

* Canada Revenue Agency's benchmark for fundraising and administrative cost ratio is under 35%



\$4,978,784

Total revenue, including annual campaign

* \$4,565,001 without *Rockin' the Big House*

\$699,533

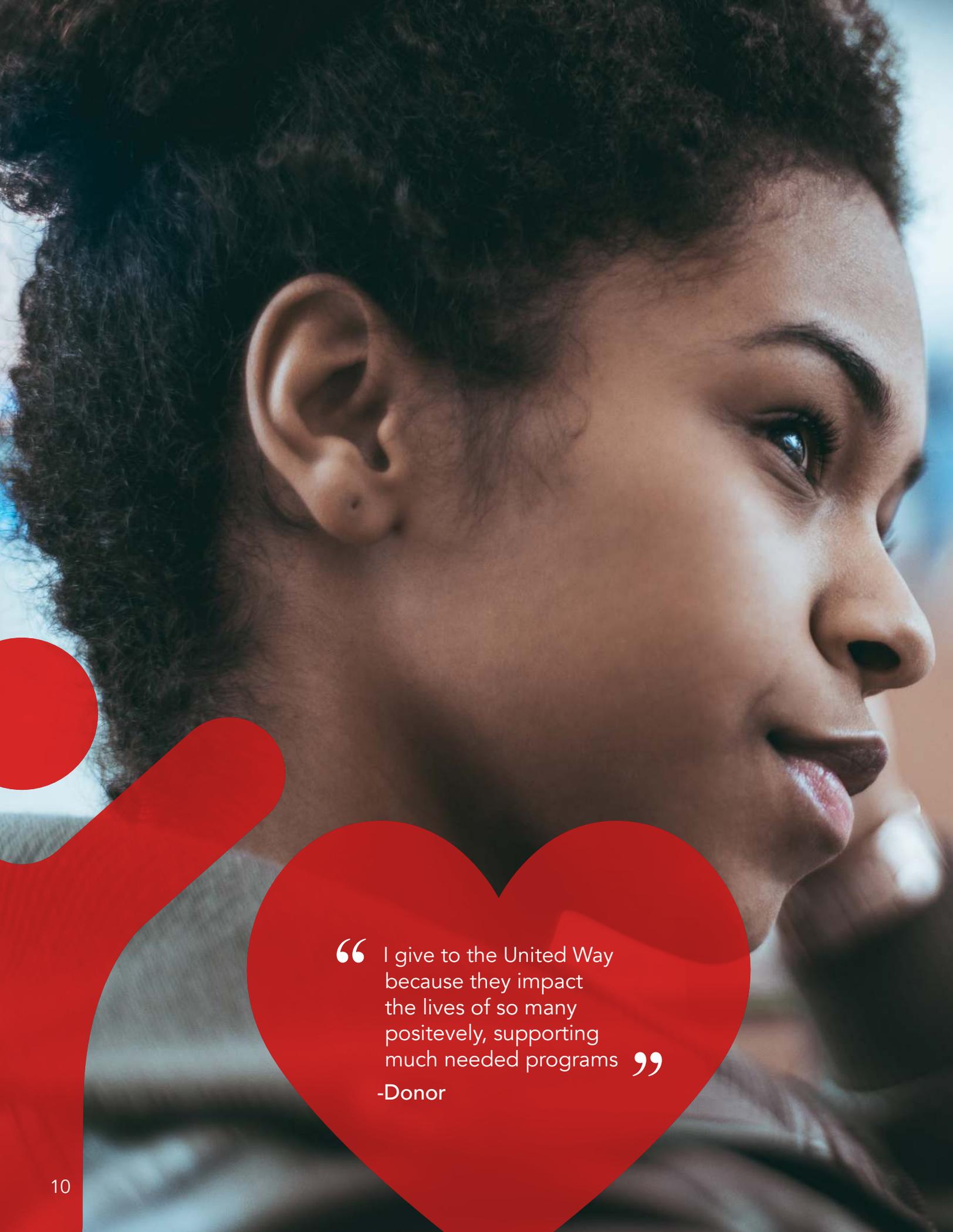
Fundraising costs

* \$510,238 without *Rockin' the Big House*

\$142,490

Related Administrative Costs





“ I give to the United Way because they impact the lives of so many positively, supporting much needed programs ”

-Donor

Treasurer's Report

As the Treasurer of the United Way of KFL&A, I am pleased once again to share a few of the 2019 financial highlights.

Effective December 31, 2019, our United Way changed our accounting policy for all campaign revenues to a cash basis of reporting. In the past, campaign revenue received in the fiscal year as part of the current campaign was deferred and recorded as revenue in the subsequent year to align with the related distribution of funds. Pledges outstanding from the preceding campaign were set up as accounts receivable.

In 2019, we changed our accounting policy such that all unrestricted campaign revenue, either through pledge payments or cash donations, will now be recorded as revenue in the fiscal year in which it is received. This change, which is outlined in note 17 to the financial statements, will allow readers of our financial statements to more easily understand our revenue performance.

The change in accounting policy resulted in a "catch up" of revenues by bringing the deferred campaign revenue balance into the unrestricted funds and effectively reporting two years' worth of campaign revenues in one year. As a result, the United Way Board of Directors passed a motion to allocate \$1.9M from the unrestricted funds to reserves set aside for agencies and youth homelessness in the KFLA region.

In 2019 we also experienced a planned in-year deficit (prior to gains on investments). This in-year deficit was a planned strategy to utilize a prior year surplus in order to maximize the investment back into our KFLA community.

The Investment Committee of our United Way worked with Fred Benford at CIBC Wood Gundy to ensure our investments aligned with our Investment Policy Statement. This, along with very favourable market conditions resulted in a significant amount of unrealized gains on our investments of \$459,622 as noted in our financial statements. Our Investment Committee continues to monitor United Way investments into 2020 as we deal with the financial impact of the global pandemic.

I'd like to thank the Finance & Audit Committee, the Investment Committee including Fred Benford and the staff of the United Way for their guidance and support. Their contribution helps our United Way steward funds responsibly, while looking ahead into future trends and opportunities.



Matthew Van Nest

Treasurer

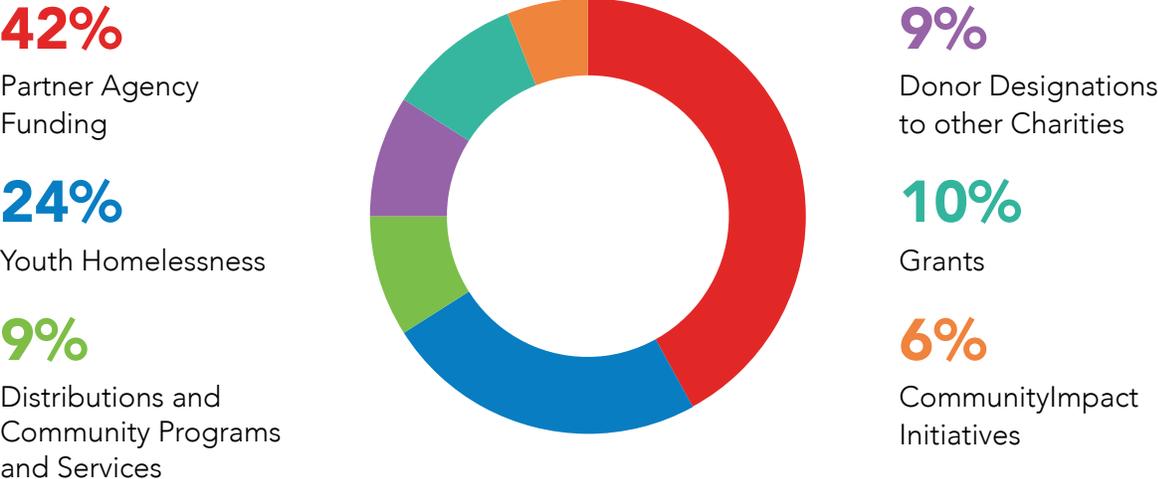
Financial Highlights

We provide financial statements in alignment with Canadian accounting standards for not-for-profit organizations and United Way Centraide Canada’s Transparency, Accountability, and Financial Reporting

In 2019 your contributions helped us to build a stronger social support network. This network of services provides the foundation to our entire community and allows people to live with hope, dignity and a sense of belonging

To view our financial statements visit: www.unitedwaykfla.ca/financial-statements/

Where the Money was Spent



In 2019 your contributions helped us to build a stronger social support network. This network of services provides the foundation to our entire community and allows people to live with hope, dignity and a sense of belonging

Financial Liquidity



Our United Way takes the financial stewardship of donor dollars seriously. We continuously monitor the assets of the organization against our current (short term) liabilities to ensure this ratio remains above 1.0. This provides us with a quick analysis as to how easily we can meet short-term financial liabilities. In 2019 our ratio was well above 1.0 at 2.04

