

Financial Statements of

**UNITED WAY/CENTRAIDE
WINDSOR-ESSEX COUNTY**

Year ended March 31, 2019



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INDEPENDENT AUDITORS' REPORT

To the Members of United Way/Centraide Windsor-Essex County

Opinion

We have audited the financial statements of United Way/Centraide Windsor-Essex County (the United Way), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net asset for the year then ended
- the 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, the accompanying financial statements, present fairly, in all material respects, the financial position of the United Way as at March 31, 2019, and its results of operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the United Way 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 opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the United Way'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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the United Way's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the United Way'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 the United Way 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada
June 26, 2019

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Statement of Financial Position

March 31, 2019 with comparative information for 2018


	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,955,241	\$ 1,668,664
Investments (note 4)	735,521	732,116
Campaign pledges receivable, net (note 3)	2,638,058	3,085,433
Other receivables	164,346	111,136
Prepaid expenses	69,998	36,943
	<u>5,563,164</u>	<u>5,634,292</u>
Investments (note 4)	450,081	540,303
Capital assets (note 5)	84,263	41,058
	<u>\$ 6,097,508</u>	<u>\$ 6,215,653</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 469,941	\$ 368,685
Deferred grant revenue (note 6)	153,947	153,766
Designated gifts payable	740,081	497,199
	<u>1,363,969</u>	<u>1,019,650</u>
Accrued benefit obligation (note 7)	715,343	666,629
Net assets:		
Invested in capital assets	84,263	41,058
Internally designated for Capital Fund (note 2)	403,003	400,907
Internally designated for Tomorrow Fund (note 2)	444,757	563,480
Internally designated for Stabilization Fund (note 2)	3,086,173	3,523,929
	<u>4,018,196</u>	<u>4,529,374</u>
Commitments (note 8)		
	<u>\$ 6,097,508</u>	<u>\$ 6,215,653</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

**UNITED WAY / CENTRAIDE
WINDSOR - ESSEX COUNTY**

Statement of Operations

Year ended March 31, 2019 with comparative information for 2018

	Year ended March 31, 2019						Year ended March 31, 2018					
	Stabilization Fund	Tomorrow Fund	Invested in Capital Assets	United Way funded programs	Externally funded programs	TOTAL	Stabilization Fund	Tomorrow Fund	Invested in Capital Assets	United Way funded programs	Externally funded programs	TOTAL
Revenue												
Campaign Donations	\$ 4,977,034	-	-	\$ 4,977,034	\$ -	\$ 4,977,034	\$ 5,065,255	-	-	\$ 5,065,255	\$ -	\$ 5,065,255
Bequests	-	25,500	-	25,500	-	25,500	-	2,875	-	2,875	-	2,875
Funds transferred to other United Ways/Centraides	(780)	-	-	(780)	-	(780)	(2,755)	-	-	(2,755)	-	(2,755)
Gross Campaign Revenue	4,976,254	25,500	-	5,001,754	-	5,001,754	5,062,500	2,875	-	5,065,375	-	5,065,375
Pledge shrinkage	(413,060)	-	-	(413,060)	-	(413,060)	(250,144)	-	-	(250,144)	-	(250,144)
Net Campaign Revenue	4,563,194	25,500	-	4,588,694	-	4,588,694	4,812,356	2,875	-	4,815,231	-	4,815,231
Grants	183,763	-	-	183,763	248,032	431,795	29,832	-	-	29,832	86,415	116,247
Sponsorships	58,904	-	-	58,904	10,500	69,404	133,906	-	-	133,906	11,500	145,406
Investment income	53,390	9,777	-	63,167	-	63,167	38,477	15,477	-	53,954	-	53,954
Other revenue (schedule 3)	176,986	-	-	176,986	48,224	225,210	402,460	-	-	402,460	74,101	476,561
Total Revenue	5,036,237	35,277	-	5,071,514	306,756	5,378,270	5,417,031	18,352	-	5,435,383	172,016	5,607,399
Expenses												
Fundraising Expenses (schedule 4)	(1,239,373)	-	(14,045)	(1,253,418)	-	(1,253,418)	(1,349,373)	(15,000)	(11,258)	(1,375,631)	-	(1,375,631)
Net Revenue available for Community Investments	3,796,864	35,277	(14,045)	3,818,096	306,756	4,124,852	4,067,658	3,352	(11,258)	4,059,752	172,016	4,231,768
Community Investments												
Allocations to Funded Initiatives (note 8, schedule 1)	2,479,242	-	-	2,479,242	-	2,479,242	2,513,785	-	-	2,513,785	-	2,513,785
Agency surpluses returned	-	-	-	-	-	-	(5,997)	-	-	(5,997)	-	(5,997)
Special Grants (schedule 2)	112,896	-	-	112,896	-	112,896	158,908	-	-	158,908	-	158,908
Designations - HealthPartners, Other Agencies	109,074	-	-	109,074	-	109,074	89,839	-	-	89,839	-	89,839
United Way Delivered Community Programs (schedules 4, 5)	1,584,785	-	14,044	1,598,829	306,756	1,905,585	1,383,763	-	11,258	1,395,021	172,016	1,567,037
Total Community Investments	4,285,997	-	14,044	4,300,041	306,756	4,606,797	4,140,298	-	11,258	4,151,556	172,016	4,323,572
Excess (deficiency) of revenue over expenses	\$ (489,133)	\$ 35,277	\$ (28,089)	\$ (481,945)	\$ -	\$ (481,945)	\$ (72,640)	\$ 3,352	\$ (22,516)	\$ (91,804)	\$ -	\$ (91,804)

