

Financial Statements of

UNITED WAY BRITISH COLUMBIA

And Independent Auditor's Report thereon

Year ended March 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Way British Columbia

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of United Way British Columbia (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of revenue and expenses for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedules to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Matter – Comparative Information

The comparative information as at and for the year ended March 31, 2022 is unaudited. Accordingly, we do not express an opinion on it.



Other information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the 2022/2023 annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the 2022/2023 annual report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting 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 period.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
June 20, 2023

UNITED WAY BRITISH COLUMBIA

Statement of Financial Position

March 31, 2023, with combined comparative information for 2022 (note 2)

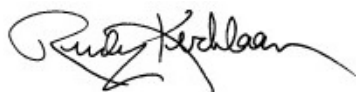
| | 2023 | 2022 |
|----------------------------------|-----------------------|----------------------|
| | | (Unaudited) |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 29,642,714 | \$ 40,745,864 |
| Short-term investments | 15,370,297 | 1,256,923 |
| Pledges receivable (note 3) | 7,001,154 | 6,947,938 |
| Grants and other receivables | 82,267,242 | 13,228,354 |
| Prepaid expenses | 464,831 | 240,452 |
| | <u>134,746,238</u> | <u>62,419,531</u> |
| Investments (note 4) | 19,515,483 | 21,191,099 |
| Life insurance policies (note 5) | 1,354,395 | 1,289,126 |
| Tangible capital assets (note 6) | 3,324,674 | 2,872,170 |
| | <u>\$ 158,940,790</u> | <u>\$ 87,771,926</u> |

Liabilities and Net Assets

| | | |
|---|-----------------------|----------------------|
| Current liabilities: | | |
| Accounts payable and accrued liabilities (note 7) | \$ 4,386,866 | \$ 4,468,677 |
| Deferred revenue (note 8(a)) | 286,230 | 477,481 |
| Deferred program management revenue (note 8(b)) | 5,673,921 | - |
| Designations payable to agencies | 862,431 | 1,085,519 |
| Demand loan (note 9) | - | 130,023 |
| | <u>11,209,448</u> | <u>6,161,700</u> |
| Donor Advised funds (note 10) | 608,166 | 641,271 |
| | <u>11,817,614</u> | <u>6,802,971</u> |
| Net assets: | | |
| Restricted special purpose funds (Schedule 1) | 134,813,424 | 68,717,964 |
| Endowment fund (note 11) | 7,630,683 | 8,219,718 |
| Invested in tangible capital assets | 3,324,674 | 2,742,147 |
| Life insurance policies | 1,354,395 | 1,289,126 |
| | <u>147,123,176</u> | <u>80,968,955</u> |
| Subsequent event (note 17) | | |
| | <u>\$ 158,940,790</u> | <u>\$ 87,771,926</u> |

See accompanying notes and schedules to financial statements.

Approved on behalf of the Board:



Director



Director

UNITED WAY BRITISH COLUMBIA

Statement of Revenue and Expenses

Year ended March 31, 2023, with combined comparative information for 2022 (note 2)

| | 2023 | 2022 (Unaudited) |
|--|---------------|---------------------|
| Revenue: | | |
| Proceeds from donations received | \$ 22,936,984 | \$ 27,941,604 |
| Gift in kind contributions | 315,384 | 245,373 |
| Vancouver Foundation income (note 12) | 1,389,895 | 1,202,562 |
| | 24,642,263 | 29,389,539 |
| Additional contributions to prior year campaigns | 529,340 | 173,451 |
| Pledge recoveries (cancellations) | (714,217) | (853,769) |
| COVID-19 government support | - | 659,524 |
| Grants and other contributions (note 13) | 107,913,289 | 25,753,102 |
| Investment income, net of fees (note 4) | 682,223 | 1,446,207 |
| | | |
| Total revenue | 133,052,898 | 56,568,054 |
| Expenses: | | |
| Restricted special purpose funds (Schedule 1) | 50,493,656 | 46,932,887 |
| United Way Community Services (Schedule 2) | 5,311,287 | 2,695,919 |
| Designations to agencies by donors | 3,026,624 | 3,047,047 |
| Other | 426,405 | 702,188 |
| | 59,257,972 | 53,378,041 |
| Fundraising and administrative expenses (Schedule 3) | 7,640,705 | 7,265,135 |
| | | |
| Total expenses | 66,898,677 | 60,643,176 |
| | | |
| Excess (deficiency) of revenue over expenses | \$ 66,154,221 | \$ (4,075,122) |

See accompanying notes and schedules to financial statements.