Revenue by Source

Total operating revenue for 2019 was \$4,978,794

70%

Campaign Revenue

15%

Kingston Penitentiary Tours

8%

Rockin' the Big House Concert

5%

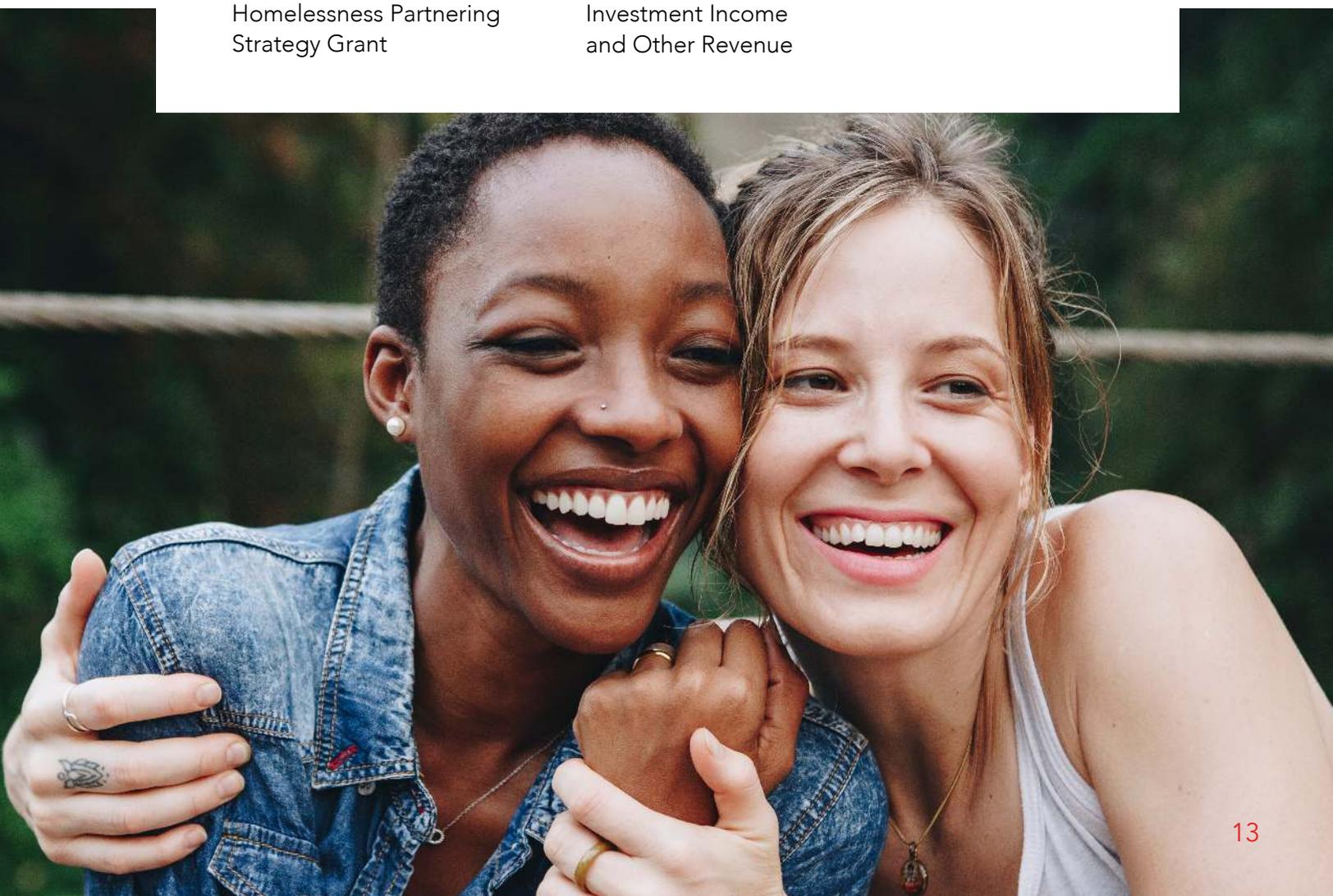
Homelessness Partnering Strategy Grant

2%

Investment Income and Other Revenue



“ I give to the United Way because changing the world starts locally. -Donor ”



Community Impact

United Way strategically invests in programs and initiatives that focus on underlying causes to create lasting change. We research and understand the social issues in our community, working with agencies, donors, volunteers and partners to fund evidence-based programs and address the root causes of issues.

The Community Investment Strategy provides a framework for volunteers and the United Way Board of Directors, helping them in their decisions to invest in programs and initiatives that have the maximum impact.

Approach

The United Way KFL&A invests in the community in two ways:

Meeting immediate needs through funded programs:

We fund community programs that provide intervention, support and prevention, and are based on an evidence-based framework, with program evaluation and outcome measurement at an individual level.

Funded programs facilitate positive change at the individual level. These programs meet people where they are by providing interventions and supports, crisis management, meeting basic needs and addressing barriers as they arise.

Preventative programs address the issue before symptoms appear. They identify early risk factors and attempt to reduce the likelihood of negative social, behavioural, economic and health outcomes.

Changing Lives Locally



Geographic Distribution

Client Numbers

Kingston	49,002
Frontenac	4,114
Lennox & Addington	5,527

Addressing Root Causes through collective impact

We invest in collective impact initiatives that focus on identifying an issue through research, addressing root causes of this issue, pilot programs to confirm a collective theory of change and systemic and policy changes to address the issues identified and evaluation at a community scale.

Collective impact facilitates positive community-wide outcomes through research, and by engaging key stakeholders, including frontline agencies, private sector, the community at large, all levels of government and, most importantly, people with lived experience.

For the full Community Investment Strategy report visit: www.unitedwaykfla.ca/CIstrategy

“ The United Way contributes to essential community services that impact so many, including my family. ”

-Donor

Funding Distribution by Impact Area

23%

Helping Kids Be All They Can Be

33%

Moving People From Poverty to Possibility

44%

Building Strong and Healthy Communities



59,320

clients were helped in KFLA through United Way funded programs last year.

United Way funding supports a network of agencies that provide vital programs to thousands of people in the region. These programs provide families, individuals, children and youth with support when they need it the most.

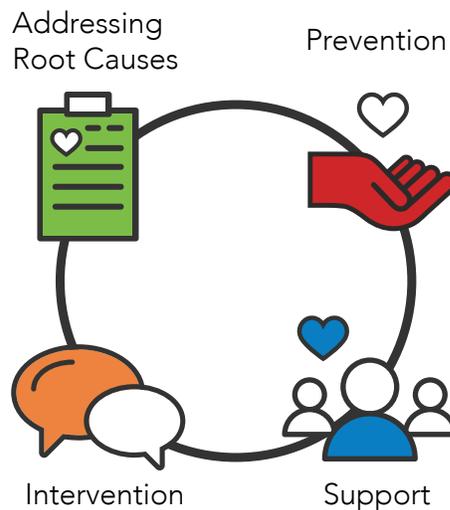
Four Pillars of Community Investment

Addressing Root Causes: using analysis and research to identify the issue, system-wide approaches correct or eliminate root causes.

Prevention: programs and efforts help clients avoid future problems, promoting healthy functioning.

Intervention: purposeful actions taken to reduce symptoms, alleviate and resolve problems and improve the wellbeing of clients.

Support: assistance to people in distress through programs that provide material, emotional support and a sense of belonging.



Breakdown By Focus Area

Volunteers and professional staff annually review agency applications and recommend funding to our Board of Directors. We are grateful to all our volunteers who spend hours reviewing applications and visiting agencies.

For a full listing of our Panel Volunteers visit: www.unitedwaykfla.ca/CRPvolunteers



Your Local Love in Action

The Food Sharing Project is the organization which provides breakfast, lunch and hearty snacks to almost half of the students in KFL&A at 88 elementary and secondary schools. We deliver \$12,000 worth of nutritious food every week of the school year and our programs are offered to all students, regardless of need, in an inclusive environment.

Based on the needs of their students and the availability of space and volunteers, schools choose from a variety of models, such as sit-down breakfasts, hearty snacks in classroom bins or grab-and-go lunches. Students come to school without enough food for a variety of reasons and educators tell us that when they can eat nutritious food at school, students are more engaged in their learning, can focus better on tasks and can have more positive social interactions throughout the day.

Students tell us that the fresh food they have at school makes a difference for them. Elementary students tell us it makes them happy and they ask their families for “apples, like we have at school.” They tell us that they aren’t sure why but “Math is easier after I’ve had something to eat.” Secondary students tell us the food they pick up helps them “just get to class.”

In Kingston, there are so many families who are working hard to make ends meet but the cost of fresh fruit and vegetables or dairy products makes them out of reach. When we can feed their children at school, they can pay the rent and the hydro and put gas in the car to get to work.

With our United Way funding, we go right to the grocery store or a local supplier and purchase the food that helps a student take advantage of everything school has to offer. You can be confident that your donation to the United Way stays here, in KFL&A and supports students in our community.

We believe it takes a community to feed a child and, in this community, we are grateful that the United Way is here to help us all live with a sense of hope, dignity and belonging.

Brenda Moore,
The Food Sharing Project

Helping Kids Be All They Can Be

The goal is to ensure children and youth are valued and supported, with opportunities and resources to help them reach their fullest potential.

