Financial Statements of

UNITED WAY OF THE LOWER MAINLAND

Year ended March 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Members of United Way of the Lower Mainland

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of the Lower Mainland, which comprise the statement of financial position as at March 31, 2016, the statements of revenue and expenses, 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of the Lower Mainland as at March 31, 2016 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (BC), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Professional Accountants

June 21, 2016

Vancouver, Canada

UNITED WAY OF THE LOWER MAINLAND

Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	$ 23,151,572	$ 23,088,124
Accrued interest receivable	14,601	63,120
Pledges receivable (note 2)	9,023,740	9,831,120
Grants and miscellaneous receivables	327,414	4,341,182
Prepaid expenses	45,982	43,177
	32,563,309	37,366,723
Investments (note 3)	11,990,613	12,443,140
Life insurance policies (note 4)	999,860	906,325
Capital assets (note 5)	3,051,885	3,046,920
	$ 48,605,667	$ 53,763,108
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,737,419	$ 1,686,331
Grants received in trust (note 6)	258,006	267,565
Designations payable to agencies	1,393,594	1,661,495
	3,389,019	3,615,391
Donor Advised funds (note 7)	634,101	688,069
Net assets:		
Life insurance policies	999,860	906,325
Invested in capital assets	3,051,885	3,046,920
Endowment fund	6,078,946	6,180,400
Restricted special purpose funds (schedule 1)	34,451,856	39,326,003
	44,582,547	49,459,648
	$ 48,605,667	$ 53,763,108

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director

Director

UNITED WAY OF THE LOWER MAINLAND

Statement of Revenue and Expenses

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Proceeds from annual Campaign contributions	$ 24,556,854	$ 26,117,086
UWLM Endowment Fund income to fund fundraising expenses (note 8)	914,785	865,939
	25,471,639	26,983,025
Additional contributions to prior year campaigns	186,804	251,235
Pledge cancellations	(560,167)	(543,709)
Grants and other contributions (note 10)	7,076,138	5,939,377
Investment income, net of fees	284,451	1,250,066
Total revenue	32,458,865	33,879,994
Expenses:		
Restricted special purpose funds (schedule 1)	23,648,150	22,256,651
United Way Community Services (schedule 2)	3,005,456	2,795,462
Designations to agencies by donors	4,516,560	5,318,818
Other	230,991	225,719
	31,401,157	30,596,650
Fundraising and administrative expenses (schedule 3)	5,934,809	5,983,828
Total expenses	37,335,966	36,580,478
Deficiency of revenue over expenses	$ (4,877,101)	$ (2,700,484)

See accompanying notes to financial statements.

UNITED WAY OF THE LOWER MAINLAND

Statement of Changes in Net Assets

Year ended March 31, 2016, with comparative information for 2015

	Unrestricted Fund	Restricted Special Purpose Funds (schedule 1)	Endowment Fund	Invested in capital assets	Life insurance policies	Total 2016	Total 2015
Balance, beginning of year	$ -	$ 39,326,003	$ 6,180,400	$ 3,046,920	$ 906,325	$ 49,459,648	$ 52,160,132
Revenue	22,524,607	9,711,376	129,347	-	93,535	32,458,865	33,879,994
Expenses	(13,459,183)	(23,648,150)	-	(228,633)	-	(37,335,966)	(36,580,478)
Excess (deficiency) of revenue over expenses	9,065,424	(13,936,774)	129,347	(228,633)	93,535	(4,877,101)	(2,700,484)
Fund transfers:							
Acquisition of capital assets	-	(233,598)	-	233,598	-	-	-
Transfers from Endowment Fund (note 1(a)(*iii*))	247,216	-	(247,216)	-	-	-	-
Transfers from Campaign operations	(9,312,640)	9,312,640	-	-	-	-	-
Transfers from Preventative Services Fund	-	(16,415)	16,415	-	-	-	-
	(9,065,424)	9,062,627	(230,801)	233,598	-	-	-
Increase (decrease) for the year	-	(4,874,147)	(101,454)	4,965	93,535	(4,877,101)	(2,700,484)
Balance, end of year	$ -	$ 34,451,856	$ 6,078,946	$ 3,051,885	$ 999,860	$ 44,582,547	$ 49,459,648

See accompanying notes to financial statements.