See accompanying notes to financial statements.

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Statement of Changes in Net Assets

Year ended March 31, 2019 with comparative information for 2018

2019	Invested in capital assets	Capital Fund	Tomorrow Fund	Stabilization Fund	Total
Balance, beginning of year	\$ 41,058	\$ 400,907	\$ 563,480	\$ 3,523,929	\$ 4,529,374
Excess (deficiency) of revenues over expenses	(28,089)	–	35,277	(489,133)	(481,945)
Actuarial loss on accrued benefit obligation	–	–	–	(29,233)	(29,233)
Fund transfers	–	73,390	(154,000)	80,610	–
Purchase of capital assets	71,294	(71,294)	–	–	–
Balance, end of year	\$ 84,263	\$ 403,003	\$ 444,757	\$ 3,086,173	\$ 4,018,196

2018	Invested in capital assets	Capital Fund	Tomorrow Fund	Stabilization Fund	Total
Balance, beginning of year	\$ 45,768	\$ 141,046	\$ 631,128	\$ 3,842,949	\$ 4,660,891
Excess (deficiency) of revenues over expenses	(22,516)	–	3,352	(72,640)	(91,804)
Actuarial gain on accrued benefit obligation	–	–	–	87,637	87,637
Plan amendment on accrued benefit obligation	–	–	–	(127,350)	(127,350)
Fund transfers	–	277,667	(71,000)	(206,667)	–
Purchase of capital assets	17,806	(17,806)	–	–	–
Balance, end of year	\$ 41,058	\$ 400,907	\$ 563,480	\$ 3,523,929	\$ 4,529,374

See accompanying notes to financial statements.

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Statement of Cash Flows

Year ended March 31, 2019 with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Deficiency of revenues over expenses	\$ (481,945)	\$ (91,804)
Items not involving cash:		
Amortization of capital assets	28,089	22,516
Non-cash accrued benefit obligation	19,481	23,557
Change in fair value of investments	(13,183)	(19,909)
Change in non-cash operating working capital		
Campaign pledges receivable, net	447,375	(235,534)
Other receivables	(53,210)	(71,706)
Prepaid expenses	(33,055)	3,638
Accounts payable and accrued liabilities	101,256	109,676
Deferred grant revenue	181	70,388
Designated gifts payable	242,882	60,465
	<u>257,871</u>	<u>(128,713)</u>
Investing activities:		
Short term investments	-	93,000
Long term investments	100,000	-
Purchase of capital assets	(71,294)	(17,806)
	<u>28,706</u>	<u>75,194</u>
Net increase (decrease) in cash and cash equivalents	286,577	(53,519)
Cash and cash equivalents, beginning of year	1,668,664	1,722,183
Cash and cash equivalents, end of year	<u>\$ 1,955,241</u>	<u>\$ 1,668,664</u>

Of the above amounts of cash and cash equivalents \$261,333 at March 31, 2019 (2018 - \$230,676) was restricted under the terms of various grant agreements.

See accompanying notes to financial statements.

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2019

1. Purpose of Organization:

United Way/Centraide Windsor-Essex County ("United Way") is a registered Canadian Charitable Public Foundation incorporated as a corporation without share capital under the Corporations Act of Ontario. United Way's mission is "to improve lives and build community by engaging individuals and mobilizing collective action". As a registered charitable public foundation under the Income Tax Act, United Way is exempt from income taxes provided certain requirements of the Income Tax Act are met.