The Impact

United Way focuses on

- Engagement in learning
- Connectedness and community involvement
- Emotional and physical wellbeing

19,741 children and youth accessed programs to **reach their highest potential**

12 programs and **8** agencies provide high-impact interventions, supports and prevention



nearly 16,000 students had nutritious snacks and meals at school

355 high school students had tutoring and mentoring to help them graduate

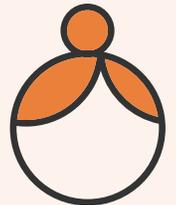


over 1,500 kids were connected with a positive adult mentor

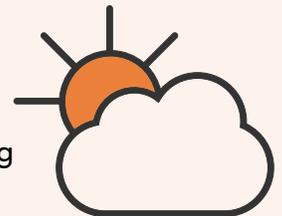


1,500 children and youth were engaged with social and recreational after-school activities

695 young girls attended programs to increase their self-esteem and learn healthy behaviours



223 kids and youth received intervention and counselling to overcome addictions



130 youth learned skills such as communication, decision making and teamwork to help them with the challenges of adolescence





Your Local Love in Action

With the support of the United Way the Sexual Assault Centre Kingston has had a year to be proud of. Through our counselling, psychotherapy, and accompaniment services we supported more than 390 survivors of sexual violence, offering more than 3800, hours of free services.

Unfortunately, the demand continues to outpace our resources. Since the beginning of #metoo in 2017 we have seen a doubling of service demands. As a result, our wait list has gone from an average of four to eight weeks over the last two years. In 2019 we continued to see evidence that Kingston has a problem with sexual violence – the city had the highest rates of police reported sexual violence in Ontario, and the highest rate of reported sexual violence against children and youth.

However, our Centre is privileged to work in partnership with the United Way. Through their support we are addressing this local problem with a local solution. The United Way supported the Centre to increase our staffing capacity to eliminate the wait list for survivors between the ages of 12 and 19. In 2019, more than 100 survivors supported through this program waited an average of three days to be connected with a counsellor after their intake session. This is the power of the United Way.

Brea Hutchinson
Sexual Assault Centre Kingston

Building Strong and Healthy Communities

The goal is to help people connect to supports they need, have positive mental health, and increase personal safety.

The Impact

United Way focuses on

- Connection
- Physical and mental wellbeing
- Safety

9,951 people were helped by programs and initiatives supporting **personal wellbeing and safety**

33 high-impact programs and **23** agencies provide interventions and supports



2,063 people had access to mental health supports and resources

600 people who lost their hearing or vision learned coping skills to help them with daily living challenges

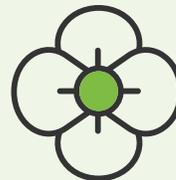


1,515 people improved social, relationship and coping skills by accessing affordable professional counselling



351 women and their children left violent and abusive relationships by accessing safe emergency shelter, transitional housing and ongoing supports

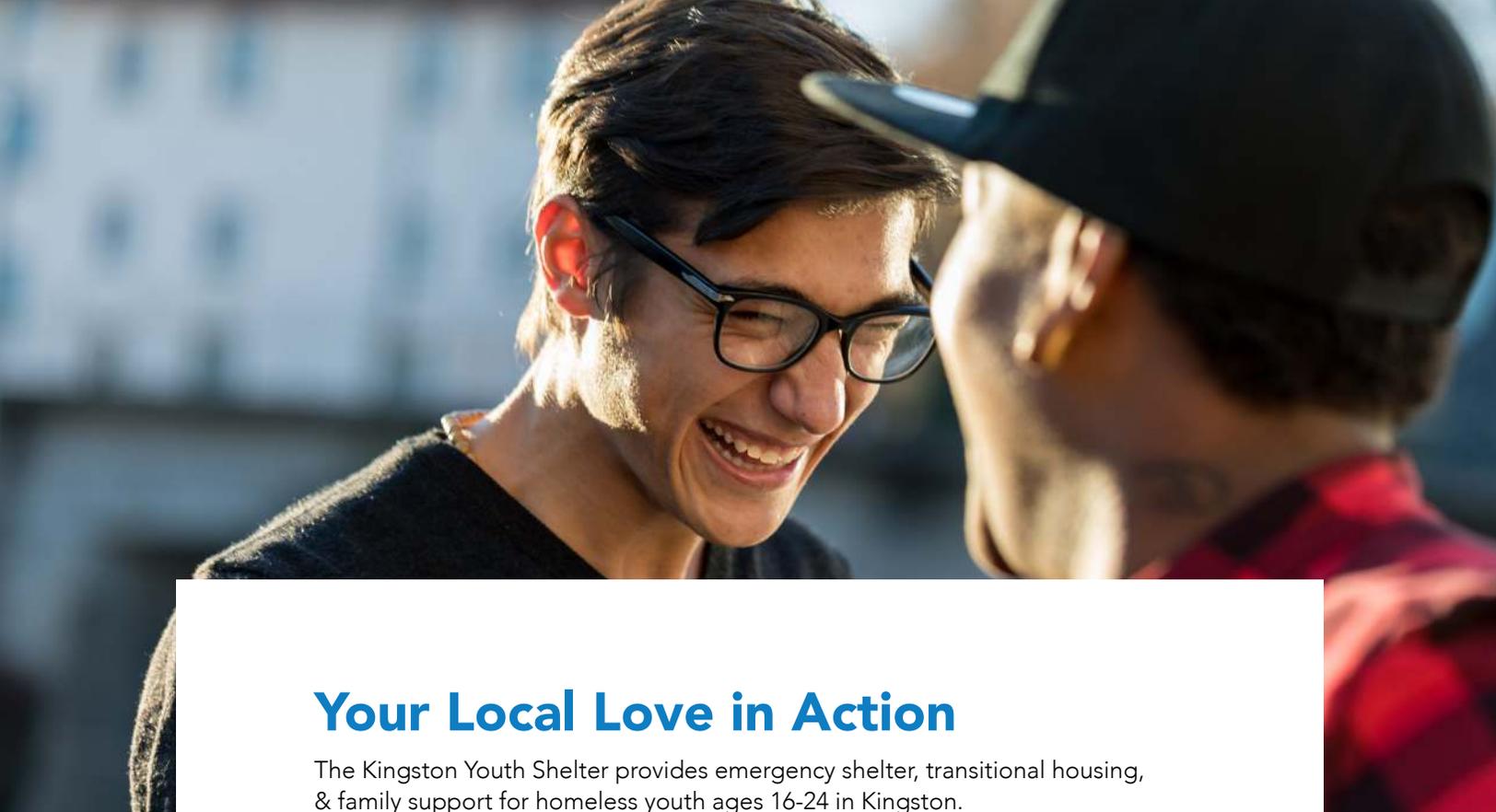
1,892 people with a disability had help to connect with support services to help them live independently



106 individuals who have served in the Canadian Forces and their family members had access to long-term counselling

over 1,600 people accessed community services by calling 211





Your Local Love in Action

The Kingston Youth Shelter provides emergency shelter, transitional housing, & family support for homeless youth ages 16-24 in Kingston.

The shelter opened in 1999 following an increase in homeless youth on the streets of Kingston. They had no place to go because all the shelters in the city wouldn't take in anyone under the age of 18. The shelter started out as a band-aid and didn't have a lot of resources or money and had just 8 beds.

It was a struggle for a number of years, but then United Way came in and adopted us. Things changed dramatically. We increased to 15 beds and kids could stay as long as they needed to. Our staff could take the time to help them with their appointments and schooling, help them with their medications.

Thanks to a generous donation from Brit Smith through the United Way, we were able to have a transition home for youth 16-19 and we are so grateful for that and we have another transition home for 16-24. Through the shelter and transitional homes youth learn life skills and they move on to college because of this support - 90 per cent of the kids at the transition homes work and go to school and many volunteer and give back as well whenever they can.

Through the funds from the Kingston Penitentiary tours, we have also been able to hire a Family Mediation worker that works to keep kids at home with their families instead of them staying at the shelter— their success rate is 97 per cent.

We are working to break the cycle of homelessness in adolescents. They are just learning about themselves and growing, they are just like any other kid, they just didn't have that support, but they get it here.

No kid should have to go without the support that we can provide for them. They need to feel like they belong, feel like they are loved and feel like they are worthy and that is what we strive to do each day.

Our community and the support from the community is raising these kids. Thank you for helping raise them.

Denise Lamb
Kingston Youth Shelter & Transition Homes

Moving People from Poverty to Possibility

The goal is to help people by reducing the impact of poverty and improving access to shelter and affordable housing.

The Impact

United Way focuses on

- Housing stability
- Food security
- Financial security

29,628

people were helped by programs and initiatives in meeting their basic needs and **moving them out of poverty**

26 high-impact programs and **11** agencies that provide interventions and supports



398 job seekers with low incomes were outfitted in professional clothes and received training and supports to help them find employment

over 15,200

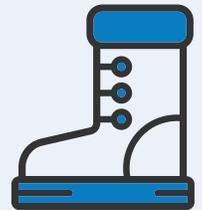
people benefitted from reclaimed fresh produce and prepared meals to improve their access to healthy food



1,164 people at risk of eviction received support, advocacy, and legal aid to remain housed

over 1,000

children had warm boots for the winter



1,941 parents struggling with managing on a low income and their children participated in prenatal, infant, and parenting groups



1,115 children and youth started the school year with school supplies and backpacks

over 41,000

meals are served each year by local soup kitchens





Youth Homelessness

In the past five years, we've listened to youth, worked with numerous agencies, school boards, government and representatives from all sectors to collectively learn about the issue of youth homelessness in the area.