UNITED WAY BRITISH COLUMBIA

Statement of Changes in Net Assets

Year ended March 31, 2023, with combined comparative information for 2022 (note 2)

| | Unrestricted fund | Restricted special purpose funds (Schedule 1) | Endowment fund | Invested in tangible capital assets | Life insurance policies | Total 2023 | Total 2022 (Unaudited) |
|--|-------------------|--|----------------|-------------------------------------|-------------------------|----------------|---------------------------|
| Balance, beginning of year | \$ - | \$ 68,717,964 | \$ 8,219,718 | \$ 2,742,147 | \$ 1,289,126 | \$ 80,968,955 | \$ 85,044,077 |
| Revenue | 23,219,251 | 110,001,259 | (232,881) | - | 65,269 | 133,052,898 | 56,568,054 |
| Expenses | (15,880,765) | (50,493,656) | (45,921) | (478,335) | - | (66,898,677) | (60,643,176) |
| Excess (deficiency) of revenue over expenses | 7,338,486 | 59,507,603 | (278,802) | (478,335) | 65,269 | 66,154,221 | (4,075,122) |
| Fund transfers: | | | | | | | |
| Acquisition of tangible capital assets | - | (930,839) | - | 930,839 | - | - | - |
| Repayment of demand loan | - | (130,023) | - | 130,023 | - | - | - |
| Transfers from Endowment Fund (note 1(a)(iii)) | 328,788 | - | (328,788) | - | - | - | - |
| Transfers from Campaign operations | (7,667,274) | 7,667,274 | - | - | - | - | - |
| Transfers from Preventative Services Fund | - | (18,555) | 18,555 | - | - | - | - |
| | (7,338,486) | 6,587,857 | (310,233) | 1,060,862 | - | - | - |
| Increase (decrease) for the year | - | 66,095,460 | (589,035) | 582,527 | 65,269 | 66,154,221 | (4,075,122) |
| Balance, end of year | \$ - | \$ 134,813,424 | \$ 7,630,683 | \$ 3,324,674 | \$ 1,354,395 | \$ 147,123,176 | \$ 80,968,955 |

See accompanying notes and schedules to financial statements.

UNITED WAY BRITISH COLUMBIA

Statement of Cash Flows

Year ended March 31, 2023, with combined comparative information for 2022 (note 2)

| | 2023 | 2022 |
|---|---------------|----------------|
| | | (Unaudited) |
| Cash provided by (used in): | | |
| Operating: | | |
| Excess (deficiency) of revenue over expenses | \$ 66,154,221 | \$ (4,075,122) |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 478,335 | 622,776 |
| Unrealized loss (gain) on investments, excluding Donor Advised funds | 963,089 | (587,361) |
| Unrealized gain on life insurance policies | (65,269) | (55,761) |
| | 67,530,376 | (4,095,468) |
| Proceeds from realization of life insurance policies | - | - |
| Changes in non-cash operating working capital: | | |
| Pledges receivable | (53,216) | 250,216 |
| Grants and miscellaneous receivables | (69,038,888) | (10,744,280) |
| Prepaid expenses | (224,379) | 533,257 |
| Accounts payable and accrued liabilities | (81,811) | 1,476,101 |
| Deferred revenue | (191,251) | (190,446) |
| Deferred program management revenue | 5,673,921 | - |
| Designations payable to agencies | (223,088) | (55,222) |
| | 3,391,664 | (12,825,842) |
| Investing: | | |
| Redemption (purchase) of short-term investments | (14,113,374) | 314,437 |
| Net increase in investments, excluding Donor Advised funds | 679,422 | 1,448,670 |
| Acquisition of tangible capital assets | (930,839) | (288,741) |
| | (14,364,791) | 1,474,366 |
| Financing: | | |
| Repayment of demand loan and other debt | (130,023) | (191,284) |
| Decrease in cash and cash equivalents | (11,103,150) | (11,542,760) |
| Cash and cash equivalents, beginning of year | 40,745,864 | 52,288,624 |
| Cash and cash equivalents, end of year | \$ 29,642,714 | \$ 40,745,864 |

See accompanying notes and schedules to financial statements.

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2023

Operations:

United Way British Columbia (“United Way” or “UWBC”) was incorporated under the *Societies Act* (British Columbia) on June 30, 2021, pursuant to an amalgamation of the following United Ways:

- United Way of the Lower Mainland (“UWLM”) • Thompson Nicola Cariboo United Way (“UWTNC”)
- United Way of Trail and District (“UWTD”) • United Way East Kootenay (“UWEK”)
- United Way Southern Interior BC (“UWSI”) • United Way Central and Northern Vancouver Island (“UWCNVI”)

The amalgamation was accounted for as a merger (note 2(a)).

On April 1, 2022, United Way combined with 211 British Columbia Services Society (“BC211”) through a combination agreement where UWBC received assets and assumed liabilities from BC211 (note 2(b)). This combination was accounted for as a merger.

United Way’s mission is to strengthen vital connections that support people in need in our local communities.

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

1. Significant accounting policies:

These 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 - *Accounting* (“ASNPO”) and, in management’s opinion, within reasonable limits of materiality and include the following significant accounting policies:

(a) Basis of presentation:

In order to ensure observance of the limitations and restrictions placed on the use of resources available, these financial statements are prepared in accordance with fund accounting principles.

For financial reporting purposes, the accounts have been classified into the following funds:

(i) Unrestricted fund:

The unrestricted fund is comprised of unrestricted resources available for United Way’s general operating activities, including management and administration.

(ii) 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.

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(a) Basis of presentation (continued):

(ii) Restricted special purpose funds (continued):

These 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 achieve the brightest future possible; helping seniors overcome loneliness and social isolation; and building strong communities through community engagement projects.
- *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.
- *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 other specific purposes. Funds are distributed in accordance with either the terms of the designation or Board decisions.