UNITED WAY OF THE LOWER MAINLAND

Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating:		
Deficiency of revenue over expenses	$ (4,877,101)	$ (2,700,484)
Amortization of capital assets, an item not involving cash	228,633	230,552
Unrealized (gain) loss on investments, excluding Donor Advised funds	454,158	(527,546)
Unrealized gain on life insurance policies	(93,535)	(42,216)
	(4,287,845)	(3,039,694)
Change in non-cash operating working capital:		
Accrued interest receivable	48,519	47,370
Pledges receivable	807,380	540,860
Grants and miscellaneous receivables	4,013,768	(2,036,505)
Prepaid expenses	(2,805)	1,535
Accounts payable and accrued liabilities	51,088	(207,235)
Grants received in trust	(9,559)	(72,410)
Designations payable to agencies	(267,901)	(301,737)
	4,640,490	(2,028,122)
	352,645	(5,067,816)
Investments:		
Net increase in investments, excluding Donor Advised funds (note 7)	(55,599)	(144,143)
Acquisition of capital assets	(233,598)	(73,387)
	(289,197)	(217,530)
Increase (decrease) in cash and cash equivalents	63,448	(5,285,346)
Cash and cash equivalents, beginning of year	23,088,124	28,373,470
Cash and cash equivalents, end of year	$ 23,151,572	$ 23,088,124

See accompanying notes to financial statements.

Operations:

United Way of the Lower Mainland ("United Way") is incorporated under the Society Act (BC). United Way's mission is to strengthen the community's capacity to address social issues.

United Way is a charitable organization registered under the Income Tax Act and, as such, is exempt from income and capital taxes, and is able to issue donation receipts for income tax purposes.

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 CPA Canada Handbook and, in management's opinion, within reasonable limits of materiality and include the following significant accounting policies:

(a) Basis of presentation:

(i) Restricted Special Purpose Funds:

United Way accounts for and administers various restricted special purpose funds. Funds are recognized as revenue in or transferred to these special purpose funds as directed by either the donor or the Board of Directors, respectively. The funds are as follows:

- Community Investment Funds - consist of funds established to support initiatives that are designed to extend and support United Way's role as a community impact organization. These funds focus on three priorities – helping kids be all they can be, building strong communities, and moving people from poverty to possibility.
- Stabilization Fund - consists of funds allocated by the Board of Directors to increase the long-term financial stability of United Way. The fund's primary purpose is to ensure that United Way has the necessary resources to either compensate for unforeseen shortfalls in future Campaign revenue or to meet future extraordinary expenses.
- Success by 6 Provincial Partnership Fund - consists of grants from the Province of British Columbia to manage a province-wide Early Childhood Development Provincial Partnership.
- Preventative Services Fund - established to ensure increased, permanent funding is available for preventative programs and services. Funds are distributed annually in accordance with the terms of the approved policy.
- Other Funds - consist of amounts designated by either donors or the Board of Directors for specific purposes. Funds are distributed in accordance with either the terms of the designation or Board decisions.

1. Significant accounting policies (continued):

(a) Basis of presentation (continued):

(ii) Donor Advised funds (note 7):

Donor Advised funds are restricted by donors as to distribution and investment decisions, are generally held for extended periods, and are recognized as Campaign revenue when distribution is specified by the donor.

(iii) Endowment Fund:

United Way has an Endowment Fund of $6,078,946 (2015 - $6,180,400), consisting of amounts designated by donors for endowment purposes. Annually, a distribution is made from this Endowment Fund, in accordance with the terms of the approved policy, and is used to offset United Way fundraising expenses. The distribution is recorded through an interfund transfer.

In addition, United Way also receives income from another separate UWLM Endowment Fund (the "Fund") established at the Vancouver Foundation by United Way and others (note 8).