2. 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 the CPA Canada Handbook.

(a) Fund accounting:

In order to ensure Board and external restrictions placed on the use of resources available to United Way are properly accounted for, resources are classified for accounting and reporting purposes into the following funds:

- (i) The Stabilization Fund accumulates funds to minimize the effect of adverse campaign results in any particular period and to provide cash flow and a source of funds for funding decisions as well as for emergencies and other needs.
- (ii) The Tomorrow Fund was established by the Board of Directors effective January 1, 1994. The purpose of the Fund is to provide funding for Venture grants, capital projects other than land and buildings, emergency funding and other purposes as may be determined by the Board of Directors. Revenue from bequests, memorials, life insurance proceeds, designated gifts and investment income related to investments held in the Fund are transferred to The Tomorrow Fund, net of planned giving expenses.
- (iii) The Capital Fund was established to accumulate funds to support future capital expenditures. Amounts are internally designated to this fund by the Board of Directors.

(b) Revenue recognition:

United Way follows the deferral method of accounting for contributions which include donations and various grants.

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2019

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Gifts made in the fall campaign that have been received by year end are recognized as revenue in the period they are received. Pledges made during the fall campaign are recognized as revenue in the period in which the pledge is received and employee amounts pledged are typically received in the following calendar year by way of payroll deduction. Both pledges and gifts from the fall campaign are used to finance activities in the following fiscal year. Fundraising expenses are expensed in the period they are incurred.

Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Designated donations received under flow-through arrangements for other charities that have not been disbursed at period end are recorded as designated gifts payable on the statement of financial position. Upon disbursement, the payment is recorded as an expense and the donation is recorded as campaign revenue.

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

Revenue from fees and rental income is recognized when the services are provided.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months. During the year, these funds earned interest at an average of 2.9% (2018 - 2.4%).

(d) Capital assets:

Purchased capital assets are recorded at cost. 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's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

	Rate
Leasehold improvements	over the term of the remaining lease
Equipment	3 -10 years

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2019

2. Significant accounting policies (continued):

(e) Employee future benefits:

United Way maintains a defined contribution pension plan for the benefit of employees. Contributions to the plan by United Way are recognized as they become payable.

United Way also provides post-retirement benefits such as life insurance and health and welfare coverage to certain employees who retire from active employment. Employees commencing employment on or after January 1, 2008 are not eligible for post-retirement benefits.

United Way accrues its obligations for post-retirement benefits as the eligible employees render the services necessary to earn benefits. The actuarial determination of the accrued benefit obligation uses the projected benefit method prorated on service (which incorporates management's best estimate of cost escalation, retirement ages of employees and other actuarial factors). The measurement date of the accrued benefit obligation coincides with United Way's fiscal year. The most recent actuarial valuation of the benefit plans for accounting purposes was as of March 31, 2018.

Actuarial gains (losses) arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Gains and losses are recognized as experienced directly to net assets.

Past service costs arising from plan amendments are also recognized directly to net assets at the date of amendment.

(f) Use of estimates:

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-For-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during reporting periods.

Significant items subject to such estimates and assumptions include the carrying value of capital assets, the allowance for shrinkage on campaign pledges receivable, and the valuation of post-retirement benefits. Actual results could differ from those estimates.

(g) Contributed services:

United Way greatly benefits from the substantial number of hours and other resources contributed by volunteers and organizations in carrying out its mission and service delivery activities. Because of the difficulty in quantifying these contributions and then determining their fair market value, contributed services are not recognized in the financial statements.

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2019

2. Significant accounting policies (continued):

(h) 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 has elected to carry investments in market-tracking equity funds, fixed income securities and mutual funds at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

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 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 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.

(i) Allocated expenses:

United Way incurs expenditures related to administration, marketing and communication that are not directly attributable to one aspect of United Way's operations. These expenditures are allocated to the operating activities of Fundraising and United Way Delivered Community Programs based on number of employees and total salary and benefits of the employees in each of those activities, as well as square footage of floor space occupied by each of those activities. Expenditures are not allocated to Externally Funded Programs as these expenses are provided as in-kind support to these activities.

3. Campaign pledges receivable:

	2019	2018
Campaign pledges receivable	\$ 3,306,583	\$ 3,572,016
Less allowance for pledge shrinkage	(668,525)	(486,583)
	<u>\$ 2,638,058</u>	<u>\$ 3,085,433</u>

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2019

4. Investments:

Short term investments

Short term investments comprise fixed income securities which have a weighted average effective interest rate of 2.3% (2018 - 1.6%) and a weighted average term to maturity of 0.66 years (2018 - 0.44 years).

