

United Way of Northwest Territories

Financial Statements

March 31, 2022

United Way of Northwest Territories

Financial Statements

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Independent Auditors' Report

To the Members of United Way of Northwest Territories

Qualified Opinion

We have audited the financial statements of United Way of Northwest Territories, which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year 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, 2022, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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.

Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Yellowknife, Canada
August 11, 2022

Crowe MacKay LLP

Chartered Professional Accountants

United Way of Northwest Territories

Statement of Financial Position

March 31, 2022 2021

Assets

Current

Cash and cash equivalents	\$ 357,300	\$ 187,785
Term deposits (note 4)	41,513	41,102
Accounts receivable (note 5)	32,963	5,027
Prepaid expenses	108	1,760

\$ 431,884 **\$ 235,674**

Liabilities

Current

Accounts payable and accrued liabilities	\$ 30,744	\$ 45,193
Deferred donations (note 6)	218,622	9,599
Donor designations payable	7,799	7,202

257,165 **61,994**

Fund balances

Unrestricted Net Assets	123,778	132,739
Restricted Reserve	50,941	40,941

174,719 **173,680**

\$ 431,884 **\$ 235,674**

Commitments (note 7)

Approved on behalf of the Board:

_____ Director

_____ Director

United Way of Northwest Territories

Statement of Operations

For the year ended March 31,	2022	2021
Revenues		
Donations and Pledges		
Donations and pledges - corporate	\$ 63,751	\$ 45,694
Donations and pledges - individuals	191,218	252,568
Donations and pledges - fundraising	4,613	10,296
Donations and pledges - Flood Relief (note 9)	346,231	-
Donations and pledges - Together We Are Strong campaign	-	149,510
Funds transferred from other United Ways	16,667	14,311
Uncollectible pledges	-	(20,527)
	622,480	451,852
Other Income		
Grant - COVID-19 emergency relief funding	-	387,880
Grant - New Horizons seniors program	-	75,000
Grant - Royal Bank of Canada	10,000	10,000
Investment Income	939	381
In-kind contributions - accounting	5,000	5,000
In-kind contributions - telephone	-	149
	15,939	478,410
Total revenues	\$ 638,419	\$ 930,262

United Way Northwest Territories

Statement of Operations (continued)

For the year ended March 31,	2022	2021
Distribution expenses		
Administration	\$ 2,247	\$ 1,938
Community investment (note 8)	180,750	150,300
Donor designated	47,979	42,119
Emergency community support - COVID-19	-	383,372
Membership fees	5,409	3,000
NWT flood relief (note 9)	352,074	-
Seniors New Horizons grants	-	75,000
Together We Are Strong grants	-	132,500
Total distributions	588,459	788,229
Fundraising expenses		
Administration	5,940	2,424
Donor choice surcharge	(2,904)	(2,798)
Fundraising expenses	6,827	4,364
Total fundraising expenses	9,863	3,990
General and administration expenses		
Administration	10,529	14,240
Advertising and promotion	1,951	3,727
Audit	13,315	12,315
Board meetings	1,151	493
Insurance	1,905	1,984
Interest and bank charges	576	785
Office	9,631	3,893
Total general and administration	39,058	37,437
Total expenses	637,380	829,656
Excess (deficiency) of revenues over expenses	\$ 1,039	\$ 100,606

United Way of Northwest Territories

Statement of Changes in Net Assets

For the year ended March 31, 2022

	Unrestricted Net Assets	Restricted Reserve	Total 2022	Total 2021
Balance, beginning of year	\$ 132,739	\$ 40,941	\$ 173,680	\$ 73,074
Excess of revenues over expenditures	1,039	-	1,039	100,606
Transfer to reserve	(10,000)	10,000	-	-
Balance, end of year	\$ 123,778	\$ 50,941	\$ 174,719	\$ 173,680

United Way of Northwest Territories

Statement of Cash Flows

For the year ended March 31,	2022	2021
Cash provided by (used for)		
Operating activities		
Excess of revenues over expenditures	\$ 1,039	\$ 100,606
Change in non-cash working capital items		
Accounts receivable	(27,936)	(3,385)
Prepaid expenses	1,652	(240)
Accounts payable and accrued liabilities	(14,449)	(18,634)
Deferred donations	209,023	(18,582)
Donor designations payable	597	515
	169,926	60,280
Investing activities		
Investment in term deposits	(41,513)	(41,102)
Matured term deposits	41,102	41,000
	(411)	(102)
Increase in cash	169,515	60,178
Cash, beginning of year	187,785	127,607
Cash, end of year	\$ 357,300	\$ 187,785

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2022

1. Nature of operations

United Way of 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 status is maintained if it continues to comply with CRA requirements. The role of the Organization is to match resources of the community (fundraising campaign) to those areas of greatest need.

2. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments, and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

The economic impact on the Organization has resulted in increased revenues and expenses on programs. This was due to government programs at various levels designed to mitigate the impact of COVID, as well as campaigns with the public to raise funds.

Subsequent to April 1, 2022, all restrictions in the Northwest Territories were lifted, and the Organization resumed its pre-pandemic activities.

3. Significant accounting policies

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

(a) 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.

(b) 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 except for when fair value information is readily available.

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2022

3. Significant accounting policies (continued)

(c) Financial instruments

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

Financial assets measured at amortized cost include cash and cash equivalents, term deposits and accounts receivables.

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

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.

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2022

3. Significant accounting policies (continued)

(d) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Contributions, including grants, are recognized as revenue in the year in which the related expenses are incurred and 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. Current year campaign results from payroll pledges are deferred and included in the following years revenue when related allocations are made.