(iv) Life insurance policies (note 4):

United Way is owner and beneficiary of donated life insurance policies. The annual premium payment is recognized as Campaign revenue with an offsetting amount recorded as a designation expense. Any change in the cash surrender value of the policies is recorded as investment income or loss.

(b) Campaign revenue:

These financial statements reflect the results of the Campaign that commenced in September 2015, and include Campaign revenue and the related grants, designations and operating expenses applicable to that Campaign. Comparative figures reflect the Campaign that commenced in September 2014 and was completed by March 31, 2015.

Included in Campaign revenue are designations to other United Way organizations of $64,329 (2015 - $68,405).

United Way is requested by certain employers and employee groups to act as the coordinator of their provincial and national campaigns by receiving funds and disbursing them on their behalf to other United Ways within their local communities. Funds received and disbursed under these centrally-coordinated campaigns are not included in the statement of revenue and expenses. Total funds received and processed on behalf of other United Ways were $1,513,945 (2015 - $2,504,292).

Funds received by United Way from other United Ways under centrally-coordinated campaigns are included in the Campaign revenue amount on the statement of revenue and expenses.

1. Significant accounting policies (continued):

(c) Allocation of expenses:

United Way provides administration and support to fundraising and Community Services, Accordingly, general and administrative expenses are allocated among these programs and services (schedule 4). In addition, United Way also provides support to programs delivered through restricted special purpose funds through Community Services (schedule 2). The allocation basis is as follows:

- Finance - proportionally on the basis of direct expenses incurred by each function.
- Operations, information technology and amortization - proportionally on the basis of headcount attributed to each function.

All other cost allocations are on the basis of efforts incurred.

(d) Revenue recognition:

United Way follows the restricted fund method of accounting for contributions.

Contributions are recognized as revenue in the appropriate fund in the period the amounts are received or receivable, provided collection is reasonably assured. Investment income is recognized as revenue as it is earned.

Pledges are recorded as receivable and recognized as revenue when signed pledge documents or appropriate authorization through electronic communications are received by United Way. Provision is made for possible cancellation of pledges taken into revenue.

Contributions to, and investment income earned by, the Endowment Fund are recognized as revenue of the Endowment Fund.

Contributions to, and investment income, including gains or losses arising from changes in fair value, earned by Donor Advised funds are deferred until such time as the donor directs distribution of those funds.

(e) Grants:

Community Investment Funds and Other Funds grants are recognized as expenses when there are no outstanding conditions for the recipient agency to satisfy and payment is issued.

(f) Investments:

Investments are recorded at fair value determined on the last business day of the fiscal year.

1. Significant accounting policies (continued):

(g) Capital assets:

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

Amortization is provided on a straight-line basis as follows:

Asset	Period
Building	40 years
Building improvements	15 years
Computer equipment and software	3 to 10 years
Furniture	10 years
Office equipment	5 years

(h) Designations for agencies:

United Way collects funds designated by Campaign donors for other Canadian registered charities. These funds are included in Campaign revenue in the unrestricted fund and are recognized as expenses of the current Campaign. Funds are distributed based on actual cash received, net of a $12 fee per designation.

(i) Contributed services:

A substantial number of volunteers contribute a significant amount of their time to United Way each year. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

(j) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and term deposits which are highly liquid with terms to maturity of three months or less at date of acquisition.

1. Significant accounting policies (continued):

(k) Calculation of cost revenue ratios ("CRR"):

United Way uses the following method to calculate cost revenue ratios:

