



**United Way  
Centraide  
Ottawa**

# **FINANCIAL STATEMENTS OF UNITED WAY/CENTRAIDE OTTAWA**

**FOR THE YEAR ENDED MARCH 31 2016**

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# OUR COMMITMENT TO RESULTS

## What we do

Our work is more than about investing donor dollars - it's about investing dollars in a smart way that changes lives, while creating meaningful, measurable and enduring results for our community. It's also about keeping our promise to invest resources where they are needed most and will have the greatest impact in Ottawa.

Through our research, we have been able to pinpoint the areas in our community that will most benefit from our funding. Through United Way's strategic investments, the work of our partners, and our support of Community Wide Initiatives, United Way's investments touch all of the 107 neighbourhoods across Ottawa.

It's through our collective work including our partners such as social service agencies, government, businesses, health service providers and other funders, we are helping to change lives today, while addressing the root causes of social issues that will make our community stronger tomorrow. This work would not be possible if it were not for the generosity of tens of thousands of donors and the unwavering support of our volunteers. Together, we continue to achieve result for our community and, in the process, change thousands of people's lives for the better.

## Our Focus

United Way/Centraide Ottawa has three focus areas with All That Kids Can Be, Healthy People, Strong Communities and From Poverty to Possibility.

	All That Kids Can Be	Healthy People, Strong Communities	From Poverty to Possibility
Focus Areas	Every kid deserves the chance to have a great life, no matter where they grow up.	Seniors, people living in poverty and those facing mental health issues may not always get the help they need to live happy, healthy lives. We make sure that all members of our community can get the help they need, when they need it.	Without the basic necessities life becomes a daily struggle to survive. A place to call home, a job and a sense of belonging to your community are basic needs that we all want for ourselves, our loved ones and neighbours.
Priority Goals	<p>School Readiness – Ensure every child starts school ready to learn.</p> <p>Critical Hours – Ensure every child has a place to go outside of school hours that allows them to reach their potential.</p>	<p>Mental Health and Addictions – Ensure that every person with mental health or addictions issues gets the help they need when needed most.</p> <p>People in Crisis – Ensure every person in crisis gets the immediate help they need.</p> <p>Seniors – Ensure that every senior is supported so they can stay engaged in their community.</p> <p>Strong Neighbourhoods – Ensure that residents in priority neighbourhoods get the support they need to create a positive change in their community.</p>	<p>Youth Homelessness – End youth homelessness.</p> <p>People with Disabilities and Employment – Ensure that people with disabilities get the help they need to find employment.</p> <p>Newcomers and Immigrants and Employment – Ensure that every immigrant and new Canadian finds employment in their chosen field.</p>
	Capacity Building – Ensure that agencies are empowered to change more lives.		

## **Governance and Financial Transparency**

United Way/Centraide Ottawa has an independent audit committee that meets twice a year: first to review the Audit Plan with our auditors BDO Canada LLP, and secondly to review the audited financial statements and audit findings. The Board Treasurer is the Chair of the Audit Committee and presents the Audit Committee's recommendations to the Board. The Audit Committee sets the expectations for the audit, meets with the auditors independently of management and the auditors are accountable directly to the Audit Committee and the Board.

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and are consistent with United Way Canada's Transparency, Accountability and Financial Reporting (TAFR) standard for ensuring consistency and clarity in financial reporting for all United Ways across Canada.



## INDEPENDENT AUDITOR'S REPORT

### To the members of the Board of Directors

We have audited the accompanying financial statements of United Way/Centraide Ottawa, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way/Centraide Ottawa as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



### Supplementary Financial Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedules 1-6 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management, and was derived from the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario

June 7, 2016

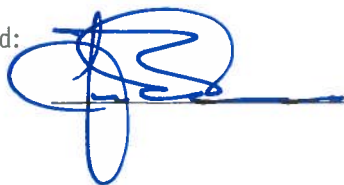
# STATEMENT OF FINANCIAL POSITION

As at March 31, 2016, with comparative figures for 2015

	2016	2015
<b>Assets</b>		
Current assets:		
Cash	\$ 3,660,997	\$ 3,369,280
Pledges receivable (note 3)	15,196,976	15,348,539
Accounts receivable	844,702	913,497
Prepaid expenses	137,958	126,428
	<u>19,840,633</u>	<u>19,757,744</u>
Long-term assets:		
Investments (note 5 (a))	5,481,420	5,699,524
Tangible capital assets (note 6)	318,365	291,033
	<u>5,799,785</u>	<u>5,990,557</u>
	<u>\$ 25,640,418</u>	<u>\$ 25,748,301</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,530,668	\$ 1,972,939
Deferred revenue (note 8)	2,310,572	1,651,339
Deferred designated campaign revenue	8,652,489	8,534,297
	<u>12,493,729</u>	<u>12,158,575</u>
Long-term liabilities:		
Deferred lease inducement	27,835	36,852
Total liabilities	<u>12,521,564</u>	<u>12,195,427</u>
Net assets:		
Unrestricted (note 9 (a))	1,963,332	1,833,518
Invested in tangible capital assets (note 9 (b))	318,365	291,033
Internally restricted (note 9 (c))	10,393,854	10,985,740
Endowment (note 9 (d))	443,303	442,583
	<u>13,118,854</u>	<u>13,552,874</u>
Commitments (note 10)		
Contingency and guarantee (note 11)		
	<u>\$ 25,640,418</u>	<u>\$ 25,748,301</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

