

**United Way of the Central & South Okanagan/Similkameen**  
**Financial Statements**  
*March 31, 2019*

# United Way of the Central & South Okanagan/Similkameen Contents

*For the fourteen months ended March 31, 2019*

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## **Management's Responsibility**

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To the Members of United Way of the Central & South Okanagan/Similkameen:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

July 23, 2019

*[signed]*

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Management

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# Independent Auditor's Report

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To the Board of United Way of the Central & South Okanagan/Similkameen:

## Qualified Opinion

We have audited the financial statements of United Way of the Central & South Okanagan/Similkameen (the "Organization"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations and allocations, changes in net assets and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and the results of its operations and allocations, and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records, and we were not able to determine whether any adjustments might be necessary to donations, fundraising, excess of revenue over expenses, or net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kelowna, British Columbia

July 23, 2019

*MNP* **LLP**

Chartered Professional Accountants

# United Way of the Central & South Okanagan/Similkameen Statement of Financial Position

As at March 31, 2019

	March 31 2019	January 31 2018 <i>(Restated - Note 16)</i>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents <i>(Note 3)</i>	222,052	442,334
Pledges receivable <i>(Note 4)</i>	375,901	502,370
Investments <i>(Note 5)</i>	600,000	250,000
Prepaid expenses	15,991	18,678
Accounts receivable and accruals <i>(Note 6)</i>	7,761	4,300
	1,221,705	1,217,682
<b>Tangible capital assets</b> <i>(Note 7)</i>	66,563	68,598
<b>Investment of reserve funds</b> <i>(Note 3)</i>	475,432	471,120
	1,763,700	1,757,400
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals <i>(Note 8)</i>	40,653	44,977
Deferred revenue <i>(Note 9)</i>	284,877	77,134
Allocations payable <i>(Note 10)</i>	782,715	906,467
	1,108,245	1,028,578
<b>Commitments</b> <i>(Note 12)</i>		
<b>Net Assets</b>		
Internally restricted contingency reserve	388,536	388,536
Internally restricted tangible capital asset reserve	24,835	20,523
Internally restricted strategic investment reserve	62,061	62,061
Invested in tangible capital assets	66,563	68,597
Unrestricted	113,460	189,105
	655,455	728,822
	1,763,700	1,757,400

Approved on behalf of the Board

[signed]  
Director

[signed]  
Director

The accompanying notes are an integral part of these financial statements

# United Way of the Central & South Okanagan/Similkameen

## Statement of Operations and Allocations

*For the fourteen months ended March 31, 2019*

	<b>March 31 2019</b>	January 31 2018 <i>(Restated - Note 16)</i>
<b>Donations</b>		
Designated and undesignated	500,528	400,705
Donations collected by other United Ways	345,368	366,054
Uncollectible pledges, net	<b>(13,404)</b>	(26,899)
	<b>832,492</b>	739,860
<b>Other revenue</b>		
Bequests	101,806	451,200
Success by Six Program	229,898	216,805
Special events	193,548	125,857
Grants	8,319	14,755
Gifts in kind	2,821	1,783
Interest	51,199	33,996
Gain on disposal of capital assets	4,667	-
	<b>1,424,750</b>	1,584,256
<b>Expenses</b>		
Fundraising expenses <i>(Schedule 2)</i>	347,218	321,065
<b>Net revenue available for programs</b>	<b>1,077,532</b>	1,263,191
Program expenses <i>(Schedule 3)</i>	486,929	428,599
Allocations <i>(Note 10)</i>	663,970	765,364
	<b>1,150,899</b>	1,193,963
<b>Excess (deficiency) of revenue over expenses</b>	<b>(73,367)</b>	69,228

