

United Way Northwest Territories

Financial Statements

March 31, 2014

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Financial Statements

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Independent Auditors' Report

To the Members of United Way Northwest Territories

We have audited the accompanying financial statements of United Way Northwest Territories, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Except as noted in the following paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditors' Report (continued)

Basis for Qualified Opinion

United Way Northwest Territories derives a material amount of revenue from donations and fundraising activities. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for accounts receivable, pledges and accrued receivables, donation and pledges revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Yellowknife, Canada
October 31, 2014**

Chartered Accountants

United Way Northwest Territories

Statement of Operations

For the year ended March 31,	2014	2013
Revenues		
Donations and Pledges	\$ 123,609	\$ 149,407
Grants (note 3)	11,500	24,000
Interest income	719	37
Pledge Losses	(6,275)	(1,017)
	129,553	172,427
Distributions and designated funds		
Community investment (note 4)	51,571	70,015
Donor designated	21,392	45,586
	72,963	115,601
	56,590	56,826
Expenditures		
Campaign		
Advertising and promotion	9,128	738
Subcontractor	1,302	-
	10,430	738
Administrative		
Accounting and audit	7,200	3,217
Administration	28,197	25,235
Advertising and promotion	3,255	11,317
Conferences and board development	3,924	4,285
Insurance	1,303	1,143
Interest and bank charges	860	464
Membership fees	1,806	-
Office	2,741	2,006
Process fees	737	883
	50,023	48,550
	60,453	49,288
Excess (deficiency) of revenues over expenditures	\$ (3,863)	\$ 7,538

United Way Northwest Territories

Statement of Changes in Net Assets

For the year ended March 31, 2014

	Unrestricted Net Assets	Restricted Reserve	Total 2014	Total 2013
Balance, beginning of year	\$ 91,204	\$ 30,000	\$ 121,204	\$ 113,666
Excess (deficiency) of revenues over expenditures	(4,223)	360	(3,863)	7,538
Balance, end of year	\$ 86,981	\$ 30,360	\$ 117,341	\$ 121,204

United Way Northwest Territories

Statement of Financial Position

As at March 31, 2014 2013

Assets

Current

Cash	\$ 86,445	\$ 100,919
Term deposits (note 5)	63,756	63,000
Pledges and accrued receivables (note 6)	3,000	37
Prepaid expenses	282	1,229
	<hr/>	<hr/>
	\$ 153,483	\$ 165,185

Liabilities

Current

Accounts payable and accrued liabilities	\$ 8,552	\$ 8,029
Deferred donations and pledges (note 7)	22,154	25,896
Donor designations payable	5,436	10,056
	<hr/>	<hr/>
	36,142	43,981

Fund balances

Unrestricted Net Assets	86,981	91,204
Restricted Reserve	30,360	30,000
	<hr/>	<hr/>
	117,341	121,204
	<hr/>	<hr/>
	\$ 153,483	\$ 165,185

Approved on behalf of the board:

_____ Director

_____ Director

United Way Northwest Territories

Statement of Cash Flows

For the year ended March 31,	2014	2013
Cash provided by (used for)		
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ (3,863)	\$ 7,538
Change in non-cash working capital items		
Pledges and accrued receivables	(2,963)	(37)
Prepaid expenses	947	(413)
Accounts payable and accrued liabilities	523	12,573
Deferred donations and pledges	(3,742)	(10,842)
Donor designations payable	(4,620)	103
	(13,718)	8,922
Investing activity		
Term deposits	(756)	(63,000)
Decrease in cash	(14,474)	(54,078)
Cash, beginning of year	100,919	154,997
Cash, end of year	\$ 86,445	\$ 100,919

United Way Northwest Territories

Notes to the Financial Statements

March 31, 2014

1. Nature of operations

United Way Northwest Territories (the "Organization") is a not-for-profit organization incorporated under the Societies Act of the Northwest Territories. The organization is a registered charity under section 149(1)(f) of the *Income Tax Act* and is a qualifying charitable organization under section 149.1(1). The role of the organization is to match resources of the community (fundraising campaign) to those areas of greatest need.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Financial instruments

Initial measurement

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly related to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

The Board subsequently measures the following financial assets and financial liabilities at amortized cost:

Financial assets measured at amortized cost include cash, term deposits and pledges and accrued receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and donor designations payable.