	2016	2015
Total revenue	$ 32,458,865	$ 33,879,994
Pledge cancellations	560,167	543,709
Total revenue for CRR	$ 33,019,032	$ 34,423,703
Direct fundraising expenses (schedule 3)	$ 4,620,786	$ 4,667,943
Directed funding:		
UWLM Endowment Fund income to fund fundraising expenses (note 8)	(914,785)	(865,939)
Endowment Fund transfer to fund fundraising expenses (note 1(a)(iii))	(247,216)	(223,684)
	(1,162,001)	(1,089,623)
Net direct fundraising expenses	3,458,785	3,578,320
Net direct fundraising expenses as a percentage of total revenue for CRR	10.5%	10.4%
Allocations of expenses from:		
United Way Community Services (schedule 2)	116,560	104,670
General and administrative expenses (schedule 4)	1,197,463	1,211,215
Indirect fundraising and administrative expenses	1,314,023	1,315,885
Indirect fundraising and administrative expenses as a percentage of total revenue for CRR	4.0%	3.8%
Total net fundraising and administrative expenses	$ 4,772,808	$ 4,894,205
Total net fundraising and administrative expenses as a percentage of total revenue for CRR	14.5%	14.2%

1. Significant accounting policies (continued):

(l) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship, and 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 cash and cash equivalents and investments at fair value with changes in fair values recognized in the statement of revenue and expenses.

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.

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.

(m) Employee future benefits:

United Way is a participating employer of The Pension Plan of the United Way of the Lower Mainland (the "Plan"). The Plan is a multi-employer plan and as a result, required contributions to the Plan are expensed as incurred.

(n) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Areas of significant estimates include useful lives of capital assets for amortization and provision for cancellation of pledges. Actual results could differ from these estimates.

2. Pledges receivable:

	2016	2015
Current Campaign, net of provision for estimated pledge cancellations of $454,000 (2015 - $492,000)	$ 8,867,245	$ 9,666,615
Prior Campaigns, net of provision for estimated pledge cancellations of $285,000 (2015 - $265,000)	156,495	164,505
	$ 9,023,740	$ 9,831,120

3. Investments:

Fair values:

United Way's investments are carried at fair value in accordance with the significant accounting policy disclosed in note 1(f). Investments consist of the following:

	Stabilization Fund	Preventative Services Fund	Endowment Fund	Donor Advised funds (note 7)	2016	2015
Cash and cash equivalents	$ 596,685	$ 59,137	$ 354,036	$ 27,541	$ 1,037,399	$ 1,343,442
Fixed income securities	1,878,687	798,367	2,847,849	-	5,524,903	5,736,190
Canadian equity funds	1,138,000	460,079	1,641,175	606,560	3,845,814	3,659,166
Foreign equity funds	-	346,611	1,235,886	-	1,582,497	1,704,342
	$ 3,613,372	$ 1,664,194	$ 6,078,946	$ 634,101	$ 11,990,613	$ 12,443,140
The following fair value adjustments have been included in investment income (loss):						
Fair value adjustment	$ (79,110)	$ (95,279)	$ (279,769)	$ (53,148)	$ (507,306)	$ 523,357

3. Investments (continued):

The Stabilization Fund, Preventative Services Fund and Endowment Fund balances consist principally of amounts invested with independent investment managers as directed by the Board of Directors. The funds remain under the control of United Way.

Donor Advised funds (note 7) are invested as specified by the donors, and may be disposed of only with the approval of those donors.

4. Life insurance policies:

United Way is named beneficiary for various life insurance policies. These policies are recorded at their estimated cash surrender value. Any difference between the carrying value and actual cash received upon the realization of the policy is recognized as a gain or loss in the period of receipt.

5. Capital assets:

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Land	$ 921,945	$ -	$ 921,945	$ 921,945
Building	3,326,544	1,995,926	1,330,618	1,413,781
Building improvements	518,101	232,391	285,710	159,862
Computer equipment and software	990,707	485,902	504,805	534,989
Furniture	306,396	301,487	4,909	9,817
Office equipment	21,562	17,664	3,898	6,526
	$ 6,085,255	$ 3,033,370	$ 3,051,885	$ 3,046,920

6. Grants received in trust:

The amounts recorded as grants received in trust are funds provided by the Province of British Columbia for the purpose of supporting the continuation and enhancement of the Province Wide Early Childhood Development Provincial Partnership. The funds are administered by the Early Childhood Development Provincial Partnership steering committee, on which United Way is one of three partners, and, accordingly, revenue is only recorded when and to the extent these funds are granted to United Way.

