

Financial Statements of

**UNITED WAY OF
GREATER TORONTO**
(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Year ended March 31, 2018



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of United Way of Greater Toronto

We have audited the accompanying financial statements of United Way of Greater Toronto (operating as United Way Toronto & York Region), which comprise the statement of financial position as at March 31, 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider 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.



Page 2

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of Greater Toronto (operating as United Way Toronto & York Region) as at March 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

June 7, 2018
Vaughan, Canada

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

(Incorporated under the laws of Ontario)

Statement of Financial Position

(In thousands of dollars)

March 31, 2018, with comparative information for 2017

	2018	2017
		(Restated - note 2)
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,737	\$ 22,414
Other receivables	734	609
Prepaid expenses	581	366
	<u>22,052</u>	<u>23,389</u>
Long-term investments (note 4)	96,539	103,714
Capital assets (note 5)	1,880	2,201
	<u>\$ 120,471</u>	<u>\$ 129,304</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,830	\$ 4,797
Flowthrough gift payable	2,004	3,872
Deferred campaign revenue	5,241	6,859
Other deferred revenue (note 7)	755	1,474
	<u>11,830</u>	<u>17,002</u>
Accrued net pension liability (note 6)	7,421	6,192
Other deferred revenue (note 7)	3,136	2,725
	<u>10,557</u>	<u>8,917</u>
Total liabilities	22,387	25,919
Net assets:		
Invested in capital assets	1,880	2,201
The Tomorrow Fund (note 8)	79,816	80,458
Unrestricted (note 9)	16,388	20,726
	<u>98,084</u>	<u>103,385</u>
Commitments (note 13)		
Subsequent event (note 16)		
	<u>\$ 120,471</u>	<u>\$ 129,304</u>

See accompanying notes to financial statements.

On behalf of the Board:


Trustee


Trustee

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Statement of Operations
(In thousands of dollars)

Year ended March 31, 2018, with comparative information for 2017

	2018	2017 (Restated - note 2)
Revenue:		
Campaign revenue (note 10)	\$ 130,588	\$ 131,366
Bequests	1,394	635
Total fundraising revenue	131,982	132,001
Government grants (note 11)	2,131	2,693
Other income	1,992	1,191
	4,123	3,884
Investment income	5,601	9,469
Total revenue	141,706	145,354
Distributions and community programs:		
Allocations to United Way of Greater Toronto agencies, partners and community services	69,141	66,692
Programs delivered by United Way of Greater Toronto	5,116	6,144
Programs and organizations supported by targeted funds (notes 11 and 12)	5,260	5,273
Donor designations to:		
United Way of Greater Toronto agencies and partners	3,543	3,483
Other United Ways	2,126	2,084
Other registered charities	30,516	29,740
Allocations, programs and needs assessment expenses	7,158	6,814
Total distributions and community programs	122,860	120,230
Operating expenses:		
Fundraising	23,956	21,787
Recovery of campaign costs from other United Ways	(618)	(626)
	23,338	21,161
Total distributions and expenses	146,198	141,391
Excess (deficiency) of revenue over distributions and expenses	\$ (4,492)	\$ 3,963

See accompanying notes to financial statements.

UNITED WAY OF GREATER TORONTO
(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Statement of Changes in Net Assets
(In thousands of dollars)

Year ended March 31, 2018, with comparative information for 2017

	2018			2017	
	Unrestricted	Pension	Invested	Restricted	Total
	General	remeasurements	in capital	for The	Total
	(note 9)	and other items	assets	Tomorrow	(Restated -
		(note 9)		Fund	note 2)
				(note 8)	
Net assets, beginning of year	\$ 26,918	\$ (6,192)	\$ 2,201	\$ 80,458	\$ 98,752
Excess (deficiency) of revenue over distributions and expenses	(6,111)	-	(544)	2,163	3,963
Pension remeasurements and other items	-	(1,229)	-	-	179
Endowment contributions	-	-	-	420	491
Invested in capital assets	(223)	-	223	-	-
Inter-fund transfer	3,225	-	-	(3,225)	-
Net assets, end of year	\$ 23,809	\$ (7,421)	\$ 1,880	\$ 79,816	\$ 98,084
					\$ 103,385

See accompanying notes to financial statements.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Statement of Cash Flows (In thousands of dollars)