*The accompanying notes are an integral part of these financial statements*

## United Way of the Central & South Okanagan/Similkameen Statement of Changes in Net Assets

*For the fourteen months ended March 31, 2019*

	<i>Internally restricted contingency reserve</i>	<i>Internally restricted tangible capital asset reserve</i>	<i>Internally restricted strategic investment reserve</i>	<i>Invested in tangible capital assets</i>	<i>Unrestricted</i>	<i>March 31 2019</i>	<i>January 31 2018</i>
							<i>(Restated - Note 16)</i>
Net assets, beginning of period, as previously stated	388,536	20,523	62,061	68,597	129,400	669,117	659,594
Correction of an error (Note 16)	-	-	-	-	59,705	59,705	-
Net assets, beginning of period, as restated	388,536	20,523	62,061	68,597	189,105	728,822	659,594
Excess (deficiency) of revenue over expenses	-	-	-	(8,623)	(64,744)	(73,367)	69,228
Purchase of tangible capital assets	-	-	-	9,848	(9,848)	-	-
Proceeds of capital assets	-	-	-	(7,926)	7,926	-	-
Gain on disposal of equipment	-	-	-	4,667	(4,667)	-	-
Transfers	-	4,312	-	-	(4,312)	-	-
<b>Net assets, end of period</b>	<b>388,536</b>	<b>24,835</b>	<b>62,061</b>	<b>66,563</b>	<b>113,460</b>	<b>655,455</b>	<b>728,822</b>

*The accompanying notes are an integral part of these financial statements*



# United Way of the Central & South Okanagan/Similkameen

## Statement of Cash Flows

*For the fourteen months ended March 31, 2019*

	<b>March 31</b>	<i>January 31</i>
	<b>2019</b>	<i>2018</i>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash received from donations	1,099,694	805,577
Cash received from other sources	538,011	808,780
Cash paid to agencies, employees and suppliers	(1,546,494)	(1,465,664)
Interest received	44,741	33,996
	<b>135,952</b>	<i>182,689</i>
<b>Investing</b>		
Purchase of investments	(600,000)	(250,000)
Proceeds on disposal of investments	250,000	-
Purchase of tangible capital assets	(1,922)	(2,379)
Additions to investment of reserve funds	(4,312)	(3,745)
	<b>(356,234)</b>	<i>(256,124)</i>
<b>Decrease in cash and cash equivalents</b>	<b>(220,282)</b>	<i>(73,435)</i>
<b>Cash and cash equivalents, beginning of period</b>	<b>442,334</b>	<i>515,769</i>
<b>Cash and cash equivalents, end of period</b>	<b>222,052</b>	<i>442,334</i>

*The accompanying notes are an integral part of these financial statements*

# United Way of the Central & South Okanagan/Similkameen

## Notes to the Financial Statements

For the fourteen months ended March 31, 2019

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### 1. Incorporation and nature of the organization

United Way of the Central & South Okanagan/Similkameen (the "Organization") was incorporated on December 31, 1950 under the authority of the British Columbia Societies Act and is a registered charity, and thus is exempt from income taxes under section 149(1)(f) of the Income Tax Act ("the Act").

The Organization's principal activity is raising funds for charitable purposes.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) as set out in Part III of the CPA Canada Handbook - Accounting Standards for Not-for-Profit Organizations, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

#### ***Cash and cash equivalents***

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash and investment of reserve funds.

#### ***Investments***

Investments consist of guaranteed investment certificates with maturities greater than three months. Investments are recorded at fair value at the date of acquisition and subsequently measured at amortized cost with changes reflected in the statement of operations and allocations.

#### ***Tangible capital assets***

Purchased tangible capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Furniture and equipment	10 %

#### ***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived 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 and allocations. Write-downs are not reversed.

#### ***Revenue recognition***

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions, fundraising income, and government grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

#### ***Contributed materials and services***

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations and allocations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased. During the period \$2,821 (2018 - \$1,783) in contributed services were recognized in the statement of operations and allocations. If the fair value of the contributed materials and services cannot be reasonably estimated, the contributed materials and services are not recognized in these financial statements.

# United Way of the Central & South Okanagan/Similkameen

## Notes to the Financial Statements

For the fourteen months ended March 31, 2019

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### ***Pledges receivable***

Contributions pledged are recorded as receivables at their gross amount, less any allowances for amounts estimated to be uncollectible.

### ***Allocations payable***

Allocations payable represent designated pledges received and undesignated pledges received and receivable, that the Board of Directors has determined to pay out to qualifying charities.

