

Financial Statements of

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

And Independent Auditors' Report thereon

Year ended March 31, 2020



KPMG LLP  
618 Greenwood Centre  
3200 Deziel Drive  
Windsor ON N8W 5K8  
Canada  
Telephone (519) 251-3500  
Fax (519) 251-3530

## 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, 2020
- 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, 2020, 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  
September 23, 2020

# UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

## Statement of Financial Position

March 31, 2020, with comparative information for 2019

|   | 2020                | 2019                |
|---|---------------------|---------------------|
| <b>Assets</b>                             |                     |                     |
| Current assets:                           |                     |                     |
| Cash and cash equivalents                 | \$ 1,747,038        | \$ 1,955,241        |
| Investments (note 4)                      | 898,913             | 735,521             |
| Campaign pledges receivable, net (note 3) | 2,179,547           | 2,638,058           |
| Other receivables                         | 240,432             | 164,346             |
| Prepaid expenses                          | 45,133              | 69,998              |
|   | <u>5,111,063</u>    | <u>5,563,164</u>    |
| Investments (note 4)                      | 302,464             | 450,081             |
| Capital assets (note 5)                   | 151,151             | 84,263              |
|   | <u>\$ 5,564,678</u> | <u>\$ 6,097,508</u> |

## Liabilities and Net Assets

|   |                     |                     |
|---|---------------------|---------------------|
| Current liabilities:                              |                     |                     |
| Accounts payable and accrued liabilities          | \$ 549,445          | \$ 469,941          |
| Deferred grant revenue (note 6)                   | 334,134             | 153,947             |
| Designated gifts payable                          | 672,136             | 740,081             |
|   | <u>1,555,715</u>    | <u>1,363,969</u>    |
| Accrued benefit obligation (note 7)               | 677,863             | 715,343             |
| Net assets:                                       |                     |                     |
| Invested in capital assets                        | 151,151             | 84,263              |
| Internally designated for Capital Fund (note 2)   | 379,283             | 403,003             |
| Internally designated for Tomorrow Fund (note 2)  | 304,712             | 444,757             |
| Internally designated for Operating Fund (note 2) | 2,495,954           | 3,086,173           |
|   | <u>3,331,100</u>    | <u>4,018,196</u>    |
| Commitments (note 8)                              |                     |                     |
| Subsequent events (note 10)                       |                     |                     |
|   | <u>\$ 5,564,678</u> | <u>\$ 6,097,508</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, 2020 with comparative information for 2019