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
		(Restated - note 2)
Cash flows from operating activities:		
Excess (deficiency) of revenue over distributions and expenses	\$ (4,492)	\$ 3,963
Items not involving cash:		
Amortization of capital assets	544	791
Unrealized loss (gain) on long-term investments	1,789	(3,701)
Defined benefit pension expense	2,048	1,826
Change in non-cash working capital	(5,101)	1,981
Defined benefit pension contributions	(2,048)	(1,826)
Cash flows provided by (used in) operating activities	(7,260)	3,034
Cash flows from financing activities:		
Endowment contributions received	420	491
Cash flows from investing activities:		
Purchase of capital assets	(223)	(310)
Proceeds (purchase) of investments, net	5,386	(4,771)
Cash flows provided by (used in) investing activities	5,163	(5,081)
Decrease in cash and cash equivalents	(1,677)	(1,556)
Cash and cash equivalents, beginning of year	22,414	23,970
Cash and cash equivalents, end of year	\$ 20,737	\$ 22,414

See accompanying notes to financial statements.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements
(In thousands of dollars)

Year ended March 31, 2018

The mission of United Way of Greater Toronto (operating as United Way Toronto & York Region) ("United Way") is to meet urgent human needs and improve social conditions by mobilizing the community's volunteer and financial resources in a common cause of caring.

United Way is registered as a charitable organization under the Income Tax Act (Canada) (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, United Way must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook.

(a) Revenue recognition:

United Way follows the deferral method of accounting for contributions, which include campaign revenue.

United Way recognizes unrestricted donations as revenue when received or receivable. Pledges are accounted for when received. Refer to note 2 for details of change in accounting policy for pledged contributions.

Restricted donations are treated as follows:

Certain United Ways are requested to act on behalf of employers and employee groups as the coordinator of their national campaigns and to receive and disburse funds on behalf of other United Ways within local communities. These campaigns are known as Centrally Coordinated Campaigns ("CCC").

(i) Funds received from other United Ways:

These funds from other United Ways under the CCC arrangement are reported when received in these financial statements.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(ii) Funds received for other United Ways:

Funds received by United Way under the CCC arrangement are included in the campaign revenue amount when distributed. These distributed funds are recorded as a reduction to campaign revenue.

(iii) Designated donations:

Designated donations for United Way that have not been disbursed at year end are recorded as deferred campaign revenue on the statement of financial position. Upon disbursement, the payment is recorded as an expense and the donation is recorded as campaign revenue.

(iv) Donations restricted:

Donations restricted for a specific purpose that have not been spent at the end of the year are recorded as deferred campaign revenue on the statement of financial position. They are recognized as campaign revenue when paid.

(v) Flowthrough donations:

Flowthrough donations are funds received under the flowthrough arrangements for other United Ways. The amount received is recorded as a liability under flowthrough gifts payable.

(vi) Grant revenue and other income:

Grant revenue reported in these financial statements represents funds received from provincial and municipal governments. Other income reported in these financial statements represents funds received from foundations and utilities. These revenues are recognized when the related program expenses and grants have been disbursed.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(vii) Endowment contributions:

Endowment contributions are recognized as increases in net assets in the year in which they are received. Capital appreciation/depreciation for those funds which are below the distribution threshold are added or deducted from the principal and recognized as direct increases/decreases in net assets in the year in which they are incurred.

(viii) Investment income:

Investment income includes dividends, interest, income distributions from pooled funds, realized gain/losses and the net change in unrealized gain/losses for the year and are recognized on an accrual basis.

(b) Cash and cash equivalents:

Cash and cash equivalents include deposits in banks, certificates of deposit and short-term investments with original maturities of less than three months.

(c) 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 its fixed income and pooled fund investments at fair value.

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

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

1. Significant accounting policies (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, United Way 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.

(d) Capital assets:

Purchased capital assets are recorded at cost. 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 the following basis using the following rates:

Asset	Basis	Rate
Software	Straight line	3 - 7 years
Computer equipment	Straight line	3 years
Furniture and fixtures	Declining balance	15%
Leasehold improvements	Straight line	Term of lease

(e) Contributed materials and services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements. In addition, the value of contributed materials is not recognized in the financial statements. Since these contributed materials and services are not purchased nor charged by United Way, they are not recognized in these financial statements.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(f) Employee future benefits:

United Way has a combined registered defined benefit and defined contribution pension plan covering substantially all of its employees and an unregistered defined benefit pension plan. The benefits are based on years of service. The registered defined benefit and defined contribution plans are funded by contributions from United Way (defined benefit and defined contribution) and employees (defined contribution only). The unregistered plan is unfunded; the cost is expensed and accrued annually.