(iii) Endowment Fund:

United Way has an Endowment Fund consisting of amounts designated by donors for endowment purposes to be permanently maintained, plus the investment income accrued on the endowments. 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.

(iv) Invested in tangible capital assets:

Amounts invested in tangible capital assets is comprised of tangible capital assets acquired by United Way less related accumulated amortization and debt, if any.

(v) Life insurance policies:

United Way is the owner and beneficiary of donated life insurance policies (note 5). The life insurance policies are irrevocable. The Fund balance represents the life insurance policies' cash surrender value. 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.

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(a) Basis of presentation (continued):

(vi) Donor Advised Funds:

Donor Advised Funds are restricted by donors as to distribution and investment decisions, are generally held for extended periods. Donor Advised Funds (note 10) are accounted for using the deferral method and presented as a liability. Donor Advised Funds are recognized as Campaign revenue when the related distribution is specified by the donor.

(b) Revenue recognition:

United Way follows the restricted fund method of accounting for contributions. Contributions include donations and grants.

Unrestricted contributions are recognized in the unrestricted fund as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the appropriate restricted special purpose fund in the period the amounts are received or receivable, provided collection is reasonably assured. Externally restricted contributions for future expenses and specific purposes for which a restricted fund does not exist are recorded as deferred revenue in the unrestricted fund and recognized as revenue in the period the related expense is incurred or the restrictions are met. The portion of an externally restricted contribution that is specified in accordance with the agreement for program management is considered a separate unit of account as there are different stipulations specifying how those amounts are used. The program management portion of the grant is recorded as deferred program management revenue in the unrestricted fund and recognized as revenue at the same rate as the related program funds are spent.

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

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 Donor Advised Funds are deferred until such time as the donor directs distribution of those funds.

Investment income, other than earned by Donor Advised Funds, is recognized as revenue as it is earned.

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Campaign revenue:

These financial statements reflect the revenue of the 2022 Campaign and the related designations.

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 \$389,200 (2022 - \$842,471).

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

(c) Combinations of not-for-profit organizations:

ASNPO Section 4449, *Combinations by not-for-profit organizations*, provides guidance for the recognition and measurement of combinations by not-for-profit organizations. In this new standard, not-for-profit organizations are directed to assess each combination based on criteria outlined in the standard, and accordingly account for the combination as either a merger or acquisition.

This standard is effective for fiscal years beginning on or after January 1, 2022 and is applied on a prospective basis to combinations entered into from the beginning of the fiscal year in which the standard is first applied. United Way elected to early adopt this standard for its fiscal year beginning on April 1, 2021.

Under the standard, except for combinations of not-for-profit organizations under common control, a combination is accounted for as a merger when all of the following criteria are met:

- (i) No party to the combination is characterized as either the acquirer or acquiree, either by its own Board or Management or by that of the other party to the combination.
- (ii) Those charged with governance of the predecessor organizations participate in determining the terms of the combination. This includes establishing the governance and management structures of the combined organization and in selecting management personnel.
- (iii) Except for transaction costs, no significant consideration flows to a third party of the organizations combining to form the reporting entity. A merger generally is accomplished by combining all of the assets and liabilities of the combining entities into a single reporting entity, without a transfer of cash or other assets to a third party of the reporting entity.

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(c) Combinations of not-for-profit organizations (continued):

(iv) When entities combine, the reporting entity must encompass the purposes of each of the not-for-profit organizations subject to the combination at the combination date. While a combination may result in minor changes to the purpose of the combining not-for-profit organizations, a significant change would result in this criterion not being met.

(v) At the combination date, there is no significant decline or planned significant decline in the client communities served by one or more but not all of the organizations that combined to form the reporting entity.

A combination of not-for-profit organizations under common control is accounted for as a merger. If all of the criteria are not met, the combination is accounted for as an acquisition.

(d) 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.

(e) Gift in kind contributions:

Gift in kind contributions which are used in the normal course of United Way's operations and would otherwise have been purchased are recorded at their fair value, at the date of contribution, if fair value can be reasonably estimated.

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 these financial statements.

(f) 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 \$16 (2022 - \$16) fee per designation.

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(g) Grants:

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

(h) 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 short-term investments and investments at fair value with changes in fair values recognized in investment income 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.

(i) 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.

(j) Short-term investments:

Short-term investments include term deposits, which are highly liquid, with terms to maturity up to one year from the date of the statement of financial position.

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(k) Tangible capital assets:

Purchased tangible capital assets are initially recorded at cost. Contributed tangible 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 an asset no longer contributes to United Way's ability to provide services, it is reviewed for impairment and its carrying amount is written down to its fair value or replacement cost.

Amortization is provided on a straight-line basis based on the estimated useful lives as follows:

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

(l) Employee future benefits:

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

(m) 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 that contain estimates include assumptions used in estimating provisions for accrued liabilities, and the estimated useful lives of tangible capital assets; a significant estimate is the provision for cancellation of pledges. Actual results could differ from these estimates.

