



Crowe MacKay LLP

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September 9, 2021

PRIVATE AND CONFIDENTIAL

United Way of Northwest Territories
PO Box 1145
Yellowknife, NT X1A 2N8

Dear Sirs/Mesdames:

Re: United Way of Northwest Territories
Financial Statements and Related Items for the Year Ended March 31, 2021

As requested, we have examined the accounts and records of the Organization for the year and accordingly enclose electronic copies of the following:

1. Financial statements for the year.
2. Our invoice for services rendered; we would appreciate payment within thirty days so that interest charges can be avoided.
3. A copy of year end adjusting entries which should be entered in your general ledger. After posting these entries, the balance in the general ledger for retained earnings should be the same as that on the published financial statements. Also enclosed is a copy of our working trial balance to assist you in the posting of these entries.
4. A copy of the management letter.

If you would like a hard copy of any of these documents please advise our office. If you would like to discuss these matters or have any questions, please contact our office.

Thank you for doing business with Crowe MacKay LLP.

Yours very truly,

Crowe MacKay LLP
Chartered Professional Accountants

A handwritten signature in black ink, appearing to read "v. lackey". The signature is written in a cursive, flowing style.

Per: Virginia Lackey, CPA, CA, CIA
Engagement Partner

Encl.

(11/18)

United Way of Northwest Territories

Financial Statements

March 31, 2021

United Way of Northwest Territories

Financial Statements

March 31, 2021

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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, 2021, 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, 2021, 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 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, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 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. Our audit opinion on the current year's financial statements is also modified because of the possible effect of this matter on comparability of the current year's figures and the corresponding figures.

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
September 8, 2021

Crowe Mackay LLP

Chartered Professional Accountants

United Way of Northwest Territories

Statement of Financial Position

March 31, 2021 2020

Assets

Current

Cash and cash equivalents	\$ 187,785	\$ 127,607
Term deposits (note 4)	41,102	41,000
Accounts receivable (note 5)	5,027	1,642
Prepaid expenses	1,760	1,520

\$ 235,674 **\$ 171,769**

Liabilities

Current

Accounts payable and accrued liabilities	\$ 45,193	\$ 63,827
Deferred donations (note 6)	9,599	28,181
Donor designations payable	7,202	6,687

61,994 **98,695**

Fund balances

Unrestricted Net Assets	132,739	32,133
Restricted Reserve	40,941	40,941

173,680 **73,074**

\$ 235,674 **\$ 171,769**

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,	2021	2020
Revenues		
Donations and Pledges		
Donations and pledges - corporate	\$ 45,694	\$ 16,942
Donations and pledges - individuals	252,568	243,634
Donations and pledges - fundraising	10,296	15,434
Donations and pledges - Together We Are Strong campaign	149,510	-
Funds transferred from other United Ways	14,311	4,335
Uncollectible pledges	(20,527)	(20,753)
	451,852	259,592
Other Income		
Grant - COVID-19 emergency relief funding (note 10)	387,880	-
Grant - Imperial Oil Foundation	-	7,000
Grant - New Horizons seniors program (note 11)	75,000	-
Grant - Royal Bank of Canada	10,000	6,000
Investment Income	381	192
In-kind contributions - accounting	5,000	5,000
In-kind contributions - telephone	149	891
	478,410	19,083
Total revenues	930,262	278,675

United Way of Northwest Territories
Statement of Operations (continued)

For the year ended March 31,	2021	2020
Expenses		
Distribution expenses		
Administration	1,938	1,794
Community Investment (note 8)	150,300	175,700
Donor designated	42,119	46,029
Emergency Community Support Grants (note 10)	383,372	-
Membership fees	3,000	3,000
Seniors New Horizons Grants (note 11)	75,000	-
Together We Are Strong Grants (note 12)	132,500	-
	788,229	226,523
General and administration expenses		
Administration	14,240	6,319
Advertising and promotion	3,727	2,337
Board meetings and development	493	70
Insurance	1,984	1,808
Interest and bank charges	785	13
Office	3,893	3,352
Professional fees	12,315	12,315
	37,437	26,214
Fundraising expenses		
Administration	2,424	5,067
Advertising and promotion	-	795
Donor choice surcharge	(2,798)	(1,042)
Fundraising expenses	4,364	2,923
Interest and bank charges	-	269
	3,990	8,012
	829,656	260,749
Excess of revenues over expenses	\$ 100,606	\$ 17,926