|  | Year ended March 31, 2020 |                  |                            |                            |                            |                     | Year ended March 31, 2019 |                  |                            |                            |                            |                     |
|--|---------------------------|------------------|----------------------------|----------------------------|----------------------------|---------------------|---------------------------|------------------|----------------------------|----------------------------|----------------------------|---------------------|
|  | 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               |
| <b>Revenue</b>   |                           |                  |                            |                            |                            |                     |                           |                  |                            |                            |                            |                     |
| Campaign Donations                                       | \$ 4,859,557              | -                | -                          | \$ 4,859,557               | \$ -                       | 4,859,557           | \$ 4,977,034              | -                | -                          | \$ 4,977,034               | \$ -                       | 4,977,034           |
| Bequests   | -                         | 32,522           | -                          | 32,522                     | -                          | 32,522              | -                         | 25,500           | -                          | 25,500                     | -                          | 25,500              |
| Funds transferred to other United Ways/Centraides        | (3,245)                   | -                | -                          | (3,245)                    | -                          | (3,245)             | (780)                     | -                | -                          | (780)                      | -                          | (780)               |
| Gross Campaign Revenue                                   | 4,856,312                 | 32,522           | -                          | 4,888,834                  | -                          | 4,888,834           | 4,976,254                 | 25,500           | -                          | 5,001,754                  | -                          | 5,001,754           |
| Pledge shrinkage   | (603,063)                 | -                | -                          | (603,063)                  | -                          | (603,063)           | (413,060)                 | -                | -                          | (413,060)                  | -                          | (413,060)           |
| Net Campaign Revenue                                     | 4,253,249                 | 32,522           | -                          | 4,285,771                  | -                          | 4,285,771           | 4,563,194                 | 25,500           | -                          | 4,588,694                  | -                          | 4,588,694           |
| Grants   | 331,409                   | -                | -                          | 331,409                    | 204,143                    | 535,552             | 183,763                   | -                | -                          | 183,763                    | 248,032                    | 431,795             |
| Sponsorships   | 65,485                    | -                | -                          | 65,485                     | 1,700                      | 67,185              | 58,904                    | -                | -                          | 58,904                     | 10,500                     | 69,404              |
| Canada Emergency Wage Subsidy (note 10)                  | 55,784                    | -                | -                          | 55,784                     | 3,009                      | 58,793              | -                         | -                | -                          | -                          | -                          | -                   |
| Investment income  | 66,890                    | 2,433            | -                          | 69,323                     | -                          | 69,323              | 53,390                    | 9,777            | -                          | 63,167                     | -                          | 63,167              |
| Other revenue (schedule 3)                               | 179,525                   | -                | -                          | 179,525                    | 9,984                      | 189,509             | 176,986                   | -                | -                          | 176,986                    | 48,224                     | 225,210             |
| <b>Total Revenue</b>                                     | <b>4,952,342</b>          | <b>34,955</b>    | <b>-</b>                   | <b>4,987,297</b>           | <b>218,836</b>             | <b>5,206,133</b>    | <b>5,036,237</b>          | <b>35,277</b>    | <b>-</b>                   | <b>5,071,514</b>           | <b>306,756</b>             | <b>5,378,270</b>    |
| <b>Expenses</b>  |                           |                  |                            |                            |                            |                     |                           |                  |                            |                            |                            |                     |
| Fundraising Expenses (schedule 4)                        | (1,242,181)               | -                | (21,861)                   | (1,264,042)                | -                          | (1,264,042)         | (1,239,373)               | -                | (14,045)                   | (1,253,418)                | -                          | (1,253,418)         |
| <b>Net Revenue available for Community Investments</b>   | <b>3,710,161</b>          | <b>34,955</b>    | <b>(21,861)</b>            | <b>3,723,255</b>           | <b>218,836</b>             | <b>3,942,091</b>    | <b>3,796,864</b>          | <b>35,277</b>    | <b>(14,045)</b>            | <b>3,818,096</b>           | <b>306,756</b>             | <b>4,124,852</b>    |
| <b>Community Investments</b>                             |                           |                  |                            |                            |                            |                     |                           |                  |                            |                            |                            |                     |
| Allocations to Funded Initiatives (note 8, schedule 1)   | 2,328,540                 | -                | -                          | 2,328,540                  | -                          | 2,328,540           | 2,479,242                 | -                | -                          | 2,479,242                  | -                          | 2,479,242           |
| Agency surpluses returned                                | (828)                     | -                | -                          | (828)                      | -                          | (828)               | -                         | -                | -                          | -                          | -                          | -                   |
| Special Grants (schedule 2)                              | 92,609                    | -                | -                          | 92,609                     | -                          | 92,609              | 98,790                    | -                | -                          | 98,790                     | -                          | 98,790              |
| Designations - HealthPartners, Other Agencies            | 77,371                    | -                | -                          | 77,371                     | -                          | 77,371              | 109,074                   | -                | -                          | 109,074                    | -                          | 109,074             |
| United Way Delivered Community Programs (schedules 4, 5) | 1,948,127                 | -                | 21,861                     | 1,969,988                  | 218,836                    | 2,188,824           | 1,598,891                 | -                | 14,044                     | 1,612,935                  | 306,756                    | 1,919,691           |
| <b>Total Community Investments</b>                       | <b>4,445,819</b>          | <b>-</b>         | <b>21,861</b>              | <b>4,467,680</b>           | <b>218,836</b>             | <b>4,686,516</b>    | <b>4,285,997</b>          | <b>-</b>         | <b>14,044</b>              | <b>4,300,041</b>           | <b>306,756</b>             | <b>4,606,797</b>    |
| <b>Excess (deficiency) of revenue over expenses</b>      | <b>\$ (735,658)</b>       | <b>\$ 34,955</b> | <b>\$ (43,722)</b>         | <b>\$ (744,425)</b>        | <b>\$ -</b>                | <b>\$ (744,425)</b> | <b>\$ (489,133)</b>       | <b>\$ 35,277</b> | <b>\$ (28,089)</b>         | <b>\$ (481,945)</b>        | <b>\$ -</b>                | <b>\$ (481,945)</b> |

See accompanying notes to financial statements.

# UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

## Statement of Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

| 2020   | Invested in<br>capital<br>assets | Capital<br>Fund   | Tomorrow<br>Fund  | Operating<br>Fund   | Total               |
|--|----------------------------------|-------------------|-------------------|---------------------|---------------------|
| Balance, beginning of year                       | \$ 84,263                        | \$ 403,003        | \$ 444,757        | \$ 3,086,173        | \$ 4,018,196        |
| Excess (deficiency) of revenues<br>over expenses | (43,722)                         | –                 | 34,955            | (735,658)           | (744,425)           |
| Actuarial gain on accrued<br>benefit obligation  | –                                | –                 | –                 | 57,329              | 57,329              |
| Fund transfers                                   | –                                | 86,890            | (175,000)         | 88,110              | –                   |
| Purchase of capital assets                       | 110,610                          | (110,610)         | –                 | –                   | –                   |
| <b>Balance, end of year</b>                      | <b>\$ 151,151</b>                | <b>\$ 379,283</b> | <b>\$ 304,712</b> | <b>\$ 2,495,954</b> | <b>\$ 3,331,100</b> |

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

See accompanying notes to financial statements.

# UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

## Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

|  | 2020         | 2019         |
|--|--------------|--------------|
| Cash provided by (used in):                          |              |              |
| Operating activities:                                |              |              |
| Deficiency of revenues over expenses                 | \$ (744,425) | \$ (481,945) |
| Items not involving cash:                            |              |              |
| Amortization of capital assets                       | 43,722       | 28,089       |
| Non-cash accrued benefit obligation                  | 19,849       | 19,481       |
| Change in fair value of investments                  | (15,775)     | (13,183)     |
| Change in non-cash operating working capital         |              |              |
| Campaign pledges receivable, net                     | 458,511      | 447,375      |
| Other receivables                                    | (76,086)     | (53,210)     |
| Prepaid expenses                                     | 24,865       | (33,055)     |
| Accounts payable and accrued liabilities             | 79,504       | 101,256      |
| Deferred grant revenue                               | 180,187      | 181          |
| Designated gifts payable                             | (67,945)     | 242,882      |
|  | (97,593)     | 257,871      |
| Investing activities:                                |              |              |
| Short term investments                               | (150,000)    | -            |
| Long term investments                                | 150,000      | 100,000      |
| Purchase of capital assets                           | (110,610)    | (71,294)     |
|  | (110,610)    | 28,706       |
| Net (decrease) increase in cash and cash equivalents | (208,203)    | 286,577      |
| Cash and cash equivalents, beginning of year         | 1,955,241    | 1,668,664    |
| Cash and cash equivalents, end of year               | \$ 1,747,038 | \$ 1,955,241 |

Of the above amounts of cash and cash equivalents \$183,832 at March 31, 2020 (2019 - \$261,333) 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, 2020

---

## 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 "Ignite the desire in everyone to improve lives and build strong communities". 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.

In 2019 United Way committed to support the collective work of ProsperUs as its backbone organization. ProsperUs is an outcome focussed collective impact initiative of over 40 system-leading organizations from across our community who share accountability to support kids from cradle to career.