7. Donor Advised funds:

	2016	2015
Balance, beginning of year	$ 688,069	$ 697,043
Investment income	27,180	50,548
Fair value adjustment	(53,148)	(4,189)
Transferred to Campaign revenue for distribution	(28,000)	(55,333)
Balance, end of year	$ 634,101	$ 688,069

8. UWLM Endowment Fund held at Vancouver Foundation

United Way receives income from the Fund established at the Vancouver Foundation by United Way and others. The annual income is included in revenue in the unrestricted fund and is used to offset United Way fundraising expenses (note 1(k)).

United Way has no access to the capital of this Fund and, accordingly, the Fund is not reflected in these financial statements. The Fund held at the Vancouver Foundation, for which United Way is the sole recipient of related income, has a fair value at March 31, 2016 of $25,531,827 (2015 - $26,111,332).

9. Employee future benefits:

United Way and certain of its funded agencies participate in a multi-employer defined benefit pension plan providing pension benefits to all eligible employees of those participants. Funding contributions are made by employers to the Plan based on a percentage of employee contributions. The employer contribution rate to the Plan is 175% (2015 - 175%) of employee contributions. United Way's expense for the year ended March 31, 2016 in respect of pension contributions for its employees amounted to $545,170 (2015 - $497,945).

An actuarial valuation of the Plan is carried out every three years and the most recent actuarial valuation for which results are available was carried out as at December 31, 2013. The Plan's valuation showed a combined solvency deficit of $4.2 million ($9.1 million - December 31, 2010) on a solvency asset base of $62.7 million ($41.7 million – December 31, 2010).

In accordance with the Pension Benefits Standards Act, each solvency deficiency must be eliminated by special payments within five years of the respective effective date. However, the Financial Institution Commission authorized the Plan to amortize the December 31, 2010 solvency deficiency over a ten-year period and to make special payments accordingly.

10. Grants and other contributions:

During the year, United Way received a $5 million (2015 - $4 million) grant from the B.C. Ministry of Health to support the continuation and expansion of the seniors' independence program. The $5 million was recognized as grant revenue in the restricted special purpose fund - Community Investment Funds (schedule 1).

11. Financial risks:

(a) Market price risk:

Market price risk is the risk that the value of an investment instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. There has been no change to the risk exposure from 2015.

(b) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Fixed interest rate investments are subject to fair value risks. United Way is exposed to this risk in relation to investments with fixed interest rates held by bond and income investment funds. There has been no change to the risk exposure from 2015.

(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 pledges receivable. United Way assesses, on a continuous basis, pledges receivable and provides for any amounts that are assessed as not collectible. There has been no change to the risk exposure from 2015.

(d) Other risks:

United Way believes that it is not exposed to significant liquidity, cash flow or currency risks arising from its financial instruments. There has been no change to the risk exposure from 2015.

12. Comparative figures:

Certain comparative figures have been reclassed to conform to the current year's financial statement presentation.