# STATEMENT OF OPERATIONS

Year ended March 31 2016, with comparative figures for 2015

	2016	2015
Revenue:		
UW campaign revenue	\$ 12,519,660	\$ 13,427,794
Funds received from other United Ways	1,713,410	1,656,737
Targeted Community Investments (schedule 1)	726,739	482,878
Designated campaign revenue	11,805,718	12,752,792
Total donations (note 12)	26,765,527	28,320,201
Less: provision for uncollectible pledges	(586,027)	(673,786)
Recovery of provisioned pledges from prior year campaigns	463,966	380,104
Net fundraising revenue	26,643,466	28,026,519
Grants	832,188	849,146
Investment income (note 5 (b))	98,841	152,272
Other revenue (note 13)	758,683	392,544
<b>Total revenue</b>	<b>28,333,178</b>	<b>29,420,481</b>
Expenses:		
Fundraising expenses:		
Community campaign (schedule 2)	4,901,507	4,729,588
GCWCC (schedule 3)	1,307,044	1,472,065
Recovery of fundraising costs from designated charities	(1,350,335)	(1,513,492)
<b>Total fundraising expenses</b>	<b>4,858,216</b>	<b>4,688,161</b>
Directed program expenses:		
Donor directed designations (note 14)	11,770,264	12,692,028
<b>Total directed program expenses</b>	<b>11,770,264</b>	<b>12,692,028</b>
<b>Available for priority goal investments</b>	<b>11,704,698</b>	<b>12,040,292</b>
Priority goal investments (schedule 1):		
Partner programs and services	7,508,109	8,169,085
Community Wide Initiatives	882,358	865,313
Targeted Community Programs	647,630	438,874
Grant distributions	261,752	254,221
UW community development strategies (schedule 4)	1,338,327	1,510,645
UW investment stewardship (schedule 5)	1,287,529	1,380,642
<b>Total priority goal investments</b>	<b>11,925,705</b>	<b>12,618,780</b>
<b>Deficiency of revenue over expenses before change in unrealized gain/(loss) on investments</b>	<b>\$ (221,007)</b>	<b>\$ (578,488)</b>
Change in Unrealized Gain/(Loss) on Investments (note 5 (c))	\$ (213,593)	\$ 346,483
<b>Deficiency of revenue over expenses</b>	<b>\$ (434,600)</b>	<b>\$ (232,005)</b>

See accompanying notes to financial statements.



# STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31 2016, with comparative figures for 2015

	2016				2015	
	Unrestricted (note 9 (a))	Invested in Tangible Capital Assets (note 9 (b))	Internally Restricted (note 9 (c))	Endowment (note 9 (d))	Total	Total
Balance, beginning of year	\$ 1,833,518	\$ 291,033	\$ 10,985,740	\$ 442,583	\$ 13,552,874	\$ 13,809,079
Deficiency of revenue over expenses	(434,600)	-	-	-	(434,600)	(232,005)
Invested in tangible capital assets	(27,332)	27,332	-	-	-	-
Internal restrictions	591,886	-	(591,886)	-	-	-
Contributions	(140)	-	-	720	580	800
Transfer of named fund to agency	-	-	-	-	-	(25,000)
<b>Balance, end of year</b>	<b>\$ 1,963,332</b>	<b>\$ 318,365</b>	<b>\$ 10,393,854</b>	<b>\$ 443,303</b>	<b>\$ 13,118,854</b>	<b>\$ 13,552,874</b>

See accompanying notes to financial statements.

# STATEMENT OF CASH FLOWS

Year ended March 31 2016, with comparative figures for 2015

	2016	2015
Cash flows from operating activities:		
Cash receipts from donors and funders	\$ 29,144,440	\$ 31,031,563
Cash paid to suppliers, employees, agencies and stakeholders	(28,921,865)	(33,386,519)
	222,575	(2,354,956)
Cash flows from investing activities:		
Acquisition of tangible capital assets	(122,470)	(70,377)
Acquisition of investments	(849,164)	(2,780,842)
Proceeds from sale of investments	1,040,196	1,057,735
Change in endowment (net)	580	(24,200)
	69,142	(1,817,684)
Net (decrease) increase in cash	291,717	(4,172,640)
Cash, beginning of the year	3,369,280	7,541,920
<b>Cash, end of the year</b>	<b>\$ 3,660,997</b>	<b>\$ 3,369,280</b>

See accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2016

## 1. Objectives of the organization:

United Way/Centraide Ottawa (the organization) is committed to making measurable, lasting change in our community today and for tomorrow.

*Our Mission:* To bring people and resources together to build a strong, healthy, safe community for all.

*Our Vision:* The community is measurably better because of the work of United Way Ottawa and others.

*Our Promise:* To invest resources where they are needed the most and where they will have the greatest impact.