### ***Measurement uncertainty (use of estimates)***

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Pledges receivable and accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

### ***Financial instruments***

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the period.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operations for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

### ***Financial asset impairment***

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the period. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in the current period statement of operations and allocations.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the period the reversal occurs.

**United Way of the Central & South Okanagan/Similkameen**  
**Notes to the Financial Statements**  
*For the fourteen months ended March 31, 2019*

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***Internally restricted reserves***

The Organization maintains three internally restricted funds, as approved by the Board of Directors: contingency reserve, tangible capital asset reserve, and strategic investment reserve. Such restricted funds are appropriations of unrestricted net assets. All allocations of funds in or out of these reserves are to be done by way of motion to the Board of Directors by the Finance Committee.

These reserves are fully funded through cash and cash equivalents as outlined in Note 3.

***Contingency reserve***

The contingency reserve provides for unanticipated expenses or shortfalls in revenue. The balance of the reserve shall be 6 to 12 months of budgeted expenses for that fiscal year.

***Tangible capital asset reserve***

The tangible capital asset reserve provides for the replacement of tangible capital assets as they reach the end of their useful lives. Each period, funds equivalent to 50% of the annual amortization expense calculated for the previous period, or additional amounts as deemed necessary, are allocated to the reserve.

***Strategic investment reserve***

The strategic investment reserve provides funding for special initiatives that align with the long term objectives of the Organization. This reserve may also assist with maintaining the contingency reserve and tangible capital asset reserve, should it be required.

**3. Cash and cash equivalents and investment of reserve funds**

	<b>March 31 2019</b>	<i>January 31 2018</i>
Cash in bank	<b>697,188</b>	913,217
Petty cash	<b>296</b>	237
	<b>697,484</b>	913,454
<b>Allocated to:</b>		
Cash and cash equivalents	<b>222,052</b>	442,334
Investment of reserve funds	<b>475,432</b>	471,120
	<b>697,484</b>	913,454

Included in cash and cash equivalents is cash of \$8,452 (2018 - \$52,725) subject to externally imposed restrictions.

**United Way of the Central & South Okanagan/Similkameen**  
**Notes to the Financial Statements**  
*For the fourteen months ended March 31, 2019*

**4. Pledges receivable**

	<i>March 31 2019</i>	<i>January 31 2018 (Restated - Note 16)</i>
Pledges receivable	<b>393,753</b>	527,869
Less: allowance for uncollectible pledges	<b>(17,852)</b>	(25,499)
	<b>375,901</b>	502,370

**5. Investments**

	<i>March 31 2019</i>	<i>January 31 2018</i>
Guaranteed Investment Certificate, maturing August 15, 2019 with an interest rate of 2.00%	<b>400,000</b>	-
Guaranteed Investment Certificate, maturing August 14, 2019 with an interest rate of 1.75%	<b>200,000</b>	-
Guaranteed Investment Certificate, redeemed during the period	-	250,000
	<b>600,000</b>	250,000

**6. Accounts receivable and accruals**

	<i>March 31 2019</i>	<i>January 31 2018</i>
Accounts receivable and accruals	<b>7,194</b>	2,355
Government remittances receivable	<b>567</b>	1,945
	<b>7,761</b>	4,300

**7. Tangible capital assets**

	<i>March 31 2019</i>	<i>January 31 2018</i>	<i>Net book value</i>	<i>Net book value</i>
	<i>Cost</i>	<i>Accumulated amortization</i>		
Furniture and equipment	<b>178,278</b>	<b>111,715</b>	<b>66,563</b>	68,598

**8. Accounts payable and accruals**

	<i>March 31 2019</i>	<i>January 31 2018</i>
Accounts payable and accruals	<b>40,530</b>	44,929
Government remittances payable	<b>123</b>	48
	<b>40,653</b>	44,977

**United Way of the Central & South Okanagan/Similkameen**  
**Notes to the Financial Statements**  
*For the fourteen months ended March 31, 2019*