United Way has opted to focus on prevention, providing timely intervention, and building a sustainable network of supportive resources. This approach has ensured that youth homelessness in our community becomes a treatable issue, rather than a chronic one.

The Issue

52% of surveyed youth had stayed in an emergency shelter in the past year compared with **80%** of surveyed adults



17 the average age surveyed youth became homeless

37% of surveyed youth identify as lesbian, gay, bisexual or queer



89% of surveyed youth self-identified as having mental health issues

48% of surveyed youth self-identified as having an addiction



4.6 months the average length of time surveyed youth had spent homeless in the past year

The Impact

Exploring Root Causes

Listening to young people has provided us with insight into how youth homelessness can occur. Youth have helped us to identify the primary root causes, as:

- Family conflict
- Addictions and mental health
- Education and unemployment

“When I was 15, I lived out of my duffel bag. It was very heavy, it contained everything I had. I asked to stay at friends’ houses or slept in the backs of office buildings. I found a housing program that also had support for mental health. It felt great to have my own bed and be able to eat breakfast. Now I volunteer helping other youth.”

- **Brandon,**
homeless at age 15

For more information on Youth Homelessness in the KFL&A area, check out our Youth Homelessness report at www.unitedwaykfla.ca/youth



390 youth had access to counselling to reduce stress, improve coping skills, self-esteem, planning and decision-making skills

229 young people had access to an emergency shelter specifically for youth



437 youth at risk of homelessness and struggling with mental health issues or family conflict got support through early intervention, mediation and basic shelter



72 youth had access to a multitude of housing, community and social services under one roof

149 youth coping with sexual violence re-gained a sense of safety through supportive counselling



39 youth and their families had support from a mediator to resolve their conflicts and prevent youth from entering the shelter system



48 youth struggling with issues like depression and anxiety had early intervention from a mobile mental health worker

Labour Report

The Kingston and District Labour Council (KDLC) is a proud partner with the Kingston, Frontenac, Lennox and Addington (KFLA) United Way. The KDLC and KFLA United Way each work to prioritize the needs and dignity of people in this region.

Our federal organizations, the Canadian Labour Congress (CLC) and the United Way Centraide Canada (UWCC) share a common vision for healthy and supportive communities. We encourage workers and union leaders to join the United Way movement so that our combined voices, networks and resources can make that vision real. By working together, we build a community of caring while making our communities better.

Many union activists contribute to United Way by bringing workers' perspectives and experiences to discussions. The United Way Board, the Campaign Cabinet and committees each value worker input and ensure that seats are dedicated to Labour Representatives.

It has been a pleasure to work with the other United Way board directors as we shape the direction of the United Way. I continue to be impressed with the expertise that each Director contributes to discussions and decisions.

The United Way's activities are organized and coordinated by highly dedicated and welcoming United Way staff. Their guidance makes the work go smoothly. Thank you to all of the United Way staff for your many efforts.

The volunteers from Labour, including union locals, staff, and workplace campaigners, have again helped the United Way reach their 2019 goal. They understand that their volunteer efforts help their colleagues and their families.

The 2019 KDLC 1st Vice-President, Rej Bruneau, was the Labour Representative on the Campaign Cabinet. Rej has demonstrated the strong local support from Labour for the United Way and the United Way has been clear about its appreciation of Labour's contributions.

Our labour campaign began on Labour Day 2019. United Way participation in our parade and activities at McBurney Park has always been appreciated and has become a solid partnership. The Labour Day Committee members worked to make the event another great success. Thanks to a fabulous team.

As Director of Labour Community Services (LCS), Jeremy Robins added new enthusiasm and ideas to the role. In addition to this we were fortunate to welcome back past Director of Labour Community Services (Darlene Medhurst) to jump in and provide some assistance to the Labour community during the annual fundraising campaign.

The Labour Community Advocate Program which informs local Labour Leaders about United Way Agencies will be returning soon. As partners, we combine the efforts of more than three million CLC members with all those involved in the United Way. We know that solidarity and strength in numbers can cause great change that will continue to make our citizens feel dignity and involved in our communities.

Yours in solidarity,



Briana Broderick

Labour Council
Representative

2019 Leadership Development Services

United Way strengthens the voluntary sector by providing training and workshops to local volunteers and boards of directors. United Way's volunteer Leadership Development Services program provides workshops and custom training sessions to nonprofit organizations throughout KFLA.

Leadership Development Services (LDS) public workshops are designed for board members, staff and volunteers to develop the skills and knowledge needed to become effective and responsible leaders.

6 public workshops

2 custom workshops

156 registrations

“ The presenter made the atmosphere comfortable so open discussion was easy. He was engaging, enthusiastic and gave great real-life examples. ”
-Workshop Participant

Volunteer Centre

The United Way Volunteer Centre matches local not-for-profit organizations with volunteers who lend their skills and expertise to local organizations.

The Volunteer Centre can help residents get started on the road to a fulfilling volunteer experience.

www.unitedwaykfla.ca/volunteer-centre/

“ I just wanted to let you know that I really appreciate the fact that I can post in your website to find volunteers. ”
- Community Agency

By the Numbers

141 volunteer opportunities

31 local organizations assisted

175 applicants (looking for opportunities)

11,345 Volunteer Centre page views



2019 Campaign Cabinet



Scott Harris
2019 Campaign Chair
Correctional Service
Canada

The United Way campaign is led by community volunteers. Thanks to their efforts, and the hard work and dedication of over 2,500 volunteers, funds are raised to support our families, friends and neighbours right here in KFL&A.



Fred Godbille
Past Campaign Chair
DuPont Canada



Shawn Armstrong
Government
Kingston Fire & Rescue



Elizabeth Bardon
Healthcare & Agencies
Kingston Health
Sciences Centre



Ryan Boehme
Municipal
Utilities Kingston



Rejean Bruneau
Labour Liason
Kingston & Dist.
Labour Council



Nancy Bradshaw
Commercial



Gale Chevalier
First Responders
County of Frontenac



David DeSantis
Education
ALCDSB



Chris Doucet
Finance
CIBC



Col. K.A. Gallinger
GCWCC
CFB Kingston



Daren Dougall
Provincial
Children & Youth,
Youth Justice Service



Bill Durnford
Chair, Business
Development



Dr. Tom Harris
Education
Queen's University



Hollee Kew
Provincial
St. Lawrence Parks
Commission



Sergiy Kolosov
Provincial
Ministry of Training,
Colleges and
Universities



Dennis McAllister
Manufacturing
Invista



Antje McNeely
Government
Chief, Kingston Police



Mitch Purcell
Next Gen Chair
Invista



Marc Varin
Finance
RBC



John Sheridan
Chair, Major Gifts
Retired CEO Ballard
Power Systems &
Corporate Director



Gillian Sadinsky
Leaders of the
Way Co-Chair
In-House Yoga



Patrick Murphy
Leaders of the
Way Co-Chair
Secura Financial Group



Bill Leggett
Leaders of the Way
Queen's University
(Retired)



Women United



Desirée Kennedy
Women United Co-Chair
City of Kingston



Antje McNeely
Women United Co-Chair
Chief, Kingston Police



Elizabeth Brown
Women United



Jessica Bayne Hogan
Women United



Jane Lapointe
Women United
Assante Wealth
Management



Laurie Ross
Women United
Queen's University



Gillian Sadinsky
Women United
In-House Yoga



Michelle Wilson
Women United
TD Bank Group

“ The United Way has really helped my own family for many years...Thank You! ”

-Donor

Retirees United



Dr. Jim Parker
Retirees United
Chair



Arlene Aish
Retirees United



Brian Chenoweth
Retirees United



Marina Lee
Retirees United



Valerie Robb
Retirees United



Tim Salmon
Retirees United



Rockin' the Big House

Rockin' the Big House took place on September 14, 2019 with over 3,000 community members attending the historic concert on the grounds of Kingston Penitentiary in support of the United Way of Kingston, Frontenac, Lennox and Addington. The event raised a net amount of \$227,325 through sponsorships, tickets, food, beverage and merchandise sales.

A number of Canadian bands and musicians, including Kasador, The Pursuit of Happiness, The Trews, The Headstones, special guests Tom Cochrane and members of The Tragically Hip: Rob Baker, Gord Sinclair and Paul Langlois, took the stage during the event. Their energy and community support made the night one that those in attendance won't soon forget.

\$413,793 total raised

\$227,325 net amount

3,120 attendees

130 volunteers

36 sponsors

The event was made possible through partnerships between United Way KFL&A, The Correctional Service of Canada, St. Lawrence Parks Commission and the City of Kingston.

For more on the impact of these funds visit: www.unitedwaykfla.ca/youth/

Kingston Penitentiary Tours

In addition to funds raised at Rockin' the Big House, the Kingston Penitentiary Tours continued in 2019 with a portion of proceeds going towards United Way's Youth Homelessness initiatives. After another very successful tour season St. Lawrence Parks Commission, in partnership with Correctional Service Canada and the City of Kingston, presented a cheque for \$500,000.