United Way/Centraide Ottawa is a non-profit Ontario corporation and a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

## 2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and includes the following significant accounting policies:

### (a) Revenue recognition:

The organization follows the deferral method of accounting for contributions.

#### UW Campaign Revenue

Campaign pledges and donations that are undesignated or are directed to a focus area or priority goal by the donor are recognized as revenue in the year that they are received or pledged at the amount committed less a provision for uncollectible pledges. Funds raised during a campaign, net of related campaign expenses and provisions are used to provide funds for operations in the current year and fund partner programs and services in the following fiscal year.

#### Funds Received from Other United Ways

National or regional workplace campaigns that are coordinated by one United Way on behalf of other United Ways are known as Centrally Coordinated Campaigns. The pledges and donations received by other United Ways on behalf of the organization are reported separately and included in pledges receivable until the revenue is received.

#### Targeted Community Investments (TCI)

TCI are an investment in a focus area, priority goal, program or project, achieved through highly customized cultivation, solicitation, and stewardship of a donor and in consultation with priority goal partners. Each investment is monitored and measured for results. Investments that have not been spent at the end of the year are recorded as deferred revenue. Revenue is recognized in the year in which the related expenses are incurred.

#### Designated Campaign Revenue

Campaign pledges and donations that are designated by the donor to other Canadian registered charities and other United Ways are considered to be restricted by purpose, and are recognized as revenue in the year they are distributed to the designated charity.

### Grants

Grant revenue represents funds received from federal, provincial and municipal governments, foundations and from corporations, for specific programs or Community Wide Initiatives administered by the organization. Grants are recognized as revenue when costs are incurred or disbursed to other agencies. Grants that have not been fully spent at the end of the year are reported as deferred revenue.

### Investment Income

Restricted endowment investment income is recorded in the statement of changes in net assets when earned. Unrestricted investment income and unrealized gains/losses are recognized when earned in the statement of operations.

### Endowment Contributions

Contributions to the endowment fund are recorded as direct increases to the endowment net asset balance.

#### (b) Expense recognition:

The organization recognizes expenses in the year they are incurred and donor directed designations when they are distributed. Expenses are reported within the following three categories:

#### Fundraising

The cost of fundraising is recognized in the year it is incurred, and includes an allocation of the associated general and administration costs. A designation fee is charged to designated charities to recover the cost of fundraising and processing. The fee is reported as a reduction of the fundraising expenses and is recognized when it is deducted from the designations paid out to other charities.

The organization also incurs Government of Canada Workplace Charitable Campaign (GCWCC) fundraising costs on behalf of participants of the GCWCC campaign (i.e. HealthPartners and other United Ways) and recovers their portion of the costs based on a pro-rata share of the revenue. GCWCC recoveries are reported as a reduction of the fundraising costs and recognized when deducted or receivable from recipients.

#### Directed Program Expenses

Program expenses that are externally directed or mandated are reported as directed program expenses and are recognized when distributed.

#### Priority Goal Investments

*Partner programs and services* - are investments made to agencies and community organizations through a call for proposal process to deliver front-line programs and services that align to priority goals. Also included are one-time investments funded from the internally restricted for community services fund. These expenses are recognized in the year when distributed or distributable to the recipient agencies.

*Community Wide Initiatives (CWI)* - are investments made to mobilize multiple stakeholders in order to address community wide challenges and create a collective response to affect systemic change. They are developed as a complement to existing community programs, initiatives, networks and coalitions. There are currently four CWI: Employment Accessibility Resource Network (EARN), Hire Immigrants Ottawa (HIO), Ottawa Child and Youth Initiative and project step. These initiatives are primarily funded through grants and supplemented by in-kind contributions from the organization. Expenses are recognized when incurred.

*Targeted Community Programs* - see note 2 (a) above. These expenses are recognized when distributed to the service delivery agency.

*Grant distributions* – investments from private corporations, foundations or other funders that are directed towards a specific community need are stewarded by the organization and delivered by another agency. These expenses are recognized when paid.

*UW community development strategies* – the organization’s operations in support of priority goal community development strategies, including research, convening and advocacy. These expenses are recognized when incurred and include an allocation of associated general and administration costs.

*UW investment stewardship* – the organization’s operations in support of best practice research, evaluation and management of the investment in partner programs and services. These expenses are recognized when incurred and include an allocation of associated general and administration costs.

(c) Financial instruments:

Financial instruments are recorded at fair value when acquired or issued. In subsequent years, investments consisting of broker accounts, fixed income securities, preferred shares and common shares, are reported at fair value, with any unrealized gains and losses reported in operations, other than financial instruments related to endowment funds. Changes in fair value of financial instruments related to the endowment fund are recorded directly in the statement of changes in net assets. All other financial instruments are reported at cost or amortized cost, less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items re-measured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

(d) Tangible capital assets:

Tangible capital assets are stated at cost net of accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Tangible capital asset	Useful life
Computer software	3 years
Computer hardware	4 years
Furniture and fixtures	5 to 15 years
Leasehold improvements	Over term of lease

When a tangible capital asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

(e) Deferred revenue:

Grants and other amounts received for a specified purpose are recognized as revenue in the year in which the related expenses are incurred.