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

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

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

| | 2023 | 2022 |
|--|----------------|---------------|
| | | (Unaudited) |
| Total revenue | \$ 133,052,898 | \$ 56,568,054 |
| Pledge cancellations | 714,217 | 853,769 |
| Revenue before pledge recoveries and cancellations for CRR | \$ 133,767,115 | \$ 57,421,823 |
| | 2023 | 2022 |
| | | (Unaudited) |
| Direct fundraising expenses (schedule 3) | \$ 5,773,925 | \$ 4,918,633 |
| Directed funding: | | |
| UWLM Endowment Fund income to fund fundraising expenses (note 11) | (1,389,895) | (1,202,562) |
| Endowment Fund transfer to fund fundraising expenses (note 1(a)(iii)) | (328,788) | (306,300) |
| | (1,718,683) | (1,508,862) |
| Net direct fundraising expenses | 4,055,242 | 3,409,771 |
| Net direct fundraising expenses as a percentage of revenue before pledge recoveries and cancellations for CRR | 3.0% | 5.9% |
| Allocations of expenses from: | | |
| United Way Community Services (schedule 2) | 108,268 | 80,641 |
| General and administrative expenses (schedule 4) | 1,758,512 | 2,265,861 |
| Indirect fundraising and administrative expenses | 1,866,780 | 2,346,502 |
| Indirect fundraising and administrative expenses as a percentage of revenue before pledge recoveries and cancellations for CRR | 1.4% | 4.1% |
| Total net fundraising and administrative expenses | \$ 5,922,022 | \$ 5,756,273 |
| Total net fundraising and administrative expenses as a percentage of revenue before pledge cancellations for CRR | 4.4% | 10.0% |

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Combinations by UWBC:

(a) Amalgamation of United Ways:

On June 30, 2021, UWLM, UWTD, UWSI, UWTNC, UWEK and UWCNVI amalgamated together to form a single organization, United Way British Columbia, to increase impact in local communities around the province. The strategic transformation was guided by a shared mission to strengthen vital connections over the long term to create healthy, caring, inclusive communities. By merging, the six United Ways will share resources and expertise across six regions of the province.

The amalgamation is accounted for as a merger in accordance with ASNPO Section 4449, *Combinations by not-for-profit organizations*.

As of the combination date on June 30, 2021, the financial statements of the six merging United Ways were combined to form the financial statements of UWBC.

Before taking into effects of the combination with BC211 (note 2(b)), the financial information for UWBC as at and for the year ended March 31, 2022 included the aggregated results for the period April 1, 2021 to June 30, 2021 for UWLM, UWTD, UWSI, UWTNC, UWEK, and UWCNVI when they were operating independently and the results of UWBC, the amalgamated entity, for the period from July 1, 2021 to March 31, 2022.

(b) Combination with BC211:

On April 1, 2022, UWBC combined with BC211. The combined entity remained United Way British Columbia with the addition of the 211 service to the United Way group of programs being provided to citizens of British Columbia. This combination further strengthens United Way's ability to connect all British Columbians to vital community programs and services for both everyday needs and in times of crisis.

The combination is accounted for as a merger in accordance with ASNPO Section 4449, *Combinations by Not-For-Profit Organizations*.

As of the combination date on April 1, 2022, the financial statements of UWBC included BC211.

These financial statements as at and for the year ended March 31, 2023, report the results for the period April 1, 2022 to March 31, 2023 for UWBC, the combined entity.

The prior year comparative information as at and for the year ended March 31, 2022, report the aggregated results of UWBC and BC211 when they were operating independently. The principal components of the statement of financial position and statement of revenue and expenses by organization as at and for the year ended March 31, 2022 are presented in note (a) of Schedule 6.

Adjustments were made to the balance of BC211 to align the accounting policy with those of UWBC. These are described in note (b) of Schedule 6.

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

3. Pledges receivable:

| | 2023 | 2022 (Unaudited) |
|---|---------------------|---------------------|
| Current Campaign, net of provision for estimated pledge cancellations of \$520,000 (2022 - \$488,000) | \$ 6,936,735 | \$ 6,910,404 |
| Prior Campaigns, net of provision for estimated pledge cancellations of \$580,000 (2022 - \$560,000) | 64,419 | 37,534 |
| | \$ 7,001,154 | \$ 6,947,938 |

4. Investments:

Fair values:

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

| | Unrestricted Fund | Stabilization Fund | Preventative Services Fund | Endowment Fund | Donor Advised Funds (note 10) | 2023 | 2022 (Unaudited) |
|--|----------------------|-----------------------|----------------------------------|---------------------|--|----------------------|----------------------|
| Money market | \$ - | \$ 1,377,674 | \$ 6,101 | \$ 71,912 | \$ 213 | \$ 1,455,900 | \$ 2,422,482 |
| Fixed income securities | 385,480 | 5,085,833 | 582,530 | 2,365,453 | - | 8,419,296 | 8,159,639 |
| Canadian equity | - | 1,013,041 | 396,131 | 1,597,557 | 607,953 | 3,614,682 | 4,404,164 |
| Foreign equity | - | 1,531,637 | 657,069 | 2,652,826 | - | 4,841,532 | 5,121,997 |
| Alternatives | - | - | 241,138 | 942,935 | - | 1,184,073 | 1,082,817 |
| | \$ 385,480 | \$ 9,008,185 | \$ 1,882,969 | \$ 7,630,683 | \$ 608,166 | \$ 19,515,483 | \$ 21,191,099 |
| Unrealized gain (loss) included above: | \$ - | \$ (226,744) | \$ (85,920) | \$ (650,425) | \$ (21,128) | \$ (984,217) | \$ 274,625 |

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 10) are invested as specified by the donors and may only be disposed with the approval of those donors.