Long term investments

	2019	2018
Fixed income securities	\$ 389,818	\$ 447,034
Common shares	45,499	66,559
Mutual funds	14,764	26,710
	\$ 450,081	\$ 540,303

The fixed income securities have a weighted average effective interest rate of 2.4% (2018 - 1.9%) and a weighted average term to maturity of 1.41 years (2018 - 1.12 years).

5. Capital assets:

2019	Cost	Accumulated amortization	Net book value
Equipment	\$ 549,033	\$ 464,770	\$ 84,263
Leasehold improvements	612,952	612,952	-
	\$ 1,161,985	\$ 1,077,722	\$ 84,263

2018	Cost	Accumulated amortization	Net book value
Equipment	\$ 495,746	\$ 454,688	\$ 41,058
Leasehold improvements	612,952	612,952	-
	\$ 1,108,698	\$ 1,067,640	\$ 41,058

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2019

6. Deferred grant revenue:

Deferred grant revenue represents unspent resources externally restricted for special projects received in the current period that will be expended in a future period. Changes in the deferred grant balance are as follows:

	2019	2018
Balance, beginning of year	\$ 153,766	\$ 83,378
Add amount received in the year	478,844	270,657
Less amount recognized as revenue in the year	(478,663)	(200,269)
	\$ 153,947	\$ 153,766

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2019

7. Accrued benefit obligation:

During 2008 United Way amended plan eligibility criteria for employees and determined that employees commencing employment on or after January 1, 2008, are not eligible for post-retirement benefits. A valuation as at March 31, 2018 extrapolated to March 31, 2019 has been used to determine the benefit costs for the current period. The accrued benefit obligation is unfunded.

The change in the accrued benefit obligation is as follows:

	2019	2018
Accrued benefit obligation, beginning of year	\$ 666,629	\$ 603,359
Net periodic benefit cost:		
Current service cost	16,680	17,561
Interest	23,553	22,966
	40,233	40,527
Less: benefits paid	(20,752)	(16,970)
	19,481	23,557
Actuarial loss (gain) recognized in net assets	29,233	(87,637)
Plan amendment recognized in net assets	–	127,350
Accrued benefit obligation, end of year	\$ 715,343	\$ 666,629

The significant actuarial assumptions adopted in estimating United Way's accrued benefit obligations are as follows:

	2019	2018
Discount rate	3.25%	3.50%
Health care cost trend rate	7.1% in 2019 decreasing to 4.5% in 2032	7.3% in 2018
Employee average remaining service life	11.5 years	11.5 years

The approximate impact of a change in the discount rate is:

Change in obligation for 1% increase in discount rates	\$ (107,300)
Change in obligation for 1% decrease in discount rates	\$ 135,900

The approximate impact of a change in health insurance trend rates is:

Change in obligation for 1% increase in trend rates	\$ 135,900
Change in obligation for 1% decrease in trend rates	\$ (107,300)

United Way also maintains a defined contribution pension plan for the benefit of employees. Contributions to the plan in the period were \$52,191 (2018 - \$40,721).

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2019

8. Commitments:

Multi-year commitments to Funded Initiatives

In March 2015 United Way entered into multi-year funding agreements to fund initiatives that align with three priorities: Poverty to Possibility, All That Kids Can Be, and Strong Communities (Schedule 1). These initiatives are funded for various periods up until March 2020, dependent on continued program delivery, active participation in United Way's Communities of Practice and the continued ability of United Way to raise sufficient funds. The maximum amounts that could be paid out under the existing funding agreements are as follows:

2020	\$2,332,950
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Long-term leases

United Way leases a property located at 300 Giles Blvd. East. In 2015 United Way entered into a new lease commencing July 1, 2015, for a 10 year period to June 30, 2025. Annual future lease payments are \$96,530 until the expiry of the lease.

In addition United Way has commitments under operating leases for office equipment for which the minimum future payments are as follows:

2020	\$7,706
2021	\$5,642
2022	\$2,495
2023	\$2,495
2024	\$ 416

9. Financial risks and concentration of risk:

(a) Investment risk management:

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

(b) Currency risk:

United Way is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, United Way receives donations denominated in U.S. dollars and holds some funds in U.S. dollars. There has been no significant change to the risk exposure from 2018.