United Way accrues its obligations under the defined benefit plans as employees render the services necessary to earn the pension and other retirement benefits. The actuarial determination of the accrued benefit obligations for pensions and other retirement benefits uses the projected benefit method (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors). United Way recognizes the full actuarial liability net of plan assets in the statement of financial position using the immediate recognition approach. The measurement date of the plan assets and accrued benefit obligation coincides with United Way's fiscal year. The accrued benefit obligation for the defined benefit provision of the registered plan is based on the most recent actuarial valuation of the plan for accounting purposes. The most recent actuarial valuation of the plan for funding purposes was prepared as at January 1, 2016 and the next required actuarial valuation will be as at January 1, 2019.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(g) Calculation of cost revenue ratios:

In accordance with United Way Canada's Transparency, Accountability and Financial Reporting policies, United Way uses the following method to calculate cost revenue ratios ("CRR"):

	2018	2017 (Restated - note 2)
Total revenue	\$ 141,706	\$ 145,354
Breakdown of fundraising expenses on statement of operations:		
Direct fundraising expenses	\$ 15,820	\$ 14,562
General management and administrative expenses	8,136	7,225
Total fundraising expenses	\$ 23,956	\$ 21,787
	2018	2017
Direct fundraising expenses as a percentage of total revenue	11.2%	10.0%
General management and administrative expenses as a percentage of total revenue	5.7%	5.0%
Total fundraising expenses as a percentage of total revenue	16.9%	15.0%

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)

(In thousands of dollars)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(h) Allocation of expenses:

General management and administrative expenses are allocated between fundraising expenses and allocations, programs and needs assessment based on effort.

General management and administrative expenses are allocated as follows:

	2018		2017	
Fundraising	\$ 8,136	62.7%	\$ 7,225	67.2%
Allocations, programs and needs assessment	4,840	37.3%	3,526	32.8%

(i) Use of estimates:

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

Significant items subject to such estimates and assumptions include the obligations related to employee future benefits and allocation of expenses.

2. Change in accounting policy:

Effective March 31, 2018, United Way changed its accounting policy for revenue recognition of campaign pledges to record pledges when received. In previous periods, pledged donations were recognized when received or receivable and a provision for uncollectible amounts was recorded to reduce pledges receivable and revenue. The United Way concludes that the new method of recognition presents information in a manner that is more easily understood by users of the financial statements and aligns with timing of receipt of information from third parties. The change in accounting policy has been applied retrospectively.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

2. Change in accounting policy (continued):

Statement of financial position:

	As previously presented	Restatement	As restated
Campaign pledges receivable	\$ 27,229	\$ (27,229)	\$ –
Current assets	50,618	(27,229)	23,389
Total assets	156,533	(27,229)	129,304
Unrestricted net assets	47,955	(27,229)	20,726
Total liabilities and net assets	156,533	(27,229)	129,304

Statement of operations:

	As previously presented	Restatement	As restated
Campaign revenue	\$ 134,607	\$ (3,241)	\$ 131,366
Pledge shrinkage	(1,208)	1,208	–
Total fundraising revenue	134,034	(2,033)	132,001
Total revenue	147,387	(2,033)	145,354
Excess of revenue over distributions and expenses	5,996	(2,033)	3,963

Statement of changes in net assets:

	As previously presented	Restatement	As restated
Net assets, beginning of year	\$ 123,948	\$ (25,196)	\$ 98,752
Excess of revenue over distributions and expenses	5,996	(2,033)	3,963
Net assets, end of year	130,614	(27,229)	103,385

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)

(In thousands of dollars)

Year ended March 31, 2018

2. Change in accounting policy (continued):

Statement of cash flows:

	As previously presented	Restatement	As restated
Excess (deficiency) of revenue over distributions and expenses	\$ 5,996	\$ (2,033)	\$ 3,963
Change in non-cash working capital	(52)	2,033	1,981

3. Youth Challenge Fund ("YCF"):

The Province of Ontario (the "Province") established the YCF in 2006 and appointed United Way as the trustee. The Province advanced United Way the sum of an initial \$15,000 and set up an independent board to oversee the operation of the program over the initial three-year period. As the trustee, United Way is currently responsible for the operation of the program and financial stewardship of the funds on behalf of the Province. The program has been extended until all of the funds have been distributed.