Investment income, net of fees is comprised of the following:

| | 2023 | 2022 (Unaudited) |
|----------------------------------|-------------------|---------------------|
| Change in unrealized gain (loss) | \$ (963,089) | \$ 587,361 |
| Interest income | 1,278,914 | 626,620 |
| Dividend income | 226,983 | 203,441 |
| Realized gains | 94,918 | 28,785 |
| Other | 44,497 | - |
| | \$ 682,223 | \$ 1,446,207 |

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

5. Life insurance policies:

| | 2023 | 2022 |
|----------------------------|--------------|--------------|
| | | (Unaudited) |
| Balance, beginning of year | \$ 1,289,126 | \$ 1,233,365 |
| Unrealized gain | 65,269 | 55,761 |
| Balance, end of year | \$ 1,354,395 | \$ 1,289,126 |

6. Tangible capital assets:

| | 2023 | | 2022 | |
|---------------------------------|--------------|--------------------------|----------------|----------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| | | | | (Unaudited) |
| Land | \$ 1,016,298 | \$ - | \$ 1,016,298 | \$ 1,016,298 |
| Building | 3,512,099 | 2,650,437 | 861,662 | 952,248 |
| Building improvements | 1,743,466 | 793,067 | 950,399 | 460,253 |
| Computer equipment and software | 1,990,796 | 1,528,122 | 462,674 | 404,136 |
| Furniture | 411,673 | 384,159 | 27,514 | 39,235 |
| Office equipment | 14,440 | 8,313 | 6,127 | - |
| | \$ 8,688,772 | \$ 5,364,098 | \$ 3,324,674 | \$ 2,872,170 |

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$2,128 (2022 - \$47,482 (unaudited)) relating to amounts payable for payroll related taxes.

8. Deferred revenues:

(a) Deferred revenue:

Deferred revenue is comprised of campaign revenue restricted by donors for future years.

| | 2023 | 2022 |
|--|------------|-------------|
| | | (Unaudited) |
| Balance, beginning of year | \$ 477,481 | \$ 667,927 |
| Amounts received during the year | 20,000 | 528,969 |
| Amount recognized as revenue in the year | (211,251) | (719,415) |
| Balance, end of year | \$ 286,230 | \$ 477,481 |

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

8. Deferred revenues (continued):

(b) Deferred program management revenue:

Deferred program management revenue is comprised of the portion of grant revenue restricted for indirect costs that cannot be directly attributed to the program but are vital for the success of the program.

| | 2023 | 2022 |
|--|--------------|-------------|
| | | (Unaudited) |
| Balance, beginning of year | \$ - | \$ - |
| Amounts received during the year (note 13) | 6,120,318 | - |
| Amount recognized as revenue in the year (note 13) | (446,397) | - |
| Balance, end of year | \$ 5,673,921 | \$ - |

9. Demand loan:

| | 2023 | 2022 |
|-------------------------------------|------|-------------|
| | | (Unaudited) |
| Coastal Community Credit Union loan | \$ - | \$ 130,023 |

This loan was due on demand with a repayment schedule at \$945 per month including interest at 4.65% per annum. The loan was fully repaid in fiscal 2023.

10. Donor Advised funds:

| | 2023 | 2022 |
|--|------------|-------------|
| | | (Unaudited) |
| Balance, beginning of year | \$ 641,271 | \$ 642,823 |
| Investment income | 47,546 | 36,141 |
| Fair value adjustment | (21,128) | 24,831 |
| Distributed and recognized as campaign revenue | (59,523) | (62,524) |
| Balance, end of year | \$ 608,166 | \$ 641,271 |

11. Endowment fund:

Included in the endowment fund is \$6,498,224 (2022 - \$6,434,904 (unaudited)) which is subject to external restrictions requiring that these amounts be maintained permanently as endowments.

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

12. Vancouver Foundation income:

United Way is the sole recipient of income from a fund established at the Vancouver Foundation by United Way and others. The annual distributions received are included in revenue in the unrestricted fund and are used to offset United Way fundraising expenses (note 1(n)).

United Way has no access to the capital of this fund and, accordingly, the fund balance is not reflected in these financial statements. The fund has a fair value at March 31, 2023 of \$29,885,574 (2022 - \$31,105,357 (unaudited)).

13. Grants and other contributions:

| | 2023 | 2022 |
|--|-----------------------|----------------------|
| | | (Unaudited) |
| Gross amounts received or receivable (a) | \$ 113,587,210 | \$ 25,753,102 |
| Less program management portion deferred (note 8(b)) | (6,120,318) | - |
| Plus program management portion recognized (note 8(b)) | 446,397 | - |
| Net amount recognized during the year | \$ 107,913,289 | \$ 25,753,102 |

(a) During the year ended March 31, 2023, included in amounts received or receivable was \$94,900,074 (2022 - \$18,096,117 (unaudited)) in grants from various ministries of the Province of British Columbia and \$3,721,709 (2022 - \$3,093,918 (unaudited)) from the Federal government.