## 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 Operating Fund (previously called 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, 2020

---

## 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 3.1% (2019 – 2.9%).

### (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, 2020

---

## 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.

# UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2020

---

## 2. Significant accounting policies (continued):

### (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.

### (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.

# UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2020

### 3. Campaign pledges receivable:

|                                     | 2020                | 2019               |
|-------------------------------------|---------------------|--------------------|
| Campaign pledges receivable         | \$ 3,189,966        | \$3,306,583        |
| Less allowance for pledge shrinkage | (1,010,419)         | (668,525)          |
|                                     | <u>\$ 2,179,547</u> | <u>\$2,638,058</u> |

### 4. Investments:

#### *Short term investments*

Short term investments comprise fixed income securities which have a weighted average effective interest rate of 1.7% (2019 – 2.3%) and a weighted average term to maturity of 0.71 years (2019 - 0.66 years).

#### *Long term investments*

|                         | 2020              | 2019              |
|-------------------------|-------------------|-------------------|
| Fixed income securities | \$ 263,071        | \$ 389,818        |
| Common shares           | 38,258            | 45,499            |
| Mutual funds / Cash     | 1,135             | 14,764            |
|                         | <u>\$ 302,464</u> | <u>\$ 450,081</u> |

The fixed income securities have a weighted average effective interest rate of 2.6% (2019 – 2.4%) and a weighted average term to maturity of 1.16 years (2019 – 1.41 years).

# UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2020

## 5. Capital assets:

| 2020                   | Cost         | Accumulated amortization | Net book value |
|------------------------|--------------|--------------------------|----------------|
| Equipment              | \$ 556,941   | \$ 405,790               | \$ 151,151     |
| Leasehold improvements | 612,952      | 612,952                  | -              |
|                        | \$ 1,169,893 | \$ 1,018,742             | \$ 151,151     |

| 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      |

## 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:

|   | 2020       | 2019       |
|---|------------|------------|
| Balance, beginning of year                    | \$ 153,947 | \$ 153,766 |
| Add amount received in the year               | 688,935    | 478,844    |
| Less amount recognized as revenue in the year | (508,748)  | (478,663)  |
| Balance, end of year                          | \$ 334,134 | \$ 153,947 |

# UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2020

## 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, 2020 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:

|  | 2020       | 2019       |
|--|------------|------------|
| Accrued benefit obligation, beginning of year  | \$ 715,343 | \$ 666,629 |
| Net periodic benefit cost:                     |            |            |
| Current service cost                           | 18,339     | 16,680     |
| Interest                                       | 23,488     | 23,553     |
|  | 41,827     | 40,233     |
| Less: benefits paid                            | (21,978)   | (20,752)   |
|  | 19,849     | 19,481     |
| Actuarial (gain) loss recognized in net assets | (57,329)   | 29,233     |
| Accrued benefit obligation, end of year        | \$ 677,863 | \$ 715,343 |

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

|   | 2020         | 2019                                       |
|---|--------------|--|
| Discount rate                           | 3.75%        | 3.25%                                      |
| Health care cost trend rate             | 6.9% in 2020 | 7.1% in 2019<br>decreasing to 4.5% in 2032 |
| 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 | \$ (94,900) |
| Change in obligation for 1% decrease in discount rates | \$ 122,000  |

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

|   |              |
|---|--------------|
| Change in obligation for 1% increase in trend rates | \$ 128,800   |
| Change in obligation for 1% decrease in trend rates | \$ (101,700) |

United Way also maintains a defined contribution pension plan for the benefit of employees. Contributions to the plan in the period were \$50,196 (2019 - \$52,191).

# UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2020

---

## 8. Commitments:

### *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. These initiatives were funded for various periods up until March 2020 and the amount of funds disbursed are set out in Schedule 1.

United Way is in the process of transitioning impact funding to programs in the three priority neighbourhoods identified by the collective impact initiative known as ProsperUS; Downtown Windsor, West Windsor and Leamington. In February 2020 United Way committed funding for certain organizations for a period through to March 2021 dependent on continued program delivery and the continued ability of United Way to raise and receive sufficient funds. The maximum amounts that could be paid out these agreements is \$950,017.

### *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:

|      |         |
|------|---------|
| 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.



# UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2020

---

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

### (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 a limited amount of funds in U.S. dollars. There has been no significant changes in U.S. dollar holdings from year to year.