United Way of Northwest Territories

Statement of Changes in Net Assets

For the year ended March 31, 2021

	Unrestricted Net Assets	Restricted Reserve	Total 2021	Total 2020
Balance, beginning of year	\$ 32,133	\$ 40,941	\$ 73,074	\$ 55,148
Excess of revenues over expenses	100,606	-	100,606	17,926
Balance, end of year	\$ 132,739	\$ 40,941	\$ 173,680	\$ 73,074

United Way of Northwest Territories

Statement of Cash Flows

For the year ended March 31,	2021	2020
Cash provided by (used for)		
Operating activities		
Excess of revenues over expenses	\$ 100,606	\$ 17,926
Change in non-cash working capital items		
Accounts receivable	(3,385)	(558)
Prepaid expenses	(240)	(112)
Accounts payable and accrued liabilities	(18,634)	37,321
Deferred donations	(18,582)	(13,844)
Donor designations payable	515	(2,962)
	60,280	37,771
Investing activities		
Investment in term deposits	(41,102)	(35,889)
Matured term deposits	41,000	-
	(102)	(35,889)
Increase in cash	60,178	1,882
Cash, beginning of year	127,607	125,725
Cash, end of year	\$ 187,785	\$ 127,607

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2021

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.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the Organization's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these developments and the impact on the financial results and condition of the Organization and its operations in future periods.

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.

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2021

3. Significant accounting policies (continued)

(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.

(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 and donor designations payable.

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, 2021

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

	2021	2020
Guaranteed investment certificates maturing April 24, 2021 and earning interest at 1.0% per year.	\$ 41,102	\$ 41,000

5. Accounts receivable

	2021	2020
GST Rebate	\$ 1,864	\$ 1,228
Other	3,163	414
	\$ 5,027	\$ 1,642

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2021

6. Deferred donations

The balance represents restricted payroll pledges received during the period January to March, which are deferred until the following year when related allocations are made.

	2021	2020
Opening balance	\$ 28,181	\$ 42,025
Recognized in revenue	(28,181)	(42,025)
Donations received and deferred	9,599	28,181
	\$ 9,599	\$ 28,181

7. Commitments

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

2022	\$ 15,000
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United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2021

8. Community investment

	2021	2020
Association franco-culturelle de Hay River	\$ 3,750	\$ -
BACup North	3,750	-
CDETNO - Yellowknife Womens Society	-	4,700
Children First Society	7,500	7,500
Community Garden Society of Inuvik	7,500	-
Dene Nahjo	-	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 Cooperative Nursery School	-	7,500
Foster Family Coalition	-	7,500
Hay River Committee for Persons with Disabilities	7,500	-
Hay River Family Support Centre	-	7,500
Hay River Seniors' Society	7,500	-
Hay River Soup Kitchen	7,500	7,500
Inclusion Northwest Territories	7,500	7,500
Inclusion Northwest Territories - Yellowknife Farmers Market	-	7,500
Inuvik Food Bank	-	1,000
Inuvik Homeless Shelter	-	7,500
Inuvik Youth Centre	7,500	7,500
MacKenzie Recreation Association	15,000	15,000
NWT Literacy Council	7,600	7,500
Rainbow Coalition	7,600	7,500
Side Door Ministries	-	7,500
Society of St. Vincent de Paul	7,500	-
Ulukhaktok Food Bank	7,500	-
YWCA NWT	100	7,500
Yellowknife Seniors Society	-	5,000
Yellowknife Womens Society	15,000	15,000
Young Parents Program - Yellowknife Educational District #1	-	7,500
Community investment distributions	\$ 150,300	\$ 175,700

9. 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:

	2021	2020
Administration	\$ 715	\$ 1,396
Office	10	403
Processing fees	192	195
	\$ 917	\$ 1,994