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2019

9. Financial risks and concentration of risk (continued):

(c) Credit risk:

Credit risk refers to the risk that a counterparty may not meet its obligations resulting in a financial loss. Campaign pledges receivable and other receivables are subject to credit risk. United Way assesses collectability and provides for any amounts that are not collectible in the allowance for doubtful accounts. Cash and cash equivalents are held in credit-worthy financial institutions. Cash positions were diversified to short term investments in the year in order to better address credit risk.

(d) Market and interest rate risks:

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 companies or governments 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 value of securities denominated in a currency other than Canadian dollars will also be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

(e) Capital and liquidity risks:

United Way's policy is to maintain minimum reserve funds so as to maintain its ability to sustain future development and meet its commitments to funded initiatives. Management and the Board actively monitor forecast minimum fund levels as well as forecast fundraising campaign results, funding commitments and operating requirements.

Liquidity risk is the risk that United Way will be unable to fulfill its obligations on a timely basis or at a reasonable cost. United Way manages its liquidity risk by monitoring its operating requirements. United Way prepares budget and forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no significant change to the risk exposures from 2018.

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2019

10. Voluntary Cost of Fundraising Disclosure:

As part of its Membership Agreement with United Way Centraide Canada, United Way is required to disclose the basis of certain cost ratios provided to stakeholders in its public communications. The calculation of these is as follows:

	2019	2018
Direct Costs of Fundraising	15.6%	16.1%
Associated Cost of Administration & Marketing	6.0%	7.4%
	21.6%	23.5%

These amounts are calculated based on total revenue before deducting pledge shrinkage.

UNITED WAY / CENTRAIDE WINDSOR - ESSEX COUNTY

Allocations to Funded Initiatives - Lead Agencies by Strategy Type

Schedule 1

Year ended March 31, 2019 with comparative information for 2018

		2019	2018
POVERTY TO POSSIBILITY			
FOOD SECURITY			
ACCESS County Community Support Services	ACCESS Seed to Table	\$ 79,154	\$ 83,718
East Windsor Community Service Centre (Drouillard Place)	Drouillard Road Food Bank	35,537	26,653
Salvation Army	Eat Better Do Better	42,000	71,025
Unemployed Help Centre of Windsor Inc.	The Food Security Network	183,572	180,160
ALL THAT KIDS CAN BE			
STRENGTHENING KIDS - OUT OF SCHOOL PROGRAMS			
Sandwich Teen Action Group	After-School Youth Program	73,500	73,500
South Essex Community Council	SPARK	98,000	98,000
The House Youth Centre	Youth Program	98,000	98,000
STRENGTHENING KIDS - AFTER-SCHOOL PROGRAMS			
East Windsor Community Service Centre (Drouillard Place)	After-School Collaborative - Harrow	15,200	15,200
East Windsor Community Service Centre (Drouillard Place)	Drouillard Road After-School Program	46,100	46,100
East Windsor Community Service Centre (Drouillard Place)	Glengarry After-School Program	46,100	46,100
Housing Information Services	Youth Agora Homework Club	58,800	58,800
Housing Information Services	Youth First	41,700	41,700
Multicultural Council of Windsor and Essex County	After-School Program	51,000	51,000
YOUTH MENTORING			
Big Brothers Big Sisters of Windsor and Essex County	Youth Mentoring	360,163	360,163
FAMILY SUPPORTS			
Alive Canada/Canadian Mental Health Association Windsor-Essex	Building Community Resilience to Suicide	-	16,250
Windsor-Essex Family Network	Families Helping Families in Partnership	107,800	107,800
STRONG COMMUNITIES			
COUNSELLING AND SUPPORTS			
Brain Injury Association of Windsor and Essex County	GOALS	7,200	7,200
Family Services Windsor-Essex	Community Counselling Partnership	401,800	401,800
Family Services Windsor-Essex	Windsor Pride Community Centre	55,000	52,000
Family Services Windsor-Essex	Voluntary Trusteeship	145,099	145,099
NEIGHBOURHOOD ENGAGEMENT			
Downtown Windsor Community Collaborative	Downtown Windsor Neighbourhood Renewal	78,400	78,400
East Windsor Community Service Centre (Drouillard Place)	Ford City Neighbourhood Renewal	113,617	113,617
East Windsor Community Service Centre (Drouillard Place)	Glengarry-Marentette Neighbour to Neighbour	121,000	121,000
Life After Fifty	Our West End	110,000	110,000
Life After Fifty	Promoting Seniors' Independence	110,500	110,500
		\$ 2,479,242	\$ 2,513,785