(f) Deferred lease inducement:

The deferred lease inducement is amortized over the term of the lease.

(g) Allocation of general and administration expenses:

The organization classifies expenses on the statement of operations by function. The functions reported are fundraising, UW community development strategies and UW investment stewardship. General and administration expenses are allocated proportionally on the basis of level of effort attributed to each function for the reported year (note 17).

(h) Funded program surpluses:

The organization's general policy is to recover partner programs and services surpluses subject to the funding agreements' terms. These transactions are recorded in the statement of operations in the year that such recoveries are made.

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations (ASNPO) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the year in which they become known. Significant management estimates include the provision for uncollectible pledges.

(j) Donated services:

No amounts have been reflected in the financial statements for donated services, since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers have donated significant amounts of their time to the organization's programs, services and fundraising campaigns.

### **3. Pledges Receivable:**

Pledges receivable consist of payroll and other monthly pre-authorized donations that have been pledged by donors for a year. They also include corporate pledges that are unpaid at the end of the year. The provision for uncollectible pledges is based on a three-year average and is reported in the statement of operations. Pledges receivable are written off after two years. Pledges receivable are net of an accumulated provision of \$1,259,813 (2015 - \$1,498,620).

### **4. Government of Canada Workplace Charitable Campaign (GCWCC):**

The organization co-manages, with Centraide Outaouais, the national and local Government of Canada Workplace Charitable Campaign (GCWCC). The GCWCC is mandated by Treasury Board and runs in 128 departments and agencies with the named participants: United Way and HealthPartners. Designations to other registered Canadian charities are distributed by the participants.

The organization expends resources on behalf of all participants of GCWCC across Canada. The organization then recovers expenses from all participating United Ways and HealthPartners on a pro-rata basis of total GCWCC revenues part way in the year and in the following year. As a result, the organization is owed funds from all participating United Ways and HealthPartners at any point in time.

The organization holds in trust donation payments deposited by the Government of Canada in central bank accounts and distributed each month to appropriate recipients. The balance in these accounts at March 31, 2016 is \$1,961,674 (2015 - \$1,970,582).

## 5. Investments:

### (a) Investment balances:

Investments consist of the following:

	2016		2015	
	Fair value	Cost	Fair value	Cost
Broker accounts	\$ 572,594	\$ 569,113	\$ 444,871	\$ 444,871
Fixed income securities	2,737,774	2,425,944	2,941,088	2,798,682
Common shares	2,171,052	1,804,151	2,313,565	1,994,797
	<u>\$ 5,481,420</u>	<u>\$ 4,799,208</u>	<u>\$ 5,699,524</u>	<u>\$ 5,238,350</u>

The endowment fund represents 8.1% (2015 – 7.8%) of the total market value of the investment \$443,303 in 2016 and (\$442,583 in 2015). Broker accounts represent cash balances. Fixed income securities include coupon and residual, federal and provincial bonds, bond funds, term deposits and corporate bonds and debentures maturing in 1 month to 9 years with interest rates between 1.75% and 4.50%. Common shares include equity investments in various markets as well as trust units, index securities and Canadian and Foreign equity funds.

### (b) Investment income:

Investment income earned is reported as follows:

	2016	2015
Income earned on unrestricted resources	\$ 128,145	\$ 114,522
Income earned on endowed resources:		
Unrestricted	13,825	2,129
Restricted	12,261	13,066
Realized gain on investments	27,843	23,371
Total investment income earned in the year	<u>182,074</u>	<u>153,088</u>
Less: amounts deferred for endowed resources	(9,741)	(10,590)
Add: income earned in the prior year on endowed resources	10,590	9,774
Less: amounts recorded as unrestricted in prior year that should have been restricted	(84,082)	-
	<u>\$ 98,841</u>	<u>\$ 152,272</u>

### (c) Change in Unrealized Gain/(Loss) on Investments:

Change in Unrealized Gain/(Loss) on Investments is reported as follows:

	2016	2015
Change in Unrealized Gain/(Loss) on Investments	\$ (213,593)	\$ 346,483

## 6. Tangible capital assets:

	Cost	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
Computer hardware and software	\$ 972,319	\$ 846,281	\$ 126,038	\$ 84,943
Furniture and fixtures	518,396	\$ 416,595	\$ 101,801	131,539
Leasehold improvements	230,842	\$ 140,316	\$ 90,526	74,551
	\$ 1,721,557	\$ 1,403,192	\$ 318,365	\$ 291,033

Cost and accumulated amortization at March 31, 2015 amounted to \$1,599,086, and \$1,308,053 respectively. Amortization for the year amounted to \$95,138 (2015 - \$94,996).

## 7. Line of credit available:

The organization has a line credit of \$2,000,000 that is available for use throughout the year to manage fluctuations in cash flow. Interest is calculated based on the bank's prime lending rate. As of March 31, 2016 and 2015 there was no amount owing on the line of credit.

## 8. Deferred revenue:

Deferred revenue consists of grants and other amounts received that will be expended for a specific purpose in a future year.