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2021

10. Emergency Community Support Grants

	2021
Revenue	
United Way of Canada - Centraide Canada	\$ 212,880
Government of Northwest territories	175,000
	<hr/> 387,880
Distribution expenses	
Avens Community	10,000
Children First Society	4,622
Community Garden Society of Inuvik	28,250
Community Government of Whati	4,375
Fort Smith Food Bank	10,000
Foster Family Coalition of the NWT	17,500
Gwich'in Tribal Council	20,000
Hamlet of Enterprise	29,000
Hamlet of Tuktoyaktuk	10,000
Hay River Soup Kitchen	3,000
Inclusion NWT	25,000
Incorporated Hamlet of Tulita	17,250
Katloddeeche First Nation	1,500
Liidlii Kue First Nation	5,000
Lutsel K'e Dene First Nation	4,375
Makeway Charitable Society -Tides Canada Initiatives Society Northern Youth Leadership	5,000
NWT Disabilities Council	5,000
Paul William Kaeser High School	5,000
Pehdzeh Ki First Nation	3,500
Rainbow Coalition of Yellowknife	15,000
Sahtu Search and Rescue	4,375
Side Door Ministries	2,500
Sister Celeste Child Development and Elder Centre	2,250
Soaring Eagle Friendship Centre	8,500
St. John's Anglican Church	1,750
St. Joseph's Cathedral Parish Fort Smith	1,750
Teet'lt Gwichin Band Council	3,500
Town Of Hay River	41,500
Tsiigehtchic Charter Community	4,375
Ulukhoktuk Food Bank	10,000
West Point First Nation	35,000
Yellowknife Senior's Society	2,000
Yellowknives Dene First Nation	32,000
YWCA NWT	10,500
	<hr/> 383,372
	<hr/> \$ 4,508

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2021

10. Emergency Community Support Grants (continued)

The surplus of \$4,508 was used to cover administrative expenses.

11. Seniors New Horizons Grants

	2021
Revenue	
United Way of Canada - Centraide Canada	\$ 75,000
Distribution expenses	
Alzheimers Society of AB/NWT	2,500
Avens Community	5,000
Charter Community K'asho Got'ine	4,375
Community Garden Society of Inuvik	1,750
Deninu Kue First Nation	5,000
Deline Got'ine Government	4,375
Gwich'in Tribal Council	8,500
Hamlet of Aklavik	4,375
Hamlet of Enterprise	3,500
Hamlet of Fort Providence	3,500
Hamlet of Paulatuk	5,000
Inuvialuit Charitable Foundation	16,625
Jean Marie River First Nation	3,500
K'atl'odeechee	3,500
Town of Hay River	3,500
	75,000
	\$ -

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2021

12. Together We Are Strong

	2021
Distribution expenses	
Avens Community	\$ 5,000
Camp Connections- Foster Family Coalition	5,000
Food First Foundation	20,000
Foster Family Coalition of the NWT	2,500
Hamlet of Enterprise	2,500
Hamlet of Ulukhaktok	5,000
Hay River Family Support Centre	5,000
Hay River Soup Kitchen	5,000
Inclusion NWT	3,000
Liidlil Kue First Nation	5,000
Sahtu Search and Rescue	5,000
Samba K'e First Nation	5,000
Side Door Ministries	2,500
Society of St. Vincent de Paul	5,000
Teet'it Gwich'in Band Council	5,000
Town Of Inuvik	5,000
Tsigehtchic Charter Community	5,000
Yellowknife Catholic Schools	5,000
Yellowknife Educational District #1	5,000
Yellowknife Playschool Association	2,000
Yellowknife Women's Society	5,000
Yellowknives Dene First Nation	10,000
YWCA NWT	15,000
	<hr/>
	\$ 132,500

13. 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.

14. Comparative amounts

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

15. 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.

United Way of Northwest Territories

Notes to the Financial Statements

March 31, 2021

15. Financial instruments (continued)

(a) Credit risk

The Organization does have credit risk in cash and cash equivalents and term deposits of \$228,887 (2020 - \$168,607) and accounts receivable of \$5,027 (2020 - \$1,642). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. 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 the 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 \$228,887 (2020 - \$168,607) 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 \$45,193 (2020 - \$63,827). Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. 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.



Crowe MacKay LLP

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www.crowemackay.ca

September 8, 2021

United Way of Northwest Territories
PO Box 1145
Yellowknife, NT X1A 2N8

Dear Sirs/Mesdames

Re: Audit of 2021 Financial Statements

During the course of our audit of the financial statements of United Way of Northwest Territories for the year ended March 31, 2021, we identified some matters that may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement, and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. Accordingly, an audit would not usually identify all such matters. In addition, an audit cannot be expected to disclose defalcations and other irregularities and it is not designed to express an opinion as to whether the systems of internal control established by the management have been properly designed or have been operating effectively.

As a result of our observations, we have outlined some suggestions for your consideration. This report is not exhaustive, and deals with the more important matters that came to our attention during the audit. Minor matters were discussed verbally with your staff.

This communication is prepared solely for the information of management of United Way of Northwest Territories and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours very truly,

Crowe MacKay LLP

Chartered Professional Accountants

A handwritten signature in black ink, appearing to read "V. Lackey".

Per: Virginia Lackey, CPA, CA, CIA
Partner

Encl.

(12/13)

United Way of Northwest Territories

Observations and Recommendations - Appendix 1

Observation

We noted that the bank account 1005 is in a credit balance at year end due to a number of uncleared cheques and payments.