The financial activities of the YCF are not reported in these financial statements. A separate set of audited financial statements for YCF will be produced and filed with the Province in the final year of the program.

4. Long-term investments:

	2018	2017
Canadian fixed income securities	\$ 3,546	\$ 4,042
Pooled fund investments with The Toronto Foundation	92,190	99,341
Other Investments	803	331
	\$ 96,539	\$ 103,714

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

4. Long-term investments (continued):

The Canadian fixed income securities produce a yield to maturity of 1.9% (2017 - 1.1%) and have a weighted average term to maturity of 0.79 years (2017 - 0.82 years).

The following chart provides the asset class allocation for the pooled fund investments with The Toronto Foundation:

	2018	2017
Cash and cash equivalents	3%	4%
Fixed income securities	21%	16%
Canadian equities	12%	15%
U.S. equities	7%	10%
Other foreign equities	34%	31%
Other investments	23%	24%
	100%	100%

Other investments as defined by The Toronto Foundation are comprised of absolute return funds, commercial mortgage funds and bond exchange traded funds.

Investments held for The Tomorrow Fund total \$79,816 (2017 - \$80,458) (note 8).

5. Capital assets:

	2018		2017	
	Cost	Accumulated amortization	Net book value	Net book value
Software	\$ 4,764	\$ 4,674	\$ 90	\$ 298
Computer equipment	5,438	5,194	244	193
Furniture and fixtures	2,017	1,279	738	786
Leasehold improvements	3,187	2,379	808	924
	\$ 15,406	\$ 13,526	\$ 1,880	\$ 2,201

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

6. Employee future benefits:

Information about United Way's defined benefit pension plan is as follows:

	2018	2017
Accrued net pension liability	\$ 7,421	\$ 6,192

United Way contributed \$296 (2017 - \$285) to its defined contribution plan.

7. Other deferred revenue:

Information about other deferred revenue is as follows:

	2018	2017
Current portion of other deferred revenue	\$ 755	\$ 1,474
Long-term portion of other deferred revenue	3,136	2,725
Total other deferred revenue	\$ 3,891	\$ 4,199

In July 2011, United Way received an \$11,234 legal settlement related to a class action against a group of electricity distribution companies in Ontario. United Way was charged with distributing these funds through an appropriate Low-Income Energy Assistance Program. United Way has decided to supplement the Ontario Energy Board's Low-Income Energy Assistance Program ("LEAP").

Every year, eligible agencies will contact United Way to request funds from this Late Payment Settlement to supplement funding they have received for that year from LEAP. United Way will continue to supplement this program until all of the Late Payment Settlement funds have been distributed. Based on United Way's best estimate, \$755 will be distributed over the next 12 months and \$3,136 will be distributed in future years.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

8. The Tomorrow Fund:

The Tomorrow Fund represents internally restricted amounts designated by the Board of Trustees and restricted endowment contributions received from donors. Internally restricted amounts are bequests and other donations that were given by donors to United Way, and have been transferred to The Tomorrow Fund by the Board of Trustees. The Board of Trustees may make the internally restricted portion of The Tomorrow Fund available, should the circumstances warrant.

The Tomorrow Fund consists of the following:

	2018	2017
Externally restricted	\$ 25,007	\$ 23,002
Internally restricted	54,809	57,456
	<u>\$ 79,816</u>	<u>\$ 80,458</u>

The following breaks down the excess of revenue over distributions and expenses of The Tomorrow Fund:

	2018	2017
Investment income on:		
Internally restricted funds	\$ 4,582	\$ 7,237
Externally restricted funds	192	425
Bequests	1,394	635
Distributions, net of repayment by United Way	(4,005)	(2,709)
Excess of revenue over distributions and expenses of The Tomorrow Fund	<u>\$ 2,163</u>	<u>\$ 5,588</u>

Endowment contributions of \$420 (2017 - \$491) have been added to The Tomorrow Fund. These amounts are not included in revenue in the statement of operations, but have been added directly to The Tomorrow Fund assets as stated in note 1(a)(vii).

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)

(In thousands of dollars)

Year ended March 31, 2018

9. Unrestricted net assets:

Unrestricted net assets are comparable to the retained earnings of a for-profit organization. These funds are earmarked by management for the following purposes:

	2018	2017 (Restated - note 2)
General	\$ 23,809	\$ 26,918
Pension remeasurements and other items	(7,421)	(6,192)
Unrestricted net assets	\$ 16,388	\$ 20,726

Unrestricted net assets comprise the following:

	2018	2017 (Restated - note 2)
Operating capital	\$ 16,388	\$ 20,726
Unrestricted net assets	\$ 16,388	\$ 20,726

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

10. Campaign revenue:

Campaign revenue relates to donations mainly received from donors in the Toronto and York Region area. Certain United Ways are requested to act on behalf of employers and employee groups as the coordinator of their national campaigns and to receive and disburse funds on behalf of other United Ways within local communities.