14. 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 (the "Plan"). 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% (2022 - 175% (unaudited)) of employee contributions. United Way's expense for the year ended March 31, 2023 in respect of pension contributions for its employees amounted to \$1,175,609 (2022 - \$698,977 (unaudited)).

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, 2021. As at December 31, 2021, the Plan's valuation showed a combined going concern surplus of \$28,700,000 on a going concern asset base of \$137,700,000. On a solvency basis, the Plan's valuation showed a combined solvency deficit of \$3,300,000 on a solvency asset base of \$137,000,000.

UNITED WAY BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

15. 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.

(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.

(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 its cash and pledges receivable. Cash is held with one chartered Canadian bank. United Way assesses, on a continuous basis, pledges receivable and provides for any amounts that are assessed as not collectible.

(d) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. United Way is exposed to currency risk on its foreign equity investments.

(e) Other risks:

United Way believes that it is not exposed to significant liquidity, or cash flow risks arising from its financial instruments.

There has been no significant change to the financial risk exposures outlined above from 2022.

16. Remuneration of employees and contractors:

For the year ended March 31, 2023, United Way paid total remuneration of \$1,683,202 (2022 - \$1,530,983 (unaudited)) to the top 10 employees and contractors for services, each of whom received total annual remuneration of \$75,000 or greater.

No remuneration was paid to any members of the Board of Directors.

17. Subsequent event:

Effective April 4, 2023, the United Way amalgamated with Powell River and District United Way. The amalgamated entity remained United Way British Columbia. This amalgamation further strengthens United Way's ability to connect all British Columbians to vital community programs and services for both everyday needs and in times of crisis.

UNITED WAY BRITISH COLUMBIA

Restricted Special Purpose Funds

Schedule 1

Year ended March 31, 2023, with combined comparative information for 2022

| | Community Investment Funds | Stabilization Fund | Preventative Services Fund | Other funds | Total 2023 | Total 2022 |
|--|----------------------------------|-----------------------|----------------------------------|----------------|----------------|---------------|
| | | | | | | (Unaudited) |
| Balance, beginning of year | \$ 55,469,775 | \$ 11,081,723 | \$ 1,965,676 | \$ 200,790 | \$ 68,717,964 | \$ 73,083,210 |
| Revenue: | | | | | | |
| Proceeds from annual campaign contributions | 1,908,653 | - | - | 2,541 | 1,911,194 | 5,824,325 |
| Gifts in kind contributions | 315,384 | - | - | - | 315,384 | 245,373 |
| Grants and other contributions (a) | 107,466,892 | - | - | - | 107,466,892 | 26,235,203 |
| Investment income | 222,222 | 78,058 | 7,509 | - | 307,789 | 234,394 |
| | 109,913,151 | 78,058 | 7,509 | 2,541 | 110,001,259 | 32,539,295 |
| Expenses: | | | | | | |
| Grants | 35,279,411 | - | - | - | 35,279,411 | 34,404,994 |
| Distributions including allocations | 15,148,542 | 54,112 | 11,591 | - | 15,214,245 | 12,527,893 |
| | 50,427,953 | 54,112 | 11,591 | - | 50,493,656 | 46,932,887 |
| Excess (deficiency) of revenue over expenses | 59,485,198 | 23,946 | (4,082) | 2,541 | 59,507,603 | (14,393,592) |
| Fund transfers: | | | | | | |
| Acquisition of tangible capital assets | (3,614) | (927,225) | - | - | (930,839) | (288,741) |
| Repayment of demand loan | (130,023) | - | - | - | (130,023) | (5,162) |
| Transfers to Endowment Fund | - | - | (18,555) | - | (18,555) | (18,114) |
| Transfers (to) from Campaign operations | 8,897,603 | (1,170,259) | (60,070) | - | 7,667,274 | 10,340,363 |
| | 8,763,966 | (2,097,484) | (78,625) | - | 6,587,857 | 10,028,346 |
| Increase (decrease) for the year | 68,249,164 | (2,073,538) | (82,707) | 2,541 | 66,095,460 | (4,365,246) |
| Balance, end of year | \$ 123,718,939 | \$ 9,008,185 | \$ 1,882,969 | \$ 203,331 | \$ 134,813,424 | \$ 68,717,964 |

(a) During the year ended March 31, 2023, UWBC received \$755,071 from the Ministry of Public Safety and Solicitor General of the Province of BC for the VictimLink BC & Yukon program, for the administration of specialized information and referral services to the public. All funds received were disbursed in support of this contract during fiscal 2023.