Since 2013, United Way KFL&A has received over \$2 million from the Kingston Pen Tours with funds supporting the community's collective work to prevent and end youth homelessness.

Kickoff and Touchdown breakfasts



Each year, United Way KFL&A kicks off and wraps up the annual campaign bright and early with 500 volunteers and breakfast hosted and sponsored by the Ambassador Hotel & Conference Centre. The anticipation at both breakfasts is infectious with those in the room wondering what the goal will be in September and then whether it was achieved in late November.

Workplace Events

In 2019, workplaces hosted BBQs, bake sales, cake auctions, chili cook offs, pajama days, and more. Thank you for your continued creativity and your ongoing support of your United Way!





Letter from the Campaign Chair

The 2019 United Way Campaign once again set new records for raising much needed resources to support the needs of people in our communities. When the Cabinet Committee first met last April, we knew that we were inheriting a campaign that had already soared to new heights, but we were optimistic that the community would once again feel the call to show some #LocalLove. And you did not disappoint!

It was truly an honour to serve as the 2019 Campaign Chair and I treasured the opportunity to meet so many of you on my journeys to various workplaces, events, and agencies. As Chair, I would be remiss if I did not acknowledge the extraordinary efforts of the Campaign Cabinet, the staff of the United Way, the employer representatives, our countless volunteers and our champions in the media and business community. Thank you for all the energy, creativity, enthusiasm and sacrifices that you poured into making the campaign a success.

In addition to our campaign, the United Way also benefitted from the continued operations of the Kingston Penitentiary Tours, thanks to a strong partnership between the City of Kingston, the St. Lawrence Parks Commission and the Correctional Service of Canada. Beyond this, we hosted one of the most exciting events of the year - Rockin' the Big House. In what may well have been a once in a lifetime event, we hosted some of Canada's finest talent in one of Canada's most unique places.

Many thanks to organizers Joanne Langlois and Pat Murphy, artists Paul Langlois, Tom Cochrane, Headstones, The Trews, The Pursuit of Happiness and Kasador, the generous local businesses along with an army of volunteers who made this event happen. Taken together, the resources raised from these endeavours will help support the needs of young people in our community over the years to come.

As many of you have heard me say before, the United Way Campaign is not about dollars, it is about transformed lives. The ultimate success of the campaign will be in evidence all around you throughout the year as our supported local agencies continue to make a difference in the lives of thousands of people in our community – our colleagues, neighbours, friends and families.

As the 2020 campaign starts to take shape, it is clear that it will be a very different year with challenges that we could not have anticipated. That said, I am thoroughly optimistic that the KFLA will once again rise to meet these challenges – to show the #LocalLove to those who need it even more at this time. I thank you once again for a wonderful campaign and wish the 2020 Campaign Cabinet all the best!

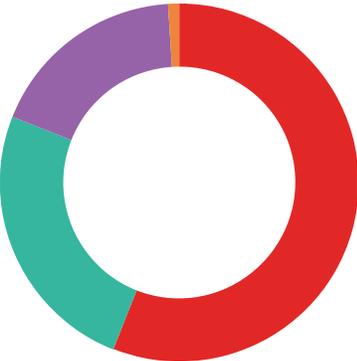


Scott Harris
2019 Campaign Chair

2019 Campaign by the Numbers

During the 2019 campaign, the community raised \$3,654,000 in support of local programs and services. None of this would have been possible without the support of thousands of community volunteers. Money is raised through workplace employee campaigns, special events, corporate giving and individual giving in our community

Campaign Revenue by Source



The campaign raises funds from corporations, employees, individuals outside the workplace and events.

56%
Workplace

25%
Community
Individuals

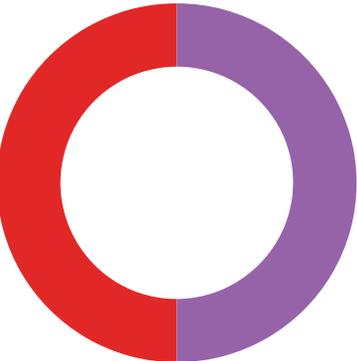
18%
Corporate

1%
Community
Events

The 2019 Campaign broke fundraising records. United Way received additional funds from both Rockin' the Big House and the Kingston Penitentiary tours.

Campaign total	\$3,654,000
Rockin' the Big House	+ \$227,325
Kingston Pen Tours	+ \$500,000
<hr/>	
Total	\$4,381,325

Leadership Giving



Leaders of the Way (\$1,200+) donate through workplace giving as well as directly outside the workplace.

2019 Honour Roll recognizes Leaders of the Way www.unitedwaykfla.ca/honourroll/

50%
Community

50%
Workplace

Leaders of the Way

In 2019 we received a Leadership Challenge Grant, thanks to the generous contribution of Jessica Bayne Hogan. As a result of this incentive, we saw a large increase in Leadership giving.

- \$1,936,668** total raised
- 528** leaders
- 21%** percentage increase
- 50%** percentage of total campaign from Leaders of the Way

Next Gen Initiative

Next Gen encourages people in their twenties and thirties to be a part of the next generation of community leaders. Through events and opportunities, Next Genners invest their time, energy and money in our local community

45
Next Gen
Ambassadors



Seeing is Believing Tours

405 participants

17 custom tours

3 Public bus tours
(Kingston Transit)

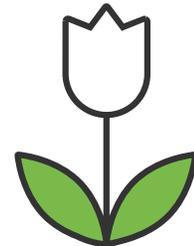


Days of Caring

29 workplaces

30 projects

300 volunteers



Retirees United

United Way has been working on a strategy to engage retirees. Through the Condo Canvass and Workplace Retiree campaigns

\$432,800
was raised in 2019



Women United

344 women gave at the Leadership Level (\$1,200+), individually or with a partner. Collectively they donated

\$1.1 million

33% increase in 2019 over 2018



“ United Way supports many programs & services clear across the age spectrum. ”
-Donor

Speakers Bureau

209 presentations

48 speakers



Emergency Assistance Fund

In 2019 the United Way of KFLA Board of Directors approved the expenditure of funds to support emergency assistance programs to help people in poverty. The expenditure of 3% of the Eternity Fund (as per the United Way KFLA Investment Policy) allows for intervention and support of vulnerable populations by providing urgent dental assistance, winter clothes and backpacks for children and access to food for the hungry.

Good Food Stands

7505 kg of food

1,871 customers had access to affordable fresh food



Dental Assistance

299 clients received emergency dental assistance in KFL&A



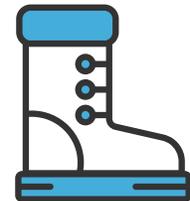
Backpacks and Supplies

1,115 children received back to school supplies



Operation Warm Feet

828 pairs of winter boots for children in KFL&A



Success By 6 Week

Success By 6 Week heightens public awareness of the importance of early-years development. By investing in young children, their parents and caregivers, we dramatically increase our children's chances for a healthy and successful future

5,101 children and caregivers attended in 2019

138 events

12 new events

For more information about Success by 6 visit: www.successby6kfla.ca

Eternity Fund

United Way's endowment fund

Through bequests and gifts of life insurance, the Eternity Fund provides a reliable stream of income well into the future, ensuring that the tradition of caring in our community continues for tomorrow's residents.

United Way is a vital force, providing support 365 days a year to residents. Whatever challenges face our community now and in the future, our United Way needs to be able to continue to support the most vulnerable people in our community.

In addition to funds raised through the annual campaign, the United Way has a permanent Endowment Fund so donors have the option to invest in the future through bequests, life insurance and other planned gifts.

If you have already made a provision for United Way in your estate plans, please let us know so we can ensure your gift is used as intended.

Audrey & Peter Scholes Memorial Fund

In 2017, the United Way received its largest bequest from long time donors, Audrey and Peter Scholes. The bequest was over \$1.5 million, pushing the United Way's endowment fund to over \$2.3 million.

As per the wishes of Mrs. & Mrs. Scholes, the United Way has created the Audrey and Peter Scholes Memorial Fund. The income earned from this fund will support programs that relieve poverty, helping low-income and vulnerable people integrate into the community

Eternity Fund Supporters

Estate of Charlotte Abbott
Estate of Emma Clench
Estate of Beatrice Cohen
Estate of Eleanor Crossman
Estate of Gelindo De Re
Estate of Hugheen Ferguson
Estate of Shirley Mactavish
Estate of Esther Mahood
Estate of Helen Mahood
Estate of Mary McLean
Estate of Katherine Ross Muirhead
Estate of Rose Oliver
Estate of Margaret Reid
Estate of Harold Roberts
Estate of Brendan Savage
Estate of Alan Richard Travers
The Audrey and Peter Scholes Memorial Fund

“ The United Way gives us the opportunity to make a lasting and meaningful contribution to our community. Through a bequest to the Eternity Fund we can ensure that the many essential services supported by United Way will be delivered in the future. ”

-Katherine & Paul Manley



Financial Statements of
United Way of KFL&A
and Independent Auditors'
Report Thereon

Year ended December 31, 2019



KPMG LLP
863 Princess Street, Suite 400
Kingston ON K7L 5N4
Canada
Telephone 613-549-1550
Fax 613-549-6349

INDEPENDENT AUDITORS' REPORT

To the Members of United Way of KFL&A

Qualified Opinion

We have audited the financial statements of United Way of KFL&A, which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- that statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the “financial statements”).