	2016			
	Opening Balance	Deferred Contributions Received	Deferred Contributions Used	Ending Balance
Grants	\$ 684,032	\$ 1,092,361	\$ (976,781)	\$ 799,612
Targeted Community Investments	\$ 437,670	\$ 1,394,385	\$ (883,667)	\$ 948,388
Other	\$ 529,637	\$ 145,941	\$ (113,006)	\$ 562,572
	\$ 1,651,339	\$ 2,632,687	\$ (1,973,454)	\$ 2,310,572

## 9. Net assets:

The Board of Directors has established the following net asset policies:

(a) Unrestricted:

The unrestricted net assets are maintained to fund the ensuing year's operating expenses.

(b) Invested in tangible capital assets:

This amount is the portion of net assets which represents the investment in tangible capital assets and is not available for funding operations and investments.



(c) Internally restricted:

Internally restricted funds are established through Board policy for any testamentary gift received without express direction from a donor/testator and for which the intent cannot be reasonably determined to be of an endowed nature. The first \$100,000 will be internally restricted for community services for allocation as one-time funding for programs and community initiatives and the remainder is internally restricted for operations.

Internally restricted funds also include Board approved allocations for investment in partner programs and services for the upcoming year.

	For Community Services	For Operations	For Allocations	Total
Balance, beginning of year	\$ 197,411	\$ 1,369,285	\$ 9,419,044	\$ 10,985,740
Internal restrictions (net)	53,914	243,050	(888,850)	(591,886)
Balance, end of year	\$ 251,325	\$ 1,612,335	\$ 8,530,194	\$ 10,393,854

(d) Endowment:

Endowment Funds are established through external donations and bequests where express direction is given by the donor or estate that the gift be held by the organization and only interest earned on the principal may be distributed for charitable purposes.

Named Funds are a form of endowed gift. Under the terms of the Named Funds agreement, principal amounts are retained and invested by the organization for a minimum of ten years. Investment revenue earned on the principal balance of the Named Fund is restricted and accumulated until the principal balance of the Named Fund reaches \$10,000. After the threshold is reached, the investment revenue earned on the principal amount may be directed to a program or a registered charity of the donor's choice.

Endowed gifts where the donor specifies that investment revenue earned on their gift is restricted for a specified purpose, are recorded as restricted endowments. Unrestricted endowments represent endowed gifts for which the related investment revenue was not restricted by the donor or testator for a specified purpose.

At March 31, 2016 there were 12 Named Funds (2015 – 12).

	Restricted Endowments	Unrestricted Endowments	Endowment Total
Balance, beginning of year	\$ 349,034	\$ 93,549	\$ 442,583
Contributions	720	-	720
Balance, end of year	\$ 349,754	\$ 93,549	\$ 443,303

## 10. Commitments:

(a) Funding commitments

Funding agreements in the amount of \$2,308,379 from the 2016 Call for Proposals process will not take effect until July 1, 2016 and are not committed until signed. There is \$6,221,815 in funding commitments remaining for funding agreements approved in the previous 2015 Call for Proposals.

- (b) Lease commitments  
Future occupancy cost and equipment lease commitments are as follows:

2017	\$921,533
2018	921,533
2019	881,030
2020	851,248
2021	531,796
	<hr/>
	\$4,107,140

## 11. Contingency and guarantee:

- (a) Contingency:

In the normal course of operations, the organization signs agreements whereby funds provided to the organization, for the execution of projects, are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the organization to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor are identified, the necessary adjustments will be recognized in the year they are identified.

- (b) Guarantee:

In the normal course of business, the organization has entered into a lease agreement for premises. It is common in such commercial lease transactions for the organization as the lessee to agree to indemnify the lessor and other related third parties for liabilities that may arise from the use of the leased assets. The maximum amount potentially payable under the foregoing indemnities cannot be reasonably estimated. The organization has liability insurance that relates to the indemnifications described above.

## 12. Total donations and deferred designated campaign revenue:

The campaign revenue reported in the statement of operations includes the unrestricted portion of the current year's campaign and the restricted portion of the previous year's campaign. Total donations to the organization include other forms of giving, such as Targeted Community Investments and campaigns managed on behalf of others. The following table provides a reconciliation between the 2015 campaign results and the total donations reported as at March 31, 2016 with a comparison to the 2014 campaign results.

	2015 Campaign	2014 Campaign
UW donations	\$ 15,494,942	\$ 15,816,753
Donor directed designated donations	11,923,771	11,598,655
Campaign achievement	27,418,713	27,415,408
Less: Current year's deferred designated campaign revenue	(8,652,489)	(8,534,297)
Current year's deferred Targeted Community Investments	(948,388)	(428,670)
Contributions to restricted endowment fund	(580)	(800)
UWO Initiatives and CWIs	(23,696)	-
Add: Prior year's deferred designated campaign revenue	8,534,297	9,689,234
Prior year's deferred Targeted Community Investments paid during the year	437,670	179,326
<b>Total donations recognized in fiscal year</b>	<b>\$ 26,765,527</b>	<b>\$ 28,320,201</b>