UNITED WAY BRITISH COLUMBIA

United Way Community Services Expenses

Schedule 2

Year ended March 31, 2023, with combined comparative information for 2022

| | 2023 | 2022 |
|--|---------------------|---------------------|
| | | (Unaudited) |
| Expenses: | | |
| Community impact and investment | \$ 2,043,864 | \$ 1,273,324 |
| Communication and awareness | 848,022 | 657,452 |
| Labour participation services | 360,892 | 279,699 |
| | <u>3,252,778</u> | <u>2,210,475</u> |
| Cost recoveries | - | (17,575) |
| Allocations (to) from: | | |
| Restricted special purpose funds | (1,665,229) | (1,740,579) |
| Fundraising and administrative expenses (schedule 3) | (108,268) | (80,641) |
| General and administrative expenses (schedule 4) | 3,832,006 | 2,324,239 |
| | <u>2,058,509</u> | <u>503,019</u> |
| <u>United Way Community Services expenses</u> | <u>\$ 5,311,287</u> | <u>\$ 2,695,919</u> |

UNITED WAY BRITISH COLUMBIA

Fundraising and Administrative Expenses

Schedule 3

Year ended March 31, 2023, with combined comparative information for 2022

| | 2023 | 2022 |
|--|---------------------|---------------------|
| | | (Unaudited) |
| Direct expenses of fundraising: | | |
| Resource development | \$ 3,790,463 | \$ 3,360,582 |
| Promotions and publicity | 848,022 | 657,451 |
| Donor services | 1,136,511 | 1,088,249 |
| | 5,774,996 | 5,106,282 |
| Cost recoveries / sponsorships | (1,071) | (187,649) |
| Direct fundraising expenses | 5,773,925 | 4,918,633 |
| Allocations of expenses from: | | |
| United Way Community Services (schedule 2) | 108,268 | 80,641 |
| General and administrative expenses (schedule 4) | 1,758,512 | 2,265,861 |
| | 1,866,780 | 2,346,502 |
| Total fundraising and administrative expenses | \$ 7,640,705 | \$ 7,265,135 |

Income received from the UWLM Endowment Fund established at the Vancouver Foundation is used to offset United Way fundraising expenses (note 12). 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)).

United Way incurs costs related to the administration and processing of donations for the Government of Canada Workplace Charitable Campaign ("GCWCC"). Included in these costs are \$58,073 which are associated with the Health Partner component of the GCWCC. These costs will be recovered through the GCWCC National Finance Office (United Way East Ontario).

UNITED WAY BRITISH COLUMBIA

General and Administrative Expenses

Schedule 4

Year ended March 31, 2023, with combined comparative information for 2022

| | 2023 | 2022 |
|--|--------------------|--------------------|
| | | (Unaudited) |
| General and administrative expenses: | | |
| Finance, operations and information technology | \$ 3,384,434 | \$ 2,970,345 |
| Executive management and transformation activities | 1,727,749 | 996,979 |
| Amortization | 478,335 | 622,776 |
| | <u>5,590,518</u> | <u>4,590,100</u> |
| Allocations to: | | |
| United Way Community Services expenses (schedule 2) | (3,832,006) | (2,324,239) |
| Fundraising and administrative expenses (schedule 3) | (1,758,512) | (2,265,861) |
| | <u>(5,590,518)</u> | <u>(4,590,100)</u> |
| | <u>\$ -</u> | <u>\$ -</u> |

UNITED WAY BRITISH COLUMBIA

Schedule of Revenue and Expenses – Reaching Home

Schedule 5

Year ended March 31, 2023, with combined comparative information for 2022

| | Duncan Indigenous | Nanaimo Indigenous | Nanaimo designated | Cowichan designated | 2023 | 2022 (Unaudited) |
|---|----------------------|-----------------------|-----------------------|------------------------|--------------|---------------------|
| Revenue: | | | | | | |
| Employment and Social Development Canada | \$ 583,299 | \$ 738,025 | \$ 1,222,005 | \$ 992,001 | \$ 3,535,330 | \$ 3,643,240 |
| Interest Income | 17,954 | 22,006 | 35,329 | 31,170 | 106,459 | 80 |
| | 601,253 | 760,031 | 1,257,334 | 1,023,171 | 3,641,789 | 3,643,320 |
| Expenses: | | | | | | |
| CE project management costs | 85,522 | 91,398 | 149,889 | 181,753 | 508,562 | 360,054 |
| Sub-project costs: | | | | | | |
| <u>Duncan Indigenous</u> | | | | | | |
| Hiiye'yu Lelum Society | 209,480 | - | - | - | 209,480 | 194,162 |
| Cowichan Housing Association | 99,563 | - | - | - | 99,563 | 24,129 |
| Cowichan Women Against Violence | 344,274 | - | - | - | 344,274 | 15,749 |
| Ts'Ewulthun Health Centre | 74,999 | - | - | - | 74,999 | - |
| <u>Nanaimo Indigenous</u> | | | | | | |
| Tillicum Lelum Aboriginal Friendship Centre | - | 242,156 | - | - | 242,156 | 285,643 |
| Snuneymuxz First Nation | - | 590,609 | - | - | 590,609 | 8,045 |
| <u>Nanaimo Designated</u> | | | | | | |
| Nanaimo Region John Howard Society | - | - | 491,275 | - | 491,275 | 370,117 |
| Snuneymuxw First Nation | - | - | 154,440 | - | 154,440 | - |
| Aids Vancouver Island Health Centre | - | - | 6,733 | - | 6,733 | 13,579 |
| Canadian Mental Health Association | - | - | 432,358 | - | 432,358 | 296,525 |
| Island Crisis Care Society | - | - | 50,001 | - | 50,001 | - |
| Risebridge Project | - | - | 20,849 | - | 20,849 | 79,045 |
| Nanaimo Family Life Association | - | - | 51,737 | - | 51,737 | 20,000 |
| Society for Equity, Inclusion and Advocacy | - | - | - | - | - | 25,684 |
| Sub-project costs subtotal carried forward | 728,316 | 832,765 | 1,207,393 | - | 2,768,474 | 1,332,678 |