UNITED WAY / CENTRAIDE WINDSOR - ESSEX COUNTY

Schedule of Special Grants

Schedule 2

Year ended March 31, 2019 with comparative information for 2018

	2019	2018
211 - Information and Referral	\$ 46,716	\$ 46,715
Backpack Program	14,106	15,073
EJ Lajeunesse High School - Rebuilding Wheels Rebuilding Lives	5,000	-
Family Service Windsor - Emergency Assistance Fund	-	52,600
Ford City Financial - Neighbourhood Small Business Grant	2,500	-
United Way Canada / Centraide Canada	44,574	44,520
	<u>\$ 112,896</u>	<u>\$ 158,908</u>

UNITED WAY / CENTRAIDE WINDSOR - ESSEX COUNTY

Schedule of Other Revenue

Schedule 3

Year ended March 31, 2019 with comparative information for 2018

	Fundraising		United Way Delivered Community Programs		Administration and General Operations		Total		Externally funded programs	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue:										
Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,291
Occupancy	-	-	-	-	87,056	85,875	87,056	85,875	-	-
Funds returned from United Ways of Ontario	-	-	-	-	-	217,690	-	217,690	-	-
Other	37,192	35,514	23,673	20,346	29,065	43,035	89,930	98,895	48,224	61,810
	<u>\$ 37,192</u>	<u>\$ 35,514</u>	<u>\$ 23,673</u>	<u>\$ 20,346</u>	<u>\$ 116,121</u>	<u>\$ 346,600</u>	<u>\$ 176,986</u>	<u>\$ 402,460</u>	<u>\$ 48,224</u>	<u>\$ 74,101</u>

UNITED WAY / CENTRAIDE WINDSOR - ESSEX COUNTY

Schedule of Operating Expenses

Schedule 4

Year ended March 31, 2019 with comparative information for 2018

	Fundraising		United Way Delivered Community Programs		Externally Funded Programs		Administration, Marketing & Communication	
	2019	2018	2019	2018	2019	2018	2019	2018
Salaries	\$ 512,893	\$ 505,809	\$ 737,301	\$ 576,725	\$ 185,148	\$ 84,405	\$ 395,412	\$ 435,674
Fringe benefits	105,202	107,418	119,208	104,034	22,641	4,870	80,769	83,999
Occupancy	83,890	87,290	60,869	63,337	-	-	89,073	92,475
Office	23,657	22,518	26,459	21,703	3,061	3,763	26,818	28,849
Recruitment and education	1,533	8,024	2,929	4,532	12,448	8,522	10,881	9,153
Promotion and publicity	127,382	153,814	36,043	28,075	6,553	30,381	9,463	73,263
Purchased services	36,551	41,662	76,729	62,895	60,659	35,360	41,095	68,183
Program Supplies & Misc.	13,126	17,571	190,108	117,194	16,246	4,715	16,767	18,939
	904,234	944,106	1,249,646	978,495	306,756	172,016	670,278	810,535
Allocation of administration, marketing and communication expenses	335,139	405,267	335,139	405,268	-	-	(670,278)	(810,535)
	\$ 1,239,373	\$ 1,349,373	\$ 1,584,785	\$ 1,383,763	\$ 306,756	\$ 172,016	\$ -	\$ -

UNITED WAY / CENTRAIDE WINDSOR - ESSEX COUNTY

Schedule of Operating Expenses -
United Way Delivered Community Programs by Activity

Schedule 5

Year ended March 31, 2019 with comparative information for 2018

	2019	2018
Community Investment Planning & Oversight	\$ 141,905	\$ 141,099
Labour Programs & Services	125,164	121,674
Labour Appreciation Awards	46,231	37,837
Consulting Services for Non-Profits	12,718	51,082
Training & Workshop Series	65,145	58,414
Cradle to Career Development & Research	170,964	-
ProsperUS Leadership Council	3,630	-
General Community Development & Research	34,451	169,931
Volunteer Centre	121,231	136,594
Student, Youth, Women and Retiree Engagement	266,632	234,754
On Track to Success	309,274	275,494
On Track to Success - Post Secondary Access and Inclusion	104,452	-
On Track to Success - Program Evaluation	26,889	-
Ontario Youth Volunteer Challenge	38,702	44,191
Summer Lunch Program	62,777	58,379
Community Meeting Rooms	54,620	54,314
	\$ 1,584,785	\$ 1,383,763