Implications

If all of these cheques were cashed soon after year end, the bank account would end up overdrawn which could result in penalties charged on the account.

Recommendation

Prior to writing a significant number of cheques the balance in the operating account should be reviewed to ensure there are sufficient funds should all the cheques be cashed. Alternatively, when you notice that there is a risk of the operating account being overdrawn, a transfer of funds from the savings account could be made to ensure any shortfall would be covered.

United Way of Northwest Territories

Observations and Recommendations - Appendix 2

Observation

GST Public Service Body (PSB) rebates have not been filed in order to claim the GST paid for the 2019, 2020 and 2021 fiscal years.

Implications

If the GST paid is not claimed in a timely manner it will not be recoverable. The Canada Revenue Agency (CRA) imposed a time limit for claiming GST paid whereby it must be claimed within four years from the last day of the claim period in which the expense was incurred. If it is not claimed by the due date the GST paid will no longer be recoverable and will become an expense of the Organization.

At March 31, 2023 the GST paid in fiscal year 2018/19 is no longer recoverable.

Recommendation

We recommend that the GST rebates for fiscal years 2019, 2020 and 2021 be filed immediately. We also recommend that going forward GST rebates be filed annually.

If you need support or assistance with this, Crowe MacKay Financial Services would be happy to help.

United Way of Northwest Territories

Observations and Recommendations - Appendix 3

Observation

We noted that a pledge loss is recorded year to to recognize the loss in pledge revenues from the prior year. Pledge losses should be an estimate of the pledges receivable considered uncollectible and since pledges are recorded when received and/or collection is assured, a pledge loss should not be recorded.

Implications

The pledge loss being recorded is overstating donation and pledge revenues from individuals, however the overall donation and pledge revenues are not misstated as the pledge loss is netted against the donation and pledge revenues.

Showing a pledge loss indicates that the Organization did not collect on pledges made and as such incurred a loss in funds.

Recommendation

A pledge loss should not be recorded to show the loss in pledges from one year to the next as that is identifiable from the amount of donation and pledge revenues from one year to the next.

United Way of the Northwest Territories**DFC2****Year End: March 31, 2021****Trial Balance****Adjusted G/L Balances**

Account	Prelim	Adj's	Adj
1005 RBC - Operating Account	(12,656.94)	0.00	(12,656.94)
1015 RBC Savings Account	200,441.53	0.00	200,441.53
1205 Prepaid Expense	1,760.00	0.00	1,760.00
1215 Accrued Receivable	5,306.57	(279.78)	5,026.79
1330 RBC Primelink Cashable GIC	41,101.67	0.00	41,101.67
2000 Accounts Payable	(33,828.80)	0.00	(33,828.80)
2100 Accrued Liabilities	(11,025.00)	0.00	(11,025.00)
2200 Designations Payable	(7,201.88)	0.00	(7,201.88)
2305 RBC Credit Card	(338.02)	0.00	(338.02)
2553 GST/QST Payable	(34.05)	34.05	0.00
2710 Deferred Rev - Designated Donation	(29,469.08)	19,870.16	(9,598.92)
3500 Retained Earnings	(32,132.80)	0.00	(32,132.80)
3502 Restricted Designation Reserve	(40,940.85)	0.00	(40,940.85)
4010 Charitable Income:Payroll Pledges:C	(157,659.95)	(18,115.00)	(175,774.95)
4020 Charitable Income:Payroll Pledges:F	(31,352.70)	(1,755.16)	(33,107.86)
4030 Charitable Income:Payroll Pledges:C	(16,155.67)	0.00	(16,155.67)
4103 Charitable Income:One Time Donati	(828.00)	0.00	(828.00)
4104 Charitable Income:One Time Donati	(10,630.00)	0.00	(10,630.00)
4105 Charitable Income:One Time Donati	(11,982.10)	0.00	(11,982.10)
4113 Charitable Income:Ongoing/Monthly	(1,854.00)	0.00	(1,854.00)
4114 Charitable Income:Ongoing/Monthly	(2,235.00)	0.00	(2,235.00)
4135 Other:New Horizons Seniors Progra	(75,000.00)	0.00	(75,000.00)
4163 Charitable Income:Fundraising/Spec	(3,965.76)	0.00	(3,965.76)
4164 Charitable Income:Fundraising/Spec	(3,950.00)	0.00	(3,950.00)
4166 Charitable Income:Fundraising/Spec	(149,510.00)	0.00	(149,510.00)
4168 Charitable Income:Fundraising/Spec	(2,380.00)	0.00	(2,380.00)
4300 Charitable Income:Designated from I	(14,311.28)	0.00	(14,311.28)
4325 Other:Grants & Contributions	(397,880.00)	0.00	(397,880.00)
4330 Charitable Income:Corporate Donati	(45,694.00)	0.00	(45,694.00)
4350 Charitable Income:In-Kind Donations	(5,148.50)	0.00	(5,148.50)
4425 Other:Interest Income	(380.77)	0.00	(380.77)
4450 Other:Other Income	(2,797.93)	0.00	(2,797.93)
4991 Charitable Income:Pledge Loss	20,526.96	0.00	20,526.96
5110 Finance/Administration Support	0.00	0.00	0.00
5115 Subcontractor - Coordinator	18,601.22	0.00	18,601.22
5125 Board Development/Meetings	492.82	0.00	492.82
5225 Postage & Courier	273.50	0.00	273.50
5250 Telephone & Internet	899.66	0.00	899.66
5275 Office Supplies & Materials	1,032.35	0.00	1,032.35
5300 Marketing - Campaign	0.00	0.00	0.00