### 13. Other revenue:

The following table lists the revenue earned from operations, which is categorized as other revenue in the statement of operations:

	2016	2015
Bequests	\$ 331,581	\$ 111,469
Bank interest	13,504	26,320
Rental income	195,104	83,198
Special gifts	101,089	89,854
Special project	10,144	58,404
Program event revenue	12,975	5,595
Sponsorship - operations	2,957	5,257
Miscellaneous	91,329	12,447
	<b>\$ 758,683</b>	<b>\$ 392,544</b>

### 14. Donor directed designations:

	2016	2015
Donor directed designations to:		
Other registered charities	\$ 6,419,706	\$ 6,788,661
Other United Ways	819,830	968,959
HealthPartners	4,193,347	4,663,975
Designations paid by other United Ways	337,381	270,433
	<b>\$ 11,770,264</b>	<b>\$ 12,692,028</b>

## 15. Pension plan:

The organization participates in the Ottawa-Carleton Community Agencies Pension Plan. The organization has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. This multiemployer defined benefit pension plan covers employees of the organization and the employees of the other participating agencies. After two years of employment, the organization contributes 10.3% of the employees' salary to the pension plan. The plan provides pensions based on length of service and final average earnings. The annual funding requirements are determined in consultation with the actuaries to provide long-term stability to the plan. No significant changes were made to the contractual elements of the plan in the past year. As at the last actuarial valuation on December 31, 2013, the plan had a solvency transfer ratio (the ratio of assets over liabilities) of 91.1% with a deficit of \$4,332,300. During the year, the organization contributed and expensed \$376,041 to the plan (2015 - \$399,458).

Prior to participation in the pension plan, employees of the organization are offered an optional Group Registered Retirement Savings Plan. The organization matches eligible employees' contributions to the plan up to 5% of the employee's annual salary. After two years of employment, employees must join the Ottawa-Carleton Community Agencies Pension Plan. During the year, the organization contributed and expensed \$42,749 to the plan (2015 - \$33,946).

## 16. Financial instrument risks:

### (b) Credit risk:

The organization is exposed to credit-related losses in the event of non-performance by counterparties to the financial instruments. Credit exposure for accounts receivable is minimized by dealing with only credit worthy counterparties. The provision for uncollectible pledges on pledges receivable is presented on the statement of operations.

### Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization has fixed income securities on which general interest rate fluctuations apply.

### Liquidity risk:

Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities. The organization's only liquidity risk is with accounts payable. Cash flow is monitored to effectively manage this risk and a \$2,000,000 line of credit is available for use.

### Other price risk:

The organization is exposed to fluctuations in equity markets on its common share investments.

## 17. Allocation of general and administration expenses:

The organization allocates general and administration expenses to the functional activities of the organization based on level of effort estimates. Corporate Services and Marketing & Communication resources that directly support specific functions are allocated to those functions as direct costs. The remaining costs are categorized as general and administration costs (see schedule 6) and allocated to the functions on a pro-rata basis based on level of effort estimates. The following table provides a summary of the general and administration expenses allocated to fundraising, UW community development strategies and UW investment stewardship in terms of percentages and dollars:

	2016		2015	
	Amount	%	Amount	%
Fundraising:				
Community campaign	\$ 1,337,799	49%	\$ 1,496,932	47%
GCWCC	722,325	26%	845,774	26%
UW community development strategies	345,172	13%	448,706	14%
UW investment stewardship	337,049	12%	407,498	13%
	<b>\$ 2,742,345</b>	<b>100%</b>	<b>\$ 3,198,910</b>	<b>100%</b>

Details of general and administration costs for the year ended March 31, 2016 and 2015 is presented in schedule 6.

## 18. Cost of fundraising:

In accordance with United Way Canada's Transparency, Accountability and Financial Reporting (TAFR) policies, the organization uses the following method to calculate the cost of fundraising ratio:

	2015 Campaign		2014 Campaign	
	Amount	%	Amount	%
Annual campaign achievement	\$ 27,418,713		\$ 27,415,408	
Total fundraising expenses	4,858,216		4,688,161	
Add: recovery of fundraising costs from designated charities	1,350,335		1,513,492	
<b>Cost of fundraising</b>	<b>\$ 6,208,551</b>	<b>22.6%</b>	<b>\$ 6,201,653</b>	<b>22.6%</b>

## 19. Comparative figures:

Certain figures of the previous year have been reclassified to reflect the financial statement presentation adopted in the current year.

