

United Way of Yellowknife

Financial Statements

March 31, 2012

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Financial Statements

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Independent Auditors' Report

To the Members of United Way of Yellowknife

We have audited the accompanying financial statements of United Way of Yellowknife, which comprise the statement of financial position as at March 31, 2012, 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 generally accepted accounting principles, 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.

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

Basis for Qualified Opinion

United Way of Yellowknife 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, donation and fundraising 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.

We have not examined, and do not express an opinion on, the financial statements for the preceding period, which have been clearly identified as unaudited and thus we are unable to determine whether adjustments to the opening retained earnings balances might be necessary as the assets and liabilities were not audited. In addition this may have affected the current year's revenue and expenses.

Independent Auditors' Report (continued)

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, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Yellowknife, Canada
November 12, 2013

MacKay LLP
Chartered Accountants

United Way of Yellowknife

Statement of Operations

For the year ended March 31,	2012	2011 (Unaudited)
Revenues		
Campaign	\$ 121,286	\$ 89,886
GNWT grant	12,000	-
Government of Canada grant	12,000	-
Interest income	708	512
Pledge losses	(3,706)	(6,219)
	142,288	84,179
Distributions and designated funds		
Community investment (note 4)	65,000	-
Donor designated	56,005	20,439
	121,005	20,439
	21,283	63,740
Operating expenditures		
Administration	35,648	26,176
Advertising and promotion	2,411	2,226
Audit	2,500	5,000
Bank charges	535	507
Donations	678	-
Entertainment	740	-
Goods and services tax expense	-	40
Insurance	710	285
Membership	709	917
Postage and courier	194	311
Professional fees	915	1,275
Supplies	1,305	448
Telephone and utilities	265	460
Training	(494)	2,171
	46,116	39,816
Excess (deficiency) of revenues over operating expenditures	\$ (24,833)	\$ 23,924

United Way of Yellowknife

Statement of Changes in Net Assets

For the year ended March 31, 2012

	Unrestricted Net Assets	Reserve Fund	Total 2012	Total 2011 (Unaudited)
Balance, beginning of year	\$ 108,499	\$ 30,000	\$ 138,499	\$ 114,575
Excess (deficiency) of revenues over operating expenditures	(24,833)	-	(24,833)	23,924
Balance, end of year	\$ 83,666	\$ 30,000	\$ 113,666	\$ 138,499

United Way of Yellowknife

Statement of Financial Position

March 31, 2012 2011
(Unaudited)

Assets

Current

Cash	\$ 154,997	\$ 96,043
Short term investment	-	102,204
Pledges receivable (note 5)	82,504	65,802
Prepaid expenses	816	-

\$ 238,317 **\$ 264,049**

Liabilities

Current

Accounts payable and accrued liabilities	\$ 5,408	\$ 12,522
Campaign pledges deferred to subsequent year	64,228	101,170
Donor designations payable	55,015	11,858

124,651 **125,550**

Fund balances

Unrestricted Net Assets	83,666	108,499
Reserve Fund	30,000	30,000

113,666 **138,499**

\$ 238,317 **\$ 264,049**

Approved on behalf of the board:

_____ Director

_____ Director

United Way of Yellowknife

Statement of Cash Flows

For the year ended March 31,	2012	2011 (Unaudited)
Cash provided by (used for)		
Operating activities		
Excess (deficiency) of revenues over operating expenditures	\$ (24,833)	\$ 23,924
Items not affecting cash		
	(24,833)	23,924
Change in non-cash working capital items		
Pledges receivable	(16,702)	(37,404)
Prepaid expenses	(816)	-
Accounts payable and accrued liabilities	(7,114)	12,522
Campaign pledges deferred to subsequent year	(36,942)	82,910
Donor designations payable	43,157	(148,391)
	(43,250)	(66,439)
Financing activity		
Reserve Fund	-	30,000
Decrease in cash	(43,250)	(36,439)
Cash, beginning of year	198,247	234,686
Cash, end of year	\$ 154,997	\$ 198,247
Cash consists of:		
Cash	\$ 154,997	\$ 96,043
Short term investment	-	102,204
	\$ 154,997	\$ 198,247

Supplemental cash flow information (note 6)

United Way of Yellowknife

Notes to the Financial Statements

March 31, 2012

1. Nature of operations

United Way of Yellowknife (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 generally accepted accounting principles. The significant policies are detailed as follows:

(a) Fund accounting

The Organization uses the following funds:

Reserve fund - is an internally restricted amount set aside at the direction of the directors. 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) Revenue recognition

The Organization follows the deferral method of accounting for contributions which includes grants and donations. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

Restricted donations are recognized as revenue in the year in which the related expenses are made. 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 pledges, which have externally imposed restrictions, are recorded as deferred revenue when received. Donor pledges are recognized as revenue in the year funds the designated agency is funded.

Interest revenue is recognized as interest is earned.

(c) 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 value, volunteer time and donated materials and services are not recognized in these financial statements.

United Way of Yellowknife

Notes to the Financial Statements

March 31, 2012

2. Significant accounting policies (continued)

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank deposits, and GICs.

(e) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Organization are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

(f) Use of estimates

The preparation of 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. Future changes to significant accounting policies

In December 2010, the Accounting Standards Board issued a comprehensive set of new Canadian accounting standards for not-for-profit organizations (ASNPO) effective for fiscal periods beginning on or after January 1, 2012. When the end of a not-for-profit organization's annual reporting period does not coincide with the end of the calendar year, the mandatory date for first-time adoption of ASNPO is effective for fiscal periods beginning on or after December 31, 2011. Early adoption is permitted. The Organization is currently analyzing the effects of these changes on its financial statements.

United Way of Yellowknife

Notes to the Financial Statements

March 31, 2012

4. Community investment

	2012	2011 (Unaudited)
Stanton Territorial Hospital Foundation	\$ 5,000	\$ -
YWCA of Yellowknife - Rockhill emergency	5,000	-
Food Rescue Yellowknife	5,000	-
Yellowknife Senior's Society	5,000	-
Sidedoor Ministries	5,000	-
YWCA of Yellowknife Girlspace	5,000	-
Special Olympics NWT	5,000	-
Ecology North	5,000	-
Yellowknife Association of Community Living - Autism NWT	5,000	-
Yellowknife Association of Community Living - Community Investment	5,000	-
St. John Ambulance Council for NWT	5,000	-
Yellowknife Catholic Schools - Adventure Camp	5,000	-
Inuvik Inter-Agency Committee	5,000	-
Total	\$ 65,000	\$ -

5. Pledges receivable

	2012	2011 (Unaudited)
Government of Canada Workplace Charitable Campaign	\$ 52,145	\$ 49,743
Government of the Northwest Territories	30,359	15,628
Canadian Imperial Bank of Commerce	-	431
	\$ 82,504	\$ 65,802

The Organization has not set up an allowance for pledge losses as the pledges are in the form of payroll deductions.

6. Supplemental cash flow information

	2012	2011 (Unaudited)
Interest paid	\$ 708	\$ 507
Interest received	\$ 535	\$ 512

7. Comparative amounts

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

United Way of Yellowknife

Notes to the Financial Statements

March 31, 2012

8. Financial instruments

Financial instruments consist of recorded amounts of cash, short term investments, and pledges receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities, campaign pledges deferred to a subsequent year, and donor designations payable which will result in future cash outlays.

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

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. However, the Organization has a significant number of customers which minimizes concentration of credit risk.