In our opinion, except for the possible effects of the matter described in the “***Basis for Qualified Opinion***” section of our auditors’ report, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of KFL&A as at December 31, 2019, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, United Way of KFL&A derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of United Way of KFL&A.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at December 31, 2019 and December 31, 2018
- the donations revenue and excess of revenue over expenses reported in the statements of operations for the years ended December 31, 2019 and December 31, 2018
- the unrestricted net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended December 31, 2019 and December 31, 2018
- the excess of revenue over expenses reported in the statements of cash flows for the years ended December 31, 2019 and December 31, 2018

Our opinion on the financial statements for the year ended and December 31, 2018 was qualified accordingly because of the possible effects of this limitation in scope.



We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **“Auditors’ Responsibilities for the Audit of the financial statements”** section of our auditors’ report.

We are independent of United Way of KFL&A in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada 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 qualified opinion.

Emphasis of Matter – Comparative Information

We draw attention to note 17 to the financial statements, which explains that certain comparative information that is presented for the year ended December 31, 2018 has been restated.

Note 17 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing United Way of KFL&A’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 United Way of KFL&A or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the United Way of KFL&A’s financial reporting process.

Auditors’ 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 auditors’ 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 United Way of KFL&A'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 United Way of KFL&A's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause United Way of KFL&A 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.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within United Way of KFL&A to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

UNITED WAY OF KFL&A

Statement of Financial Position

December 31, 2019, with comparative information for 2018

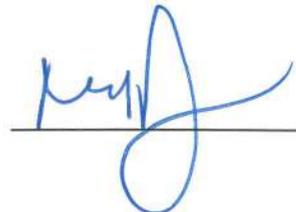
	2019	2018 (Restated, note 17)
Assets		
Current assets:		
Cash	\$ 1,114,930	\$ 1,072,807
Short-term investments (note 3)	1,119,741	1,012,214
Accounts receivable	30,719	40,132
Prepaid expenses	11,569	1,785
	<u>2,276,959</u>	<u>2,126,938</u>
Long-term investments (note 4)	4,469,273	3,778,767
Capital assets (note 5)	16,462	34,973
	<u>\$ 6,762,694</u>	<u>\$ 5,940,678</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 724,623	\$ 517,964
Monies held in trust (note 7)	206,190	23,967
Deferred contributions non-campaign	186,937	104,155
Deferred campaign revenue	—	240,000
	<u>1,117,750</u>	<u>886,086</u>
Net assets:		
Invested in 417 Bagot Group (note 4(a))	417,128	409,619
Invested in capital assets (note 8)	16,462	34,973
Reserves (note 9)	2,216,000	387,590
Endowments	2,416,760	2,127,669
Unrestricted	578,594	2,094,741
	<u>5,644,944</u>	<u>5,054,592</u>
Commitments (note 10)		
Subsequent event and contingencies (note 18)		
	<u>\$ 6,762,694</u>	<u>\$ 5,940,678</u>

See accompanying notes to financial statements.

On behalf of the Board of Directors:



Director



Director

UNITED WAY OF KFL&A

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
		(Restated, note 17)
Revenue:		
Campaign revenue	\$ 3,462,936	\$ 3,364,663
Funds transferred from other United Ways	10,304	51,183
Funds transferred to other United Ways	(21,256)	(25,851)
Community special events	40,180	187,232
Gross campaign revenue	3,492,164	3,577,227
Kingston Penitentiary tours	735,125	921,415
Homelessness partnership strategy grant	245,365	273,877
Investment income	31,421	49,787
Donations and other revenue, including grants	60,926	68,075
Rockin' the Big House	413,793	—
	4,978,794	4,890,381
Expenses:		
Allocations and programs:		
Program grants	1,960,100	1,913,785
Distributions and Community Programs and Services (schedule 1)	402,746	340,996
United Way Community Impact Initiatives	251,574	189,456
Donor choice designations	391,403	286,052
Homelessness partnership strategy grants	219,731	217,327
United Way dues and shared costs	42,938	34,001
Youth Homelessness	1,022,652	797,262
	4,291,144	3,778,879
Operations:		
Fundraising (schedule 1)	628,444	683,257
Community special events	24,285	72,824
Investment management fee	11,496	13,598
Rockin' the Big House	189,295	—
	5,144,664	4,548,558
Excess (deficiency) of revenue over expenses before the undernoted	(165,870)	341,823
Income from joint venture	7,509	1,083
Change in fair value of investments	459,622	(95,621)
Excess of revenue over expenses	\$ 301,261	\$ 247,285

See accompanying notes to financial statements.

UNITED WAY OF KFL&A

Statement of Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	Invested in 417 Bagot Group (note 4(a))	Invested in capital assets (note 8)	Reserves (note 9)	Restricted for endowments (note 16)	Unrestricted	2019 Total	2018 Total (Restated, note 17)
Balance, beginning of year (restated, note 17)	\$ 409,619	\$ 34,973	\$ 387,590	\$ 2,127,669	\$ 2,094,741	\$ 5,054,592	\$ 4,637,891
Excess (deficiency) of revenue over expenses	7,509	(18,511)	—	—	312,263	301,261	247,285
Endowment contributions	—	—	—	289,091	—	289,091	169,416
Interfund transfer	—	—	1,828,410	—	(1,828,410)	—	—
Balance, end of year	\$ 417,128	\$ 16,462	\$ 2,216,000	\$ 2,416,760	\$ 578,594	\$ 5,644,944	\$ 5,054,592

See accompanying notes to financial statements.

UNITED WAY OF KFL&A

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
		(Restated, note 17)
Cash provided by (used for):		
Operating expenses:		
Excess of revenue over expenses	\$ 301,261	\$ 247,285
Item which does not involve cash:		
Amortization of capital assets	18,511	16,747
Change in fair value of investments	(459,622)	95,621
Income from joint venture	(7,509)	(1,083)
Change in non-cash working capital:		
Accounts receivable	9,413	(3,834)
Prepaid expenses	(9,784)	8,037
Accounts payable and accrued liabilities	206,659	34,976
Monies held in trust	182,223	8,577
Deferred contributions non-campaign	82,782	47,897
Deferred campaign revenue	(240,000)	(240,000)
	83,934	214,223
Financing activities:		
Endowment contributions	289,091	169,416
Investing activities:		
Purchase of capital assets	—	(8,261)
Net purchase of long-term investments	(223,375)	(354,366)
	(223,375)	(362,627)
Increase in cash	149,650	21,012
Cash, beginning of year	2,085,021	2,064,009
Cash, end of year	\$ 2,234,671	\$ 2,085,021
Represented by:		
Cash in bank	\$ 1,114,930	\$ 1,072,807
Short-term investments	1,119,741	1,012,214
Cash, end of year	\$ 2,234,671	\$ 2,085,021

See accompanying notes to financial statements.

UNITED WAY OF KFL&A

Notes to Financial Statements

Year ended December 31, 2019

United Way of KFL&A is a not-for-profit organization incorporated without share capital under the laws of Ontario. United Way of KFL&A's services are provided to the Kingston, Frontenac, Lennox & Addington community. United Way of KFL&A is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

United Way of KFL&A's mission is to build and strengthen the community by bringing people and resources together to facilitate change. United Way of KFL&A's vision is a future where people are self-sufficient in a community where individuals live with hope, dignity and a sense of belonging.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of CPA Canada Handbook – Accounting.

(a) Revenue recognition:

United Way of KFL&A follows the deferral method of accounting for contributions which include donations and government grants.

United Way of KFL&A conducts a public campaign for funds each year.

Unrestricted campaign revenue through either pledge payments or one-time donations are recorded as revenue in the year in which they are received.

Other unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Primary sources of other unrestricted contributions recognized as revenue during the year are funds transferred to and from other United Ways, community special events and investment income.

Restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized.

Endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(b) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to United Way of KFL&A's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized using the following annual rates:

	Rate
Furniture and equipment	20% diminishing balance or 10 years straight-line basis
Telephone system	30% diminishing balance basis
Computer equipment	30% diminishing balance or 2 to 3 years straight-line basis
Computer software	2 years straight-line basis
Leasehold improvements	10 years straight-line basis

The carrying amount of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

(c) Contributed services:

Volunteers contribute a substantial number of hours each year to assist United Way of KFL&A in carrying out its activities. Because of the difficulty of determining the fair value, contributions of such services are not recognized in the financial statements.

United Way of KFL&A receives gifts in kind from some donors, primarily for campaign costs of printing, supplies, advertising and public relations. These amounts are excluded from revenue and expenses.

(d) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(e) Net asset reserves:

(i) Contingency Reserve:

There is a requirement for United Way of KFL&A to be fiscally responsible in its operations, which requires United Way of KFL&A to be in a position to meet outstanding obligations to staff and third parties under any unexpected circumstances. These funds are intended for contingency purposes, to be accessed only after formal approval of United Way of KFL&A's Board of Directors.