UNITED WAY BRITISH COLUMBIA

Schedule of Revenue and Expenses – Reaching Home (continued)

Schedule 5

Year ended March 31, 2023, with comparative information for 2022

| | Duncan Indigenous | Nanaimo Indigenous | Nanaimo designated | Cowichan designated | 2023 | 2022 (Unaudited) |
|---|----------------------|-----------------------|-----------------------|------------------------|---------------------|---------------------|
| Sub-project costs subtotal brought forward | \$ 728,316 | \$ 832,765 | \$ 1,207,393 | \$ - | \$ 2,768,474 | \$ 1,332,678 |
| <u>Coordinated Access</u> | | | | | | |
| HelpSeeker | - | - | - | - | - | 3,905 |
| Vancouver Island Mental Health Society | - | - | - | - | - | 24,855 |
| Canadian Mental Health Association | - | - | - | - | - | 173,851 |
| Communications Support | - | - | - | - | - | 4,982 |
| Vancouver Island Mental Health Society | - | - | - | - | - | 20,500 |
| Wisteria Community Association | - | - | - | - | - | 20,703 |
| <u>Cowichan Designated</u> | | | | | | |
| Ladysmith Resources Centre Association | - | - | - | 66,878 | 66,878 | 51,027 |
| Cowichan Women Against Violence Society | - | - | - | 75,000 | 75,000 | - |
| Cowichan Lake Community Services Society | - | - | - | 91,933 | 91,933 | 34,797 |
| Lookout Health | - | - | - | 13,932 | 13,932 | - |
| Ts'Ewulhtun Health | - | - | - | 60,864 | 60,864 | - |
| Cowichan Housing Association | - | - | - | 133,826 | 133,826 | 70,250 |
| Malahat Nation | - | - | - | 80,208 | 80,208 | 118,012 |
| CMHA- Cowichan Valley | - | - | - | - | - | 13,495 |
| HelpSeeker- Coordinated Access | - | - | - | - | - | 38,156 |
| Clements Centre Society | - | - | - | - | - | 71,749 |
| <u>Total sub-project costs</u> | <u>728,316</u> | <u>832,765</u> | <u>1,207,393</u> | <u>522,641</u> | <u>3,291,115</u> | <u>1,978,960</u> |
| Total expenses | 813,838 | 924,163 | 1,357,282 | 704,394 | 3,799,677 | 2,339,014 |
| <u>Excess (deficiency) of revenue over expenses</u> | <u>\$ (212,585)</u> | <u>\$ (164,132)</u> | <u>\$ (99,948)</u> | <u>\$ 318,777</u> | <u>\$ (157,888)</u> | <u>\$ 1,304,306</u> |

UNITED WAY BRITISH COLUMBIA

Amalgamation of UWBC and BC211

Schedule 6

Year ended March 31, 2023

- (a) Principal components of the statement of financial position and statement of revenue and expenses by organization as at the combination date of April 1, 2022, and as at and for the year ended March 31, 2022:

| | UWBC | BC211 | Adjustments (b) | Total |
|---|----------------|--------------|-----------------|----------------|
| Total assets | \$ 86,285,948 | \$ 1,462,571 | \$ 23,407 | \$ 87,771,926 |
| Total liabilities, including Donor-Advised funds | 6,630,636 | 181,747 | (9,412) | 6,802,971 |
| Net assets: | | | | |
| Unrestricted fund | - | 497,290 | (497,290) | - |
| Restricted special purpose funds | 67,461,262 | 750,000 | 506,702 | 68,717,964 |
| Endowment fund | 8,219,718 | - | - | 8,219,718 |
| Invested in tangible capital assets | 2,685,206 | 33,534 | 23,407 | 2,742,147 |
| Life insurance policies | 1,289,126 | - | - | 1,289,126 |
| Total revenue | 53,423,446 | 3,159,406 | (14,798) | 56,568,054 |
| Total expenses | 57,663,320 | 2,980,689 | (833) | 60,643,176 |
| Excess (deficiency) of revenue over expenses | \$ (4,239,874) | \$ 178,717 | \$ (13,965) | \$ (4,075,122) |

- (b) Accounting policy adjustments:

Significant adjustments included in the above tables to align the accounting policies with those of UWBC are as follows:

- (i) BC211's use of the deferral method of accounting for contributions was adjusted to the restricted fund method of accounting for contributions, which is UWBC's policy.
- (ii) Estimated useful lives for tangible capital assets were aligned for consistency resulting in adjustments to amortization.
- (iii) Unrestricted and internally restricted net assets were reallocated to a specific restricted special purpose fund, based on intended use, to align with UWBC policies.