### (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 are diversified to short term investments 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 cash collections, 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 and cashflows. United Way prepares budget and forecasts to ensure it has sufficient funds to fulfill its obligations.

# UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2020

---

## 10. Subsequent events:

In the month of March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization, and since that time there has been a significant financial, market and social dislocating impact throughout much of the world.

At the time of approval of these financial statements, United Way has experienced the following:

- Our office location Windsor has been closed for normal activities
- All staff, except for a few, are working remotely from home
- Declines in collection of payroll pledges while many donors in the community were laid off
- Declines and volatility in the fair value of investment portfolio, specifically in equity portion of long-term investments
- Establishment of a special fundraising initiative for "COVID-19 Emergency Response" that ran through until the end of June 2020
- Partnerships with other agencies in the "WE COVID CARE Coalition", Green Shield Canada, FCA Canada and the City of Windsor, to coordinate a community response to emerging community needs
- Partnerships with senior levels of Government and the United Way movement to manage distribution of emergency funding in response to community immediate need
- To offset some of these impacts United Way was able to access the Canada Emergency Wage Subsidy for some periods in the spring (\$58,793 has been recognized in income in these financial statements regarding wages paid before March 31, 2020).

United Way continues to work to build the capacity and resilience of some of the people most affected by poverty. We are responding to the new challenges presented by COVID-19, working with partners and other stakeholders to revise and refocus program activities and to ensure we can continue to engage with donors and retain their support.

At this time, there continues to be uncertainty over future cash flows, and this may impact assets and liabilities in the future. An estimate of the financial effect of these items is not practical at this time and continued monitoring of these are taking place. However, management is confident that the current reserves are sufficient to address the impact of the COVID-19 and address its business priorities over the next year.

# UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

Notes to Financial Statements

Year ended March 31, 2020

---

## 11. 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:

|   | 2020  | 2019  |
|---|-------|-------|
| Direct Costs of Fundraising                   | 15.7% | 15.6% |
| Associated Cost of Administration & Marketing | 6.1%  | 6.0%  |
|   | 21.8% | 21.6% |

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, 2020, with comparative information for 2019

|  |   | 2020                | 2019                |
|--|---|---------------------|---------------------|
| <b>POVERTY TO POSSIBILITY</b>                            |   |                     |                     |
| <b>FOOD SECURITY</b>                                     |   |                     |                     |
| ACCESS County Community Support Services                 | ACCESS Seed to Table                        | \$ 74,480           | \$ 79,154           |
| East Windsor Community Service Centre (Drouillard Place) | Drouillard Road Food Bank                   | 33,440              | 35,537              |
| Salvation Army   | Eat Better Do Better                        | 39,520              | 42,000              |
| Unemployed Help Centre of Windsor Inc.                   | The Food Security Network                   | 172,740             | 183,572             |
| <b>ALL THAT KIDS CAN BE</b>                              |   |                     |                     |
| <b>STRENGTHENING KIDS - OUT OF SCHOOL PROGRAMS</b>       |   |                     |                     |
| Sandwich Teen Action Group                               | After-School Youth Program                  | 69,160              | 73,500              |
| South Essex Community Council                            | SPARK                                       | 92,220              | 98,000              |
| The House Youth Centre                                   | Youth Program                               | 92,220              | 98,000              |
| <b>STRENGTHENING KIDS - AFTER-SCHOOL PROGRAMS</b>        |   |                     |                     |
| East Windsor Community Service Centre (Drouillard Place) | After-School Collaborative - Harrow         | 14,300              | 15,200              |
| East Windsor Community Service Centre (Drouillard Place) | Drouillard Road After-School Program        | 43,380              | 46,100              |
| East Windsor Community Service Centre (Drouillard Place) | Glengarry After-School Program              | 43,380              | 46,100              |
| Housing Information Services                             | Youth Agora Homework Club                   | 55,330              | 58,800              |
| Housing Information Services                             | Youth First                                 | 39,240              | 41,700              |
| Multicultural Council of Windsor and Essex County        | After-School Program                        | 47,990              | 51,000              |
| <b>YOUTH MENTORING</b>                                   |   |                     |                     |
| Big Brothers Big Sisters of Windsor and Essex County     | Youth Mentoring                             | 338,910             | 360,163             |
| <b>FAMILY SUPPORTS</b>                                   |   |                     |                     |
| Windsor-Essex Family Network                             | Families Helping Families in Partnership    | 101,440             | 107,800             |
| <b>STRONG COMMUNITIES</b>                                |   |                     |                     |
| <b>COUNSELLING AND SUPPORTS</b>                          |   |                     |                     |
| Brain Injury Association of Windsor and Essex County     | GOALS                                       | 6,780               | 7,200               |
| Family Services Windsor-Essex                            | Community Counselling Partnership           | 378,090             | 401,800             |
| Family Services Windsor-Essex                            | Windsor Pride Community Centre              | 51,760              | 55,000              |
| Family Services Windsor-Essex                            | Voluntary Trusteeship                       | 136,540             | 145,099             |
| <b>NEIGHBOURHOOD ENGAGEMENT</b>                          |   |                     |                     |
| Downtown Windsor Community Collaborative                 | Downtown Windsor Neighbourhood Renewal      | 73,770              | 78,400              |
| East Windsor Community Service Centre (Drouillard Place) | Ford City Neighbourhood Renewal             | 106,910             | 113,617             |
| East Windsor Community Service Centre (Drouillard Place) | Glengarry-Marentette Neighbour to Neighbour | 109,450             | 121,000             |
| Life After Fifty   | Our West End                                | 103,745             | 110,000             |
| Life After Fifty   | Promoting Seniors' Independence             | 103,745             | 110,500             |
|  |   | <b>\$ 2,328,540</b> | <b>\$ 2,479,242</b> |