Campaign revenue for United Way is as follows:

	2018	2017 (Restated - note 2)
Campaign revenue	\$ 162,235	\$ 157,883
Funds received from other United Ways	1,218	1,230
Funds received for other United Ways	(32,865)	(27,747)
Campaign revenue	\$ 130,588	\$ 131,366

11. Homelessness Partnering Strategy:

Funding is received to administer the Homelessness Partnering Strategy in accordance with the funding agreement with the Minister of Employment and Social Development Canada.

The current project runs until March 31, 2019. The period below is from April 1, 2017 to March 31, 2018. This funding is included in government grants on the statement of operations.

	2018	2017
Revenue included in government grants:		
Balance, beginning of year	\$ 63	\$ -
Received during the year	795	795
	858	795
Expenses included in programs and organizations supported by targeted funds:		
Project management cost	79	79
Sub-project costs	728	653
	807	732
Excess of revenue over expenses	\$ 51	\$ 63

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)

(In thousands of dollars)

Year ended March 31, 2018

12. Programs and organizations supported by targeted funds:

United Way receives targeted funds from donors and other funders. These funds are targeted to specific programs, capital projects or grant programs managed by United Way or its partner agencies. United Way works with these donors to match their specific giving interest to United Way funding priorities in the community.

13. Commitments:

United Way leases office premises and certain office equipment under long-term operating leases expiring on or before July 31, 2022. Rental payments, excluding operating costs and realty taxes over the next five years, are as follows:

2019	\$ 1,313
2020	1,290
2021	1,269
2022	1,251
2023 (4 months)	411
	<hr/>
	\$ 5,534

14. Financial instruments:

(a) Currency risk:

United Way is exposed to financial risks with its securities denominated in a currency other than the Canadian dollar as a result of exchange rate fluctuations and the volatility of these rates. United Way does not currently enter into forward contracts to mitigate this risk. United Way mitigates these risks with an investment policy designed to limit exposure and concentration while achieving optimal return within reasonable risk tolerances. There has been no change to the risk exposure from 2017.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

14. Financial instruments (continued):

(b) Liquidity risk:

Liquidity risk is the risk that United Way will be unable to fulfill its obligations on a timely basis or at a reasonable cost. United Way manages its liquidity risk by monitoring its operating requirements. United Way prepares budgets to ensure it has sufficient funds to fulfill its obligations. Accounts payable and accrued liabilities are generally repaid within 30 days. There has been no change to the risk exposure from 2017.

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. United Way is exposed to credit risk with respect to other receivables. United Way assesses, on a continuous basis, other receivables and provides for any amounts that are not collectible. Cash and cash equivalents are held in creditworthy financial institutions. There has been no change to the risk exposure from 2017 other than the change in accounting policy (note 2).

(d) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. United Way is exposed to other price risk on equity securities. United Way mitigates these risks with an investment policy designed to limit exposure and concentration while achieving optimal return within reasonable risk tolerances. There has been no change to the risk exposure from 2017.

(e) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in interest rate. The United Way is exposed to interest rate risk on its fixed income securities. The United Way manages this risk by staggering the terms of the securities held and by using a professional investment advisor. There has been no change to the risk exposure from 2017.

UNITED WAY OF GREATER TORONTO

(OPERATING AS UNITED WAY TORONTO & YORK REGION)

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended March 31, 2018

15. Voluntary related party disclosures:

As part of Imagine Canada Standards Program, United Way is required to disclose any payments to organizations in which a Board Member is an owner, partner or senior manager even though these transactions may not otherwise be disclosed under Section 4460 of Part III of the CPA Canada Handbook. United Way incurred expenses for bank service charges with organizations with which certain members of the Board of Trustees are associated by way of employment, totalling \$9 (2017 - \$11). These transactions are considered to be in the normal course of business and are measured at fair market value.

16. Subsequent event:

On April 1, 2018, United Way of Peel Region will be merging with United Way of Greater Toronto. United Way will begin operating as United Way Greater Toronto, instead of United Way Toronto & York Region, on that date.