**9. Deferred revenue**

The Organization receives contributions from contributors who have restricted their use for specific projects or expenditures. Recognition of these amounts as revenue is deferred to the periods when the specific project is undertaken or expenditures are made. Changes in the deferred contributions balance are as follows:

	<i>Balance, beginning of period</i>	<i>Amounts received</i>	<i>Recognized as revenue</i>	<i>March 31 2019</i>	<i>January 31 2018</i>
Designated contributions	24,409	436,698	(184,682)	276,425	24,409
Success by Six	52,725	185,625	(229,898)	8,452	52,725
	77,134	622,323	(414,580)	284,877	77,134

Designated contributions represent contributions which have been designated for payment to a specific local charity or use for a specific purpose by the contributor. Designated contributions to local charities are paid out within nine months of receipt and recognition of the associated revenue is deferred until payout has occurred. Designated contributions received for a specific purpose are deferred until the related expense has been incurred.

**10. Allocations payable**

	<i>March 31 2019</i>	<i>January 31 2018</i>
Balance, beginning of period	906,467	894,261
Allocations paid	(702,845)	(688,510)
Allocations unpaid	203,622	205,751
<b>Current period</b>		
Designated	158,099	133,028
Undesignated	505,871	632,336
Designated amounts paid (or payable) by other United Ways during the period	(84,877)	(64,648)
Balance, end of period	782,715	906,467
<b>Allocations</b>		
Designated	158,099	133,028
Undesignated	505,871	632,336
	663,970	765,364

**11. Allocation of expenses**

Administrative expenses are incurred to support functional areas and are allocated to fundraising and program expenses based on the time study method. Following this method, administration expenses are allocated as follows:

	<i>March 31 2019 %</i>	<i>January 31 2018 %</i>
To fundraising expenses	37	40
To program expenses	63	60
	100	100

# United Way of the Central & South Okanagan/Similkameen

## Notes to the Financial Statements

For the fourteen months ended March 31, 2019

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### 12. Commitments

The Organization has entered into agreements for the lease of office space until December 2022 and equipment until September 2024. Minimum estimated annual payments for office space and equipment over the next five years are as follows:

2020	36,357
2021	37,608
2022	38,025
2023	30,318
2024	3,444

The Organization also funds a community initiative which requires three annual payments of \$29,537 from April 2020 to April 2022. These payments are not reflected in the table above.

### 13. Endowment funds

The Central Okanagan Foundation holds endowment funds for the benefit of the Organization. The fund balance has been derived from third party contributions directly to the Central Okanagan Foundation and from allocations from fundraising campaigns by the Organization. The fund is held in perpetuity by the Central Okanagan Foundation, with the interest earned on the fund being paid to the Organization annually. The fund balance at March 31, 2019 was \$596,891 (2018 - \$596,891). Interest income received by the Organization from the fund was \$35,813 (2018 - \$20,891) for the current period.

The Community Foundation for the South Okanagan holds endowment funds for the benefit of the Organization. The fund balance at December 31, 2018 was \$120,922 (2018 - \$120,922). Interest income received by the Organization from the fund was \$5,500 (2018 - \$12,370).

These funds are not controlled or owned by the Organization and therefore the fund balances have not been recorded in these financial statements.

### 14. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is primarily exposed to credit risk through its pledges receivable and accounts receivable. The Organization provides an allowance for amounts anticipated to be uncollectible, and believes this to be adequate to address the credit risk associated with these receivables.

### 15. British Columbia Societies Act

In accordance with British Columbia's *Societies Act*, the Organization is required to disclose remuneration in excess of \$75,000. The Organization had one individual, the Executive Director, who falls into this category with remuneration of approximately \$110,000 for the fourteen months ended March 31, 2019. For the year ended January 31, 2018, no individuals met the disclosure requirements.

### 16. Correction of an error

During the period the Organization determined that a prior year pledge from a major donor was understated by \$59,705. For the year ended January 31, 2018, the impact of this correction has resulted in an increase in donations revenue of \$59,705, an increase in pledges receivable of \$59,705 and an increase in unrestricted net assets of \$59,705.