# UNITED WAY / CENTRAIDE WINDSOR - ESSEX COUNTY

Schedule of Special Grants

Schedule 2

Year ended March 31, 2020, with comparative information for 2019

|  | 2020      | 2019      |
|--|-----------|-----------|
| 211 - Information and Referral                                 | \$ 46,716 | \$ 46,716 |
| COVID Emergency Food Response                                  | 1,035     | -         |
| EJ Lajeunesse High School - Rebuilding Wheels Rebuilding Lives | -         | 5,000     |
| Ford City Financial - Neighbourhood Small Business Grant       | -         | 2,500     |
| United Way Canada / Centraide Canada                           | 44,858    | 44,574    |
|  | \$ 92,609 | \$ 98,790 |

# UNITED WAY / CENTRAIDE WINDSOR - ESSEX COUNTY

Schedule of Other Revenue

Schedule 3

Year ended March 31, 2020, with comparative information for 2019

|           | Fundraising      |                  | United Way Delivered<br>Community Programs |                  | Administration and<br>General Operations |                   | Total             |                   | Externally funded<br>programs |                  |
|-----------|------------------|------------------|--|------------------|--|-------------------|-------------------|-------------------|-------------------------------|------------------|
|           | 2020             | 2019             | 2020                                       | 2019             | 2020                                     | 2019              | 2020              | 2019              | 2020                          | 2019             |
| Revenue:  |                  |                  |  |                  |  |                   |                   |                   |                               |                  |
| Fees      | \$ -             | \$ -             | \$ -                                       | \$ -             | \$ -                                     | \$ -              | \$ -              | \$ -              | \$ -                          | \$ -             |
| Occupancy | -                | -                | -  | -                | 87,251                                   | 87,056            | 87,251            | 87,056            | -                             | -                |
| Other     | 39,713           | 37,192           | 32,197                                     | 23,673           | 20,364                                   | 29,065            | 92,274            | 89,930            | 9,984                         | 48,224           |
|           | <u>\$ 39,713</u> | <u>\$ 37,192</u> | <u>\$ 32,197</u>                           | <u>\$ 23,673</u> | <u>\$ 107,615</u>                        | <u>\$ 116,121</u> | <u>\$ 179,525</u> | <u>\$ 176,986</u> | <u>\$ 9,984</u>               | <u>\$ 48,224</u> |