Uncollectible pledges represents estimated uncollected pledges.

Interest revenue is recognized as interest is earned.

(e) Cash equivalents

Cash and cash equivalents consist of cash on deposit, deposits outstanding and cheques issued and outstanding and a savings account.

(f) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles 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 dates 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 pledge losses. Actual results could differ from those estimates.

4. Term deposits

	2022	2021
Guaranteed investment certificates maturing July 5, 2022 and earning interest at 0.35% per year.	\$ 41,513	\$ 41,102

5. Accounts receivable

	2022	2021
GST Rebate	\$ 2,778	\$ 1,864
Other	3,982	3,163
PSAC Social Justice Fund	26,203	-
	\$ 32,963	\$ 5,027

United Way of Northwest Territories

Notes to the Financial Statements

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6. Deferred donations

The opening balance represents restricted payroll pledges received during the period January to March, which were deferred until the following year when related allocations are made. Current year additions represent funds donated for flood relief that have not yet been distributed.

	2022	2021
Opening balance	\$ 9,599	\$ 28,181
Recognized in revenue	(9,599)	(28,181)
Donations received and deferred	218,622	9,599
	\$ 218,622	\$ 9,599

7. Commitments

The Organization has multi-year funding agreements with various other organizations. Future estimated minimum payments are as follows:

2023	\$ 15,000
2024	15,000
	\$ 30,000

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2022

8. Community investment

	2022	2021
Association franco-culturelle de Hay River	\$ -	\$ 3,750
BACup North	-	3,750
CDETNO - Dress for Success (Paid to Yellowknife Women's Society)	7,500	-
Children First Society	7,500	7,500
Community Garden Society of Inuvik	-	7,500
Dehcho Divisional Education Council	7,500	-
Dene Nahjo - Urban Hide Camp (Paid to Tides Canada Foundation - recovery of 2020 grant)	(7,500)	-
Ecology North	7,500	7,500
Food First Foundation	7,500	7,500
Food Rescue	7,500	7,500
Fort Smith Community Kitchen	-	7,500
Fort Smith Ecumenical Group	7,500	-
Foster Family Coalition	7,500	-
Hamlet of Tulita	7,500	-
Hay River Committee for Persons with Disabilities	-	7,500
Hay River Family Support Centre	15,000	-
Hay River Seniors' Society	-	7,500
Hay River Soup Kitchen	7,500	7,500
Home Base (Paid to The Side Door Ministries)	7,500	-
Inclusion Northwest Territories	7,500	7,500
Inuvik Youth Centre	7,500	7,500
MacKenzie Recreation Association (Paid to Katl'odeeche First Nation)	15,000	15,000
NWT Breast Health Action Group	7,500	-
NWT Literacy Council	7,750	7,600
Project Northern Birth Work (Paid to Makeway Charitable Society)	7,500	-
Northern Mosaic Network (previously Rainbow Coalition)	7,750	7,600
Northern Mosaic Network (previously Rainbow Coalition - recovery of 2020 grant)	(7,500)	-
Sambaa K'e First Nation	7,500	-
Soaring Eagle Friendship Centre	7,500	-
Society of St. Vincent de Paul	7,500	7,500
Ulukhaktok Food Bank (Paid to Hamlet of Ulukhaktok)	7,500	7,500
YWCA NWT	7,750	100
Yellowknife Womens Society	-	15,000
Community investment distributions	\$ 180,750	\$ 150,300

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2022

9. Flood Relief

	2022
Revenue	
Donations Received	\$ 564,853
Less: Deferred revenue	(218,622)
Total revenues	346,231
Distribution expenses	
Charter Community of K'asho Got'ine	113,019
Fort Simpson Historical Society	15,000
Fort Smith Ecumenical Group - Food Bank/Soup Kitchen	5,000
Liidlii Kue First Nation	22,563
Soaring Eagle Friendship Centre	15,000
Village of Fort Simpson	169,649
Coordination Expenses	
Fort Simpson Historical Society	3,363
Ivy & Dean Consulting	4,240
Jacq Brasseur	4,000
Nahanni Inn	240
Total expenses	352,074
Deficiency of revenues over expenses	\$ (5,843)

10. Government of Canada Workplace Charitable Campaign (GCWCC)

The GCWCC campaign costs are included in the Statement of Operations under fundraising expenses and can be further broken down as follows:

	2022	2021
Administration	\$ 2,247	\$ 715
Office	285	10
Processing fees	-	192
	\$ 2,532	\$ 917

11. 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.

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2022

12. Comparative amounts

Certain of the comparative amounts have been reclassified to conform with the financial statement presentation adopted for the current year.

13. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

The Organization does have credit risk in cash and cash equivalents and term deposits of \$398,813 (2021 - \$228,887) and accounts receivable of \$32,963 (2021 - \$5,027). 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 reduces its exposure to credit risk by granting credit only to approved customers and creating an allowance for bad debts when applicable. The risk has not changed from prior year.

(b) Concentration of credit risk

The Organization does have concentration of credit risk as a result of having funds with one major Canadian chartered bank in excess of its insurable limit. An insurable limit is the maximum amount that is insured by the Canadian Deposit Insurance Corporation in case of a bank failure. The Organization has \$398,813 (2021 - \$228,887) in chequing and savings accounts and term deposits. This risk has not changed from the prior year.

(c) Liquidity risk

The Organization does have a liquidity risk in the accounts payable and accrued liabilities of \$30,744 (2021 - \$45,193). Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. This risk has not changed from the prior year.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's interest-bearing financial instruments include fixed rate term deposits. The fair values of fixed rate financial instruments fluctuate as market rates of interest change. This risk has not changed from the prior year.