(ii) Endowment Reserve:

The endowment reserve is an Eternity Fund managed by the United Way of KFL&A Investment Committee and is externally restricted with the principal being preserved in perpetuity. The income earned from the Eternity Fund is internally restricted and is used to support essential programs ensuring donations to the Eternity Fund will benefit future generations.

(iii) Unrestricted Reserve:

This reserve is the cumulative surplus/deficit of United Way of KFL&A activities and it is up to the discretion of the United Way of KFL&A Board of Directors regarding the use of these funds.

(f) Employee future benefits:

United Way of KFL&A has a defined contribution plan providing pension and post-employment benefits for its employees. The cost of the defined contribution plan is based on the required contributions during each period.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. United Way of KFL&A has elected to subsequently carry all of its short-term investments and all of its long-term investments, excluding the investment in a joint venture, at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(g) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, United Way of KFL&A determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount United Way of KFL&A expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Changes in accounting standards:

In March 2018, the Accounting Standards Board issued "Basis for Conclusions - Accounting Standards Improvements for Not-for-Profit Organizations" resulting in the introduction of three new handbook sections in the Accounting Standards for Not-for-Profit Organizations Part III of the Handbook as follows:

- (a) Section 4433, Tangible capital assets held by not-for-profit organizations, which directs organizations to apply the accounting guidance of Section 3061, Property Plant and Equipment in Part II of the Handbook. In so doing, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as a non-reversible impairment expense. In addition, where practical, to componentize capital assets when estimates can be made of the useful lives of the separate components.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairments of tangible assets that existed as at January 1, 2019.

- (b) Section 4434, Intangible assets held by not-for-profit organizations, which directs organizations to annually assess intangible assets, and where applicable to record an impairment expenses should the net carrying value be higher than the asset's fair value or replacement cost. This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairment of intangible assets that existed as at January 1, 2019.

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

2. Changes in accounting standards (continued):

(c) Section 4441, Collections held by not-for-profit organizations, which defines a collection and directs organizations to record such assets on the statement of financial position at either cost or nominal value. It is anticipated that all collections will be accounted for using the same method, with the exception of organizations that opt to account for collections at cost, whereby the cost for certain collections either held or contributed cannot be determined. Such items are to be accounted for at a nominal value. In addition, collections are written down when there is evidence that the net carrying amount exceeds fair value.

Organizations are permitted to retrospectively capitalize collections at their cost or fair value at the date of acquisition, or fair value or replacement cost as at January 1, 2019, based on the most readily determinable value. In addition, an adjustment to opening net assets is permitted to recognize any partial impairment of the value of collections that existed as at January 1, 2019

The amendments are effective for financial statements for fiscal years beginning on or after January 1, 2019.

The implementation of these changes had no impact on the financial statements.

3. Short-term investments:

	2019	2018
High interest savings account	\$ 1,119,741	\$ 1,012,214

Short-term investments are invested in a manner to allow the organization to access funds for operational needs on short-term notice with minimal investment risk.

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

4. Long-term investments:

(a) Investment in 417 Bagot Group:

United Way of KFL&A has a one-half interest in a joint venture, the 417 Bagot Group (“Group”), together with another agency (Resolve – Counselling Services Canada) to own and manage the building in which the two agencies carry on their operations. The investment in the joint venture is recorded on the equity basis which reflects the net income or loss of the Group for the year ended December 31, 2019. The following information represents United Way of KFL&A’s proportionate share of the assets, liabilities, revenue, expenses, excess of revenue over expenses and cash flows in this joint venture:

	2019	2018
Assets		
Cash	\$ 58,298	\$ 42,472
Accounts receivable	1,320	1,395
Prepaid expenses	52	–
Capital assets	370,776	387,400
	<u>\$ 430,446</u>	<u>\$ 431,267</u>

	2019	2018
Liabilities and Co-tenants’ Capital		
Accounts payable and accrued liabilities	\$ 4,506	\$ 3,339
Current portion of long-term debt	7,357	8,774
Due from related parties	–	625
Long-term debt	99,495	106,950
Co-tenant’s capital	319,088	311,579
	<u>\$ 430,446</u>	<u>\$ 431,267</u>

Excess of revenue over expenses:

	2019	2018
Revenue	\$ 71,420	\$ 71,420
Expenses	63,911	70,337
	<u>\$ 7,509</u>	<u>\$ 1,083</u>

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

4. Long-term investments (continued):

(a) Investment in 417 Bagot Group (continued):

Cash provided by (used in):

	2019	2018
Operating activities	\$ 24,698	\$ 14,035
Financing activities	15,827	(8,385)

There are no significant differences in accounting policies between 417 Bagot Group and United Way of KFL&A. The amount reported as long-term investment on the Statement of Financial Position is determined as follows:

	2019	2018
Contributions since commencement	\$ 146,086	\$ 146,086
Gain in earnings since commencement	93,579	86,070
Reallocation of co-tenants' capital up to one-half share	101,960	101,960
Payment of market value in excess of book value for one-third share up to one-half share	98,040	98,040
Major repairs funded by the replacement reserve	(22,537)	(22,537)
	\$ 417,128	\$ 409,619

The two participants in the joint venture are jointly and severally liable for a loan. As at December 31, 2019, the principal balance of the loan in aggregate is \$213,704 (2018 - \$231,448).

(b) Financial investments:

	2019	2018
Cash	\$ 8,668	\$ 14,353
Fixed income	267,417	292,102
Equities	938,252	649,557
Mutual funds/segregated funds	50,713	168,020
	1,265,050	1,124,032
Endowment:		
Cash	34,291	103,628
Fixed income	576,663	558,835
Equities	2,035,509	1,466,921
Mutual funds/segregated funds	140,632	115,732
	2,787,095	2,245,116
	\$ 4,052,145	\$ 3,369,148

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

4. Long-term investments (continued):

As per the United Way of KFL&A's Investment Policy, short-term needs require short-term solutions, such as cash accounts (extremely liquid cash) or low risk fixed income type of investments. Longer term needs, may allow time to invest in equities, which generally have higher short-term risks but better long-term growth potential.

Unrestricted reserves are to be invested in a manner that when needed, the investments can be converted to cash on short-term notice with minimal investment risk.

Restricted reserves may be invested in longer term investments to grow the investment pool by at least the annual rate of inflation.

Endowment Fund will follow the investment strategy as per the Investment Policy of the United Way of KFL&A.

5. Capital assets:

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Furniture and equipment	\$ 83,116	\$ 81,015	\$ 2,101	\$ 6,980
Telephone system	43,537	42,481	1,056	1,509
Computer equipment	169,450	165,421	4,029	12,086
Computer software	95,782	86,506	9,276	14,398
Leasehold improvements	8,999	8,999	—	—
	<u>\$ 400,884</u>	<u>\$ 384,422</u>	<u>\$ 16,462</u>	<u>\$ 34,973</u>

Cost and accumulated amortization of capital assets at December 31, 2018 amounted to \$400,884 and \$365,911, respectively.

6. Accounts payable and accrued liabilities:

	2019	2018
Accounts payable and accrued liabilities	\$ 98,237	\$ 145,037
Grants payable	626,386	372,927
	<u>\$ 724,623</u>	<u>\$ 517,964</u>

Included in accounts payable and accrued liabilities are government remittances payable of \$2,325 (2018 - \$12,292), which includes amounts payable for harmonized sales tax and payroll-related taxes.

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

7. Monies held in trust:

In 2007, United Way of KFL&A entered into a contract with the Corporation of the City of Kingston (the "City") to provide services, on a trust basis, to administer the Healthy Community Fund. The services include:

- (a) administration of the Healthy Community Fund application process;
- (b) determination and approval of grants from the Healthy Community Fund;
- (c) contracting with successful applicants as an agent of the City; and
- (d) issuing approved grants and tracking fulfillment of conditions of each grant.

	2019	2018
Opening balance	\$ 23,967	\$ 15,390
Receipts	380,000	189,378
Disbursements	(197,777)	(180,801)
Ending balance	\$ 206,190	\$ 23,967

8. Invested in capital assets:

- (a) Investment in capital assets is calculated as follows:

	2019	2018
Capital assets	\$ 16,462	\$ 34,973

- (b) Change in net assets invested in capital assets is calculated as follows:

	2019	2018
Excess of expenses over revenue:		
Amortization of capital assets	\$ (18,511)	\$ (16,747)
Net change in investment in capital assets:		
Purchase of capital assets	\$ —	\$ 8,261

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

9. Reserves:

Reserves consist of:

	2019	2018
Contingency Reserve	\$ 316,000	\$ 160,000
Youth Homelessness & Agency Reserve	1,900,000	227,590
	\$ 2,216,000	\$ 387,590

(a) Contingency Reserve:

In accordance with policy, the balance in the reserve is to be maintained within a range of 10% to 20% of the operating budget. Contingency reserve funds are intended for contingency purposes, to be accessed only after formal approval by United Way of KFL&A's Board of Directors.