Impairment

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

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Notes to the Financial Statements

March 31, 2014

2. Significant accounting policies (continued)

(b) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Grant revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated, collection is reasonably assured and all conditions related to the grant have been met.

Restricted donations are recognized as revenue in the year in which the restriction has been met. Unrestricted donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donor pledge loss represents the uncollectable donations and pledges that were promised.

Interest revenue is recognized as interest is earned.

(c) Fund accounting

The Organization uses the following funds:

Restricted reserve fund - is an internally restricted amount set aside at the direction of the board. The reserve is intended to be made available if pledges are not sufficient to cover the operating costs of the Organization.

The Unrestricted net asset fund - is the accumulated fund balance available for day to day operations of the Organization as well as the revenues and expenses related to campaign activities, program activities, and community investments.

(d) Donated material and services

The Organization relies on volunteer time and donated goods and services to achieve its purposes. Because of the difficulty of determining their fair values, volunteer time and donated goods and services are not recognized in these financial statements.

(e) Use of estimates

The preparation of the 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. Significant items subject to such estimates and assumptions include (describe). These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

United Way Northwest Territories

Notes to the Financial Statements

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3. Grants

	2014	2013
GNWT - Department of Municipal and Community Affairs	\$ 1,500	\$ 12,000
Imperial Oil Foundation	10,000	10,000
Men For Change	-	2,000
	\$ 11,500	\$ 24,000

4. Community investment

	2014	2013
Beaufort Delta Region SPCA	\$ -	\$ 2,500
Canadian Hard of Hearing Association	3,000	5,000
East Three School Secondary School	2,000	-
Food First Foundation NWT	3,000	-
Food Rescue Yellowknife	2,500	5,000
Foster Family Coalition of the NWT	3,000	3,225
Inuvik Youth Centre	2,500	4,000
John Howard Society	-	4,935
NWT Breast Health Action Group	4,909	5,000
NWT Girl Guides of Canada	5,000	5,000
NWT SPCA	-	2,500
Salvation Army Yellowknife	-	5,000
Sidedoor Ministries	-	3,225
Smart Communities Society	-	2,500
Special Olympics NWT	2,050	2,050
Stanton Territorial Hospital Foundation	2,500	-
YWCA of Yellowknife	7,500	8,225
Yellowknife Association of Community Living	2,500	3,225
Yellowknife Catholic Schools	4,520	2,500
Yellowknife Food Bank	1,592	1,130
Yellowknife Senior's Society	5,000	5,000
Total	\$ 51,571	\$ 70,015

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Notes to the Financial Statements

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5. Term deposits

	2014	2013
Unrestricted	\$ 33,396	\$ 30,000
Restricted	30,360	33,000
	\$ 63,756	\$ 63,000

Term Deposits consist of guaranteed investment certificates maturing on March 13, 2015 and earning interest at 0.8% per year.

The one GIC was internally restricted by the Organization in order to fund future endeavours.

6. Pledges and accrued receivables

	2014	2013
Department of National Defense	\$ 3,000	\$ -
Canadian Imperial Bank of Commerce	-	37
	\$ 3,000	\$ 37

The Organization has not set up an allowance for pledge losses as all funds were received subsequent to year-end.

7. Deferred donations and pledges

The balance represent 100% externally restricted deferred donations and pledges.

8. Economic dependence

The Organization is economically dependent on United Way Canada. The Organization relies on United Way Canada to provide support through which the operations can occur. If this relationship was to be cancelled the operations of the Organization would be materially affected.

9. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

United Way Northwest Territories

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10. Financial instruments

The Organization is exposed to the following risk in respect of certain of the financial instruments held:

Credit risk

The Organization does have a credit risk in the pledges and accrued receivables of \$3,000 (2013 - \$37). Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from donors. There is a concentration of credit risk, as 100% of the accounts receivable are due from Canadian Forces.