**United Way of the Central & South Okanagan/Similkameen**  
**Notes to the Financial Statements**  
*For the fourteen months ended March 31, 2019*

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**17. Comparative figures**

Certain comparative figures have been reclassified to conform with current period presentation.

**18. Subsequent event and organization combination**

Subsequent to the date of the financial statements, the Organization acquired the assets of United Way North Okanagan Columbia Shuswap and began operating as United Way Southern Interior BC. The Organization's principal activity of raising funds for charitable purposes remained unchanged from these events.

Below are the details of the organization combination that was entered into subsequent to the current reporting period.

The Organization acquired 100% of the fundraising activities and assets on April 1, 2019.

The acquisition had the following effect on the Organization's assets and liabilities on the acquisition date:

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	Fair value at the acquisition date
<b>Acquired assets and assumed liabilities</b>	
Capital assets	480
Pledges receivable	48,609
Other current assets	7,393
Cash and cash equivalents	268,859
Financial liabilities	(88,000)
<b>Net identifiable assets and liabilities</b>	<b>237,341</b>

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**United Way of the Central & South Okanagan/Similkameen**  
**Schedule 1 - Schedule of Administrative Expenses**

*For the fourteen months ended March 31, 2019*

	<b>March 31</b>	<i>January 31</i>
	<b>2019</b>	<i>2018</i>
<b>Administrative expenses</b>		
Amortization	<b>8,623</b>	7,490
Equipment rental	<b>2,282</b>	1,443
Insurance	<b>3,498</b>	2,922
Marketing and printing	<b>639</b>	720
Meetings and training	<b>3,952</b>	6,975
Merger costs	<b>1,065</b>	-
Office rent	<b>14,808</b>	12,209
Office supplies	<b>8,013</b>	6,655
Other	<b>1,530</b>	-
Professional fees	<b>45,658</b>	43,501
Repairs and maintenance	<b>91</b>	-
Telephone	<b>2,357</b>	2,104
Wages and employee benefits	<b>38,135</b>	26,047
<b>Total administrative expenses before allocation</b>	<b>130,651</b>	110,066
<b>Administrative allocations</b>		
Allocation to fundraising expenditures <i>(Schedule 2)</i>	<b>(48,030)</b>	(44,026)
Allocation to program expenditures <i>(Schedule 3)</i>	<b>(82,621)</b>	(66,040)
<b>Total administrative expenses</b>	<b>-</b>	-

## United Way of the Central & South Okanagan/Similkameen Schedule 2 - Schedule of Fundraising Expenses

*For the fourteen months ended March 31, 2019*

	<b>March 31</b>	<i>January 31</i>
	<b>2019</b>	<i>2018</i>
<b>Fundraising expenses</b>		
Equipment rental	2,102	1,329
Information technology	5,890	1,982
Insurance	1,783	1,783
Marketing and printing	11,307	10,595
Meetings and training	15,955	15,932
Office rent	13,639	11,245
Office supplies	15,595	18,430
Special events	14,721	17,603
Wages and employee benefits	218,196	198,140
<b>Total direct fundraising expenses</b>	<b>299,188</b>	277,039
<b>Allocation of administrative expenses</b> <i>(Schedule 1)</i>	<b>48,030</b>	44,026
<b>Total fundraising expenses</b>	<b>347,218</b>	321,065

**United Way of the Central & South Okanagan/Similkameen**  
**Schedule 3 - Schedule of Program Expenses**

*For the fourteen months ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Program expenses</b>		
Community building	<b>7,301</b>	839
Donor recognition	<b>3,546</b>	10,352
Equipment rental	<b>1,622</b>	1,025
Memberships	<b>12,560</b>	10,696
Office rent	<b>10,522</b>	8,674
Office supplies	<b>12,535</b>	11,346
Wages and employee benefits	<b>126,324</b>	102,822
Success by Six	<b>229,898</b>	216,805
<b>Total direct program expenses</b>	<b>404,308</b>	362,559
<b>Allocation of administrative expenses</b> <i>(Schedule 1)</i>	<b>82,621</b>	66,040
<b>Total program expenses</b>	<b>486,929</b>	428,599