(b) Youth Homelessness & Agency Reserve:

Using proceeds from the Kingston Penitentiary Tours and operational surpluses (deficits), the Board of Directors passed a motion to set aside these funds to be spent in the area of youth homelessness and United Way partner agencies in the event of a fundraising shortfall. This reserve is internally restricted and is intended for the programs that support community investment strategy outlined by the United Way KFL&A Board of Directors.

10. Commitments:

United Way of KFL&A has entered into a lease with the 417 Bagot Group, a related joint venture, for use of its premises at 417 Bagot Street, Kingston. This lease requires monthly payments of \$4,807 and has no pre-determined expiration date.

United Way of KFL&A also leases various office equipment under various leases.

The minimum annual lease payments on all existing lease agreements for the next five years are as follows:

2020	\$ 89,346
2021	63,882
2022	60,552
2023	59,907
2024	58,795
	\$ 332,482

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

11. Related party transactions:

United Way of KFL&A has a one-half interest in a joint venture, the 417 Bagot Group, as detailed in note 4 to these financial statements. United Way of KFL&A rents premises from the joint venture as disclosed in note 10.

These transactions are in the normal course of operations and are measured at the exchange amount, being the amount of consideration established and agreed to by the relevant party.

12. Employer-employee group plan:

United Way of KFL&A is a participant in a group registered retirement savings plan. United Way of KFL&A contributes, on behalf of each eligible employee, an amount equal to the employee's contribution to a maximum of 5% earnings. During the year, United Way of KFL&A expensed \$34,588 (2018 - \$32,317) under this group registered retirement savings plan arrangement.

13. Financial risks:

As a result of holding financial instruments, United Way of KFL&A is exposed to investment risk, market risk, interest risk and credit risk. The following is a description of those risks and how United Way of KFL&A manages its exposure to them.

(a) Investment risk management:

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to interest rate and market risk. United Way of KFL&A mitigates these risks with an investment policy designated to limit exposure and concentration while achieving optimal return within reasonable risk tolerances.

(b) Market and interest rate risk:

The risks associated with the investments are the risks associated with the securities in which the funds are invested. The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific entities which issue the securities. The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities. The fixed income securities yield interest between 1.82% and 3.10% and have maturities ranging from March 2020 to June 2025.

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

13. Financial risks (continued):

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. United Way of KFL&A is exposed to credit risk with respect to the accounts receivable, short-term investments and certain of its long-term investments. United Way of KFL&A assesses, on a continuous basis, accounts receivable, short-term investments and certain of its long-term investments. United Way of KFL&A has determined that there is no impairment to the accounts receivable or the joint venture investment as at December 31, 2019.

14. Re-allocation of administration expenses:

General management and administrative expenses are re-allocated between fundraising expenses, distributions and community programs and service expenses, and community impact initiatives expenses based on the organization's budget allocation at the beginning of the year in which the administrative expenses are incurred. This re-allocation is based on pro-rated staff time.

	2019	2018
Fundraising	44%	49%
Distributions & community programs & services	29%	27%
Community impact initiatives	27%	24%
	100%	100%

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

15. Transparency, accountability and financial reporting:

The United Way of KFL&A follows the reporting guidelines as outlined in its membership agreement with United Way of Canada – Centraide Canada. As part of these guidelines, each member calculates fundraising and allocation ratios. These ratios are summarized as follows:

	2019		2018	
Fundraising ratio:				
Total revenue		\$ 4,978,784		\$ 4,890,381
<hr/>				
	2019		2018	
Total fundraising including cost recovery and special events (schedule 1)	699,533	14.0%	636,583	13.2%
General management and administrative expense	142,490	2.9%	119,498	2.5%
Total fundraising and related administrative expense	\$ 842,023	16.9%	\$ 756,081	15.7%

16. Management of capital:

United Way of KFL&A defines its capital as the amounts included in its net assets.

Contributions restricted for endowment consist of externally restricted donations received by United Way of KFL&A. The endowment principal is required to be maintained intact. The investment income must be used in accordance with the various purposes established by the donors. United Way of KFL&A ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

United Way of KFL&A manages the net asset structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

United Way of KFL&A's objective when managing capital is to safeguard its ability to sustain itself as a going concern so that it can continue to provide the appropriate level of benefits and services to its beneficiaries and stakeholders. A portion of United Way of KFL&A's capital is restricted in that the organization is required to meet certain requirements to utilize its externally and internally restricted net assets, as described in note 9 for Reserves. United Way of KFL&A has internal control processes to ensure that the restrictions are met prior to the utilization of these resources and has been in compliance with these restrictions throughout the year.

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

16. Management of capital (continued):

Management and the Board of Directors carefully considers fundraising campaigns, grants, sponsorship and investment income to ensure that sufficient funds will be available to meet United Way of KFL&A's short and long-term objectives.

United Way of KFL&A monitors its financial performance against an annual budget. In the event that revenue declines, United Way of KFL&A will budget for reduced distributions and reduced operational expenses.

17. Change in accounting policy:

Effective December 31, 2019, United Way of KFL&A changed its accounting policy for revenue recognition of campaign pledges and one-time donations to record amounts received. In previous periods, pledged donations were recognized when received or receivable and a provision for uncollectible amounts was recorded to reduce pledges receivable and revenue. In previous periods campaign revenue of the fiscal year was deferred to the following year when the funds were spent. Similarly, in the previous periods, designations payable were accrued if not paid to align with the year of the campaign. The United Way of KFL&A has changed its policy such that designations payable are only accrued when they become payable as the new method of recognition presents information in a manner that is more easily understood by users of the financial statements and aligns with timing of receipt of information from third parties. The change in accounting policy has been applied retrospectively.

Statement of financial position as at December 31, 2018:

	As previously presented	Restatement	As restated
Pledge receivable	\$ 255,185	(255,185)	\$ –
Current assets	2,382,123	(255,185)	2,126,938
Total assets	6,195,863	(255,185)	5,940,678
Accounts payable and accrued liabilities	739,763	(221,799)	517,964
Deferred campaign revenue	2,174,305	(1,934,305)	240,000
Total current liabilities	3,042,190	(2,156,104)	886,086
Unrestricted net assets	193,822	1,900,919	2,094,741
Total liabilities and net assets	6,195,863	(255,185)	5,940,678

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

17. Change in accounting policy (continued):

Statement of operations for the year ended December 31, 2018:

	As previously presented	Restatement	As restated
Campaign revenue	\$ 3,332,602	32,061	\$ 3,364,663
Community special events revenue	132,290	54,942	187,232
Gross campaign revenue	3,490,224	87,003	3,577,227
Pledge loss	(106,448)	106,448	—
Total revenue	4,696,930	193,451	4,890,381
Door choice designations	457,960	(171,908)	286,052
Total expenses	4,720,466	(171,908)	4,548,558
Excess (deficiency) of revenue over expenses	(118,074)	365,359	247,285

Statement of changes in net assets for the year ended December 31, 2018:

	As previously presented	Restatement	As restated
Net assets, beginning of year	\$ 3,102,331	\$ 1,535,560	\$ 4,637,891
Excess (deficiency) of revenue over expenses	(118,074)	365,359	247,285
Net assets, end of year	3,153,673	1,900,919	5,054,592

Statement of cash flows for the year ended December 31, 2018:

	As previously presented	Restatement	As restated
Excess (deficiency) of revenue over expenses	\$ (118,074)	\$ 365,359	\$ 247,285
Change in non-cash working capital	221,012	(365,359)	(144,347)

UNITED WAY OF KFL&A

Notes to Financial Statements (continued)

Year ended December 31, 2019

18. Subsequent event and contingencies:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the United Way of KFL&A has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic.

- Experienced temporary declines in the fair value of investments and investment income
- Closure of the administrative building within which it operates since March 18, 2020 based on public health recommendations
- Mandatory working from home requirements for those able to do so
- Continuous re-evaluation of the team's work assignments
- Creation of United Way of KFL&A COVID-19 Response Fund, flowing funds to agencies' needs as they respond to the most vulnerable

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

UNITED WAY OF KFL&A

Schedule 1 - Administration, Fundraising and United Way Community Investments Programs Expenses
Distributions and community programs and services

Year ended December 31, 2019, with comparative information for 2018

	Administration	Fundraising	Distributions and community programs and services	2019 Total	2018 Total
Direct costs:					
Salaries and benefits	\$ 219,821	\$ 395,545	\$ 257,906	\$ 873,272	\$ 807,171
Other direct costs	74,123	86,573	37,567	198,263	187,178
Digital data analysis and marketing (one-time)	—	—	—	—	39,869
	293,944	482,118	295,473	1,071,535	1,034,218
Amortization of capital assets	18,511	—	—	18,511	16,747
Occupancy costs	11,387	20,489	13,359	45,235	46,140
Total expenses before reallocation of administrative expenses and cost recovery	323,842	502,607	308,832	1,135,281	1,097,105
Reallocation of administrative expenses (note 14)	(323,842)	142,490	93,914	(87,438)	(58,529)
Cost recovery	—	(16,653)	—	(16,653)	(14,323)
Total expenses	\$ —	\$ 628,444	\$ 402,746	\$ 1,031,190	\$ 1,024,253

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