UNITED WAY OF THE LOWER MAINLAND

Restricted Special Purpose Funds

Schedule 1

Year ended March 31, 2016, with comparative information for 2015

	Community Investment Funds	Stabilization Fund	Success by 6 Provincial Partnership Fund	Preventative Services Fund	Other funds	Total 2016	Total 2015
Balance, beginning of year	$ 33,214,141	$ 3,836,389	$ -	$ 1,738,282	$ 537,191	$ 39,326,003	$ 42,499,815
Revenue:							
Proceeds from annual Campaign contributions	2,511,976	-	-	-	21,894	2,533,870	2,321,503
Grants and other contributions	6,519,309	-	246,664	-	310,165	7,076,138	5,939,377
Investment income	93,438	10,581	-	(4,557)	1,906	101,368	385,713
	9,124,723	10,581	246,664	(4,557)	333,965	9,711,376	8,646,593
Expenses:							
Grants	21,541,020	-	-	-	353,558	21,894,578	20,372,050
Distributions including allocations	1,499,408	-	246,664	-	7,500	1,753,572	1,884,601
	23,040,428	-	246,664	-	361,058	23,648,150	22,256,651
Excess (deficiency) of revenue over expenses	(13,915,705)	10,581	-	(4,557)	(27,093)	(13,936,774)	(13,610,058)
Fund transfers:							
Acquisition of capital assets	-	(233,598)	-	-	-	(233,598)	(73,387)
Transfers (to) from - Campaign operations	9,365,756	-	-	(53,116)	-	9,312,640	10,524,804
Transfers (to) from Endowment Fund	-	-	-	(16,415)	-	(16,415)	(15,171)
	9,365,756	(233,598)	-	(69,531)	-	9,062,627	10,436,246
Increase (decrease) for the year	(4,549,949)	(223,017)	-	(74,088)	(27,093)	(4,874,147)	(3,173,812)
Balance, end of year	$ 28,664,192	$ 3,613,372	$ -	$ 1,664,194	$ 510,098	$ 34,451,856	$ 39,326,003

UNITED WAY OF THE LOWER MAINLAND

United Way Community Services Expenses

Schedule 2

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Expenses:		
Community impact and investment	$ 1,384,530	$ 1,149,657
Communication and awareness	761,651	662,518
Labour participation services	433,799	396,233
	2,579,980	2,208,408
Cost recoveries / sponsorships	(111,104)	(104,822)
	2,468,876	2,103,586
Allocations (to) from:		
Restricted special purpose funds (schedule 1)	(379,531)	(261,580)
Fundraising and administrative expenses (schedule 3)	(116,560)	(104,670)
General and administrative expenses (schedule 4)	1,032,671	1,058,126
	536,580	691,876
United Way Community Services expenses	$ 3,005,456	$ 2,795,462

UNITED WAY OF THE LOWER MAINLAND

Fundraising and Administrative Expenses — Schedule 3

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Direct expenses of fundraising:		
Resource development	$ 2,980,117	$ 3,111,139
Promotions and publicity	1,142,477	993,776
Donor services	803,369	837,992
	4,925,963	4,942,907
Cost recoveries / sponsorships	(305,177)	(274,964)
Direct fundraising expenses	4,620,786	4,667,943
Allocations of expenses from:		
United Way Community Services (schedule 2)	116,560	104,670
General and administrative expenses (schedule 4)	1,197,463	1,211,215
	1,314,023	1,315,885
Total fundraising and administrative expenses	$ 5,934,809	$ 5,983,828

Income received from the UWLM Endowment Fund established at the Vancouver Foundation is used to offset United Way fundraising expenses (note 8). The annual income is included in revenue on the statement of revenue and expenses, and, accordingly, is not reflected on this schedule.

Distributions from the Endowment Fund established by United Way are used to offset United Way fundraising expenses. This distribution is recognized as an interfund transfer (note 1(a)(iii)).

UWLM incurs costs related to the administration and processing of donations for the Government of Canada Workplace Charitable Campaign (GCWCC). Included in these costs are $31,713 (2015 - $29,842), which are associated with the Healthpartner component of the GCWCC. These costs will be recovered through the GCWCC National Finance Office (United Way Ottawa).

UNITED WAY OF THE LOWER MAINLAND

General and Administrative Expenses — Schedule 4

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
General and administrative expenses:		
Finance, operations and information technology	$ 1,566,995	$ 1,601,471
Executive Management	467,506	470,318
Amortization	228,633	230,552
	2,263,134	2,302,341
Cost recoveries / sponsorships	(33,000)	(33,000)
Net expenses before allocations	2,230,134	2,269,341
Allocations to:		
United Way Community Services expenses (schedule 2)	(1,032,671)	(1,058,126)
Fundraising and administrative expenses (schedule 3)	(1,197,463)	(1,211,215)
	(2,230,134)	(2,269,341)
	$ -	$ -