# SCHEDULE 1 – PROGRAM REVENUE AND INVESTMENT

Year ended March 31, 2016 (Unaudited)

Priority goal revenue:	School Readiness	Critical Hours	Immigrants and New Canadians	People with Disabilities	Seniors	Strong Neighbourhoods	People in Crisis	Homelessness & Addictions	Capacity Building	UW Investment Stewardship	2016 Total
Targeted Community Investments											
Brighter Tomorrows Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,144	\$ -	\$ -	\$ -	\$ 145,144
Enhanced Homework Clubs	-	220,290	-	-	-	-	-	-	-	-	220,290
Lunch Box	-	43,946	-	-	-	-	-	-	-	-	43,946
Social Rec Connect	-	49,405	-	-	-	-	-	-	-	-	49,405
Summer Achievement Gap	-	40,457	-	-	-	-	-	-	-	-	40,457
Students Will all Graduate	-	5,000	-	-	-	-	-	-	-	-	5,000
Art Now	-	35,000	-	-	-	-	-	-	-	-	35,000
PCL Hard Hat Heroes	-	-	-	-	-	69,025	-	-	-	-	69,025
Building Economic Resilience for Immigrant	-	-	15,584	-	-	52,888	-	-	-	-	15,584
Spark Fund	-	-	-	-	-	-	-	-	-	-	52,888
Small Change App	-	-	-	-	-	-	50,000	-	-	-	50,000
<b>Total Targeted Community Investments</b>	-	394,098	15,584	-	-	121,913	195,144	-	-	-	726,739
Grants											
EARN	-	-	-	64,373	-	-	-	-	-	-	64,373
HIO	-	-	490,500	-	-	-	-	-	-	-	490,500
Hydro Relief Fund	-	-	-	-	-	-	66,000	-	-	-	66,000
LEAP	-	-	-	-	-	-	195,752	-	-	-	195,752
<b>Total grants</b>	-	-	490,500	64,373	-	-	261,752	-	-	-	816,625
Other program revenue											
Investment income	-	-	-	12,975	-	167	1,250	101,089	-	-	115,481
Funded from internally restricted	12,111	4,085	2,111	2,111	351	-	2,169	-	-	-	2,520
<b>Total revenue</b>	12,111	398,183	508,195	79,459	2,462	124,191	462,426	2,111	2,111	-	1,695,979

# SCHEDULE 1 – PROGRAM REVENUE AND INVESTMENT (CONT'D)

Year ended March 31, 2016 (Unaudited)

	School Readiness	Critical Hours	Immigrants and New Canadians	People with Disabilities	Seniors	Strong Neighbourhoods	People in Crisis	Homelessness	Mental Health & Addictions	Capacity Building	UW Investment Stewardship	2016 Total
<b>Priority goal investments:</b>												
<b>Partner programs and services</b>												
Call for proposal funding allocations Funded from internally restricted	\$ 387,813	\$ 1,525,219	\$ 465,686	\$ 390,304	\$ 732,717	\$ 418,867	\$ 1,235,817	\$ 424,814	\$ 1,321,891	\$ 593,007	\$ -	\$ 7,496,135
	10,000	1,974	-	-	-	-	-	-	-	-	-	11,974
Total partner programs and services	397,813	1,527,193	465,686	390,304	732,717	418,867	1,235,817	424,814	1,321,891	593,007	-	7,508,109
<b>Community Wide Initiatives</b>												
EARN	-	-	-	172,820	-	-	-	-	-	-	-	172,820
HIO	-	-	533,449	-	-	-	-	-	-	-	-	533,449
Ottawa Child and Youth Initiative Project step	37,500	37,500	-	-	-	-	-	-	-	-	-	75,000
Total Community Wide Initiatives	37,500	37,500	533,449	172,820	-	-	-	-	101,089	-	-	882,358
<b>Targeted Community Programs</b>												
Brighter Tomorrows Fund	-	-	-	-	-	-	135,144	-	-	-	-	135,144
Enhanced Homework Clubs	-	179,204	-	-	-	-	-	-	-	-	-	179,204
Lunch Box	-	40,246	-	-	-	-	-	-	-	-	-	40,246
Social Rec Connect	-	49,405	-	-	-	-	-	-	-	-	-	49,405
Summer Achievement Gap	-	35,727	-	-	-	-	-	-	-	-	-	35,727
Students Will all Graduate	-	4,250	-	-	-	-	-	-	-	-	-	4,250
Art Now	-	31,500	-	-	-	-	-	-	-	-	-	31,500
PCL Hard Hat Heroes	-	-	-	-	-	57,579	-	-	-	-	-	57,579
Building Economic Resilience for Immigrant	-	-	20,562	-	-	-	-	-	-	-	-	20,562
Spark Fund	-	-	-	-	-	44,013	-	-	-	-	-	44,013
Small Change App	-	-	-	-	-	-	50,000	-	-	-	-	50,000
Total Targeted Community Programs	-	340,332	20,562	-	-	101,592	185,144	-	-	-	-	647,630
<b>Grant distributions</b>												
Hydro Relief Fund	-	-	-	-	-	-	66,000	-	-	-	-	66,000
LEAP	-	-	-	-	-	-	195,752	-	-	-	-	195,752
Total grant distributions	-	-	-	-	-	-	261,752	-	-	-	-	261,752
UW community development strategies	107,808	218,923	63,968	38,605	137,265	263,528	95,008	111,468	237,520	64,234	-	1,338,327
UW investment stewardship	-	-	-	-	-	-	-	-	-	-	1,287,529	1,287,529
Total investment	543,121	2,123,948	1,083,665	601,729	869,982	783,987	1,777,721	536,282	1,660,500	657,241	1,287,529	11,925,705
Funded from Community Fund	\$ 531,010	\$ 1,725,765	\$ 575,470	\$ 522,270	\$ 867,520	\$ 659,796	\$ 1,315,295	\$ 534,171	\$ 1,555,770	\$ 655,130	\$ 1,287,529	\$ 10,229,726