United Way of the Northwest Territories**DFC2-1**

Year End: March 31, 2021

Trial Balance

Adjusted G/L Balances

Account	Prelim	Adj's	Adj
5310 Marketing&Advertising - General	3,727.02	0.00	3,727.02
5600 Community Investment	150,300.00	0.00	150,300.00
5625 Seniors New Horizons Grants	75,000.00	0.00	75,000.00
5630 Emergency Community Support Gra	383,372.00	0.00	383,372.00
5635 TWAS - Together We Are Strong Gr	132,500.00	0.00	132,500.00
5651 Donor Designations	42,119.25	0.00	42,119.25
5700 Bank Service Charges	784.58	0.00	784.58
5800 Audit/Review engagement	12,315.00	0.00	12,315.00
5850 Insurance	1,984.00	0.00	1,984.00
5900 Membership Fees	3,000.00	0.00	3,000.00
5980 Process Fees	4,084.13	279.78	4,363.91
5995 Miscellaneous	1,085.76	0.00	1,085.76
5999 GST/HST Expense	635.06	(34.05)	601.01
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Income (Loss)	80,982.35		100,606.78

United Way of the Northwest Territories**DFC1**

Year End: March 31, 2021

Adjusting Journal Entries

Date: 4/1/2020 To 3/31/2021

Number	Date	Name	Account No	Debit	Credit
1	3/31/2021	Accrued Receivable	1215		279.78
1	3/31/2021	Process Fees	5980	279.78	
		To record processing fees on March 2021 GCWCC pledge revenue			
2	3/31/2021	Deferred Rev - Designated Donations	2710		2,525.84
2	3/31/2021	Charitable Income:Payroll Pledges:Federal Gover	4020	2,525.84	
		To defer March 2021 GCWCC pledge revenue			
3	3/31/2021	GST/QST Payable	2553	34.05	
3	3/31/2021	GST/HST Expense	5999		34.05
		To adjust GST payable account			
4	3/31/2021	Deferred Rev - Designated Donations	2710	22,396.00	
4	3/31/2021	Charitable Income:Payroll Pledges:GNWT	4010		18,115.00
4	3/31/2021	Charitable Income:Payroll Pledges:Federal Gover	4020		4,281.00
		To recognize donations received Jan-March 2021 (excluding estimated designated donations)			
				25,235.67	25,235.67
		Net Income (Loss)	100,606.78		



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IN ACCOUNT WITH

*UNITED WAY OF NWT
 PO BOX 1145
 YELLOWKNIFE, NT X1A2N8*

*Invoice No. 377305
 Date. 09/09/2021
 Client No. C20100.001*

FOR PROFESSIONAL SERVICES RENDERED:

For the year ended March 31, 2021

Preparation and audit of financial statements	\$ 12,000.00
Less Discount	(5,000.00)
Administration Fee	<u>315.00</u>
Total	7,315.00
GST	<u>365.75</u>
Total Due	<u>\$ 7,680.75</u>

Crowe MacKay LLP

Per: _____
GST Registration 122660467

DUE AND PAYABLE ON RECEIPT

Accounts are due as rendered. Interest at 1.5% per month (19.56%) is charged from the invoice date on accounts unpaid after 30 days

Visa, MasterCard and AMEX payments are accepted:- Invoice: 377305 C20100.001

Cardholder Name: _____ Signature: _____

Card Number: _____ CVV#: _____ Expiry Date: ____ / ____