# UNITED WAY / CENTRAIDE WINDSOR - ESSEX COUNTY

Schedule of Operating Expenses

Schedule 4

Year ended March 31, 2020, with comparative information for 2019

|  | Fundraising  |              | United Way Delivered<br>Community Programs |              | Externally Funded<br>Programs |            | Administration,<br>Marketing & Communication |            |
|--|--------------|--------------|--|--------------|-------------------------------|------------|--|------------|
|  | 2020         | 2019         | 2020                                       | 2019         | 2020                          | 2019       | 2020   | 2019       |
| Salaries   | \$ 509,684   | \$ 512,893   | \$ 920,003                                 | \$ 737,301   | \$ 134,046                    | \$ 185,148 | \$ 388,284                                   | \$ 395,412 |
| Fringe benefits  | 107,059      | 105,202      | 143,569                                    | 119,208      | 18,025                        | 22,641     | 86,070                                       | 80,769     |
| Occupancy  | 83,634       | 83,890       | 65,082                                     | 60,869       | -                             | -          | 88,452                                       | 89,073     |
| Office   | 19,582       | 23,657       | 25,251                                     | 26,459       | 595                           | 3,061      | 24,422                                       | 26,818     |
| Recruitment and education  | 4,528        | 1,533        | 17,292                                     | 2,929        | 4,858                         | 12,448     | 14,136                                       | 10,881     |
| Promotion and publicity  | 139,296      | 127,382      | 39,030                                     | 36,043       | 1,739                         | 6,553      | 403  | 9,463      |
| Purchased services   | 37,380       | 36,551       | 91,818                                     | 76,729       | 36,600                        | 60,659     | 40,929                                       | 41,095     |
| Program Supplies & Misc.   | 11,377       | 13,126       | 316,441                                    | 204,214      | 22,973                        | 16,246     | 16,586                                       | 16,767     |
|  | 912,540      | 904,234      | 1,618,486                                  | 1,263,752    | 218,836                       | 306,756    | 659,282                                      | 670,278    |
| Allocation of administration,<br>marketing and<br>communication expenses | 329,641      | 335,139      | 329,641                                    | 335,139      | -                             | -          | (659,282)                                    | (670,278)  |
|  | \$ 1,242,181 | \$ 1,239,373 | \$ 1,948,127                               | \$ 1,598,891 | \$ 218,836                    | \$ 306,756 | \$ -   | \$ -       |

# UNITED WAY / CENTRAIDE WINDSOR - ESSEX COUNTY

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

Schedule 5

Year ended March 31, 2020, with comparative information for 2019

|   | 2020                | 2019                |
|---|---------------------|---------------------|
| Community Investment Planning & Oversight                 | \$ 150,390          | \$ 141,905          |
| Labour Programs & Services                                | 119,445             | 125,164             |
| Labour Appreciation Awards                                | 32,905              | 46,231              |
| Consulting Services for Non-Profits                       | -                   | 12,718              |
| Training & Workshop Series                                | 18,317              | 65,145              |
| Cradle to Career Development & Engagement                 | 394,460             | 170,964             |
| ProsperUS Leadership Council                              | 11,443              | 3,630               |
| General Community Development & Research                  | -                   | 34,451              |
| Volunteer Centre  | 120,850             | 121,231             |
| Student, Youth, Women and Retiree Engagement              | 338,785             | 266,632             |
| On Track to Success                                       | 434,041             | 309,274             |
| On Track to Success - Post Secondary Access and Inclusion | 126,417             | 104,452             |
| On Track to Success - Program Evaluation                  | 22,784              | 26,889              |
| Ontario Youth Volunteer Challenge                         | 13,441              | 38,702              |
| Summer Lunch Program                                      | 72,059              | 62,777              |
| Backpacks for Success                                     | 36,669              | 14,106              |
| Community Meeting Rooms                                   | 56,121              | 54,620              |
|   | <b>\$ 1,948,127</b> | <b>\$ 1,598,891</b> |