## SCHEDULE 2 – COMMUNITY CAMPAIGN FUNDRAISING EXPENSES

Year ended March 31, 2016, with comparative figures for 2015 (Unaudited)

	2016	2015
Salaries and benefits	\$ 2,657,456	\$ 2,354,549
Direct mail	149,507	145,953
Meetings and travel	33,404	40,071
Occupancy	286,832	289,670
Office expenses	35,419	38,014
Printing materials	42,333	19,436
Professional development and training	27,829	21,119
Professional fees	44,004	75,565
Special events	31,774	41,208
Telecommunications and IT support	62,738	77,967
Other direct fundraising costs	234,404	183,336
<b>Total expenses</b>	<b>3,605,700</b>	<b>3,286,888</b>
Less: sponsorship	(41,992)	(54,232)
	3,563,708	3,232,656
Allocation of general and administration expenses (schedule 6)	1,337,799	1,496,932
<b>Total community campaign fundraising expenses</b>	<b>\$ 4,901,507</b>	<b>\$ 4,729,588</b>



## SCHEDULE 3– GCWCC FUNDRAISING EXPENSES

Year ended March 31, 2016, with comparative figures for 2015 (Unaudited)

	2016	2015
Salaries and benefits	\$ 1,419,458	\$ 1,517,498
Direct mail	129,622	124,553
Meetings and travel	23,726	24,382
Occupancy	161,253	142,289
Office expenses	24,431	23,069
Printing materials	30,941	34,754
Professional development and training	28,324	19,555
Professional fees	111,608	57,452
Special events	31,736	42,580
Telecommunications and IT support	40,463	60,262
Other direct fundraising costs	134,828	125,710
<b>Total expenses</b>	<b>2,136,390</b>	<b>2,172,104</b>
Less: sponsorship	(90,000)	(107,500)
	2,046,390	2,064,604
Allocation of general and administration expenses (schedule 6)	722,325	845,774
	2,768,715	2,910,378
Recoverable from other United Ways and Healthpartners	(1,461,671)	(1,438,313)
<b>Total GCWCC fundraising expenses</b>	<b>\$ 1,307,044</b>	<b>\$ 1,472,065</b>

## SCHEDULE 4 – UW COMMUNITY DEVELOPMENT STRATEGIES EXPENSES

Year ended March 31, 2016, with comparative figures for 2015 (Unaudited)

	2016	2015
Salaries and benefits	\$ 704,768	\$ 783,098
Meetings and travel	12,585	12,842
Occupancy	91,685	95,624
Office expenses	11,330	10,756
Printing materials	261	507
Professional development and training	5,324	2,531
Professional fees	8,569	29,487
Telecommunications and IT support	15,824	18,428
United Way Canada fees	108,575	97,024
Other direct community development costs	34,234	11,642
<b>Total expenses</b>	<b>993,155</b>	<b>1,061,939</b>
Allocation of general and administration expenses (schedule 6)	345,172	448,706
<b>Total community development expenses</b>	<b>\$ 1,338,327</b>	<b>\$ 1,510,645</b>

## SCHEDULE 5 – UW INVESTMENT STEWARDSHIP EXPENSES

Year ended March 31, 2016, with comparative figures for 2015 (Unaudited)

	2016	2015
Salaries and benefits	\$ 688,717	\$ 708,187
Meetings and travel	11,826	11,111
Occupancy	87,253	89,119
Office expenses	10,305	9,498
Printing materials	255	582
Professional development and training	7,805	12,486
Professional fees	7,986	22,090
Telecommunications and IT support	19,244	21,385
United Way Canada fees	106,020	88,113
Other direct investment stewardship costs	11,069	10,573
Total expenses	950,480	973,144
Allocation of general and administration expenses (schedule 6)	337,049	407,498
<b>Total investment stewardship expenses</b>	<b>\$ 1,287,529</b>	<b>\$ 1,380,642</b>

## SCHEDULE 6 – GENERAL AND ADMINISTRATION EXPENSES

Year ended March 31, 2016, with comparative figures for 2015 (Unaudited)

	2016	2015
Salaries and benefits	\$ 1,672,981	\$ 1,841,309
Meetings and travel	61,937	61,994
Occupancy	616,744	829,253
Office expenses	59,221	58,728
Professional development and training	52,961	62,980
Professional fees	141,601	189,138
Telecommunications and IT support	47,479	45,974
Other administrative costs	89,421	109,534
<b>Total expenses to be allocated</b>	<b>\$ 2,742,345</b>	<b>\$ 3,198,910</b>
Allocated to:		
Fundraising:		
Community campaign	\$ 1,337,799	\$ 1,496,932
GCWCC	722,325	845,774
UW community development strategies	345,172	448,706
UW investment stewardship	337,049	407,498
<b>Total general and administration expenses</b>	<b>\$ 2,742,345</b>	<b>\$ 3,198,910</b>