

**United Way Fort McMurray and Wood Buffalo**  
**Financial Statements**  
*For the year ended December 31, 2019*

# United Way Fort McMurray and Wood Buffalo Contents

*For the year ended December 31, 2019*

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## **Management's Responsibility**

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To the Members of United Way Fort McMurray and Wood Buffalo:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

February 18, 2020



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Director of Administration

## Independent Auditors' Report

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To the Members of United Way Fort McMurray and Wood Buffalo:

### *Qualified Opinion*

We have audited the financial statements of United Way Fort McMurray and Wood Buffalo (the "Organization"), which comprise the statement of financial position as at December 31, 2019, 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 possible 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 December 31, 2019, 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*

As is common with many charitable organizations, United Way Fort McMurray and Wood Buffalo derives revenue from general donations, the completeness of which is not susceptible of 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 support revenue, excess (deficiency) of revenue over expenses and cash flows from operations for the years ended December 31, 2019 and 2018, current assets as at December 31, 2019 and 2018, and net assets as at January 1 and December 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended December 31, 2019 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 Auditor's 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 audit 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.

### *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 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 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 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.

Edmonton, Alberta

February 18, 2020

*MNP LLP*

Chartered Professional Accountants

# United Way Fort McMurray and Wood Buffalo Statement of Financial Position

As at December 31, 2019

	2019	2018
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 3)	3,270,457	4,011,109
Investments (Note 4) (Note 12)	5,090,504	4,699,963
Campaign pledges receivable (Note 5)	2,798,657	2,945,456
Prepaid expenses	27,630	27,866
Interest receivable	4,146	4,724
Red Cross receivable (Note 9)	1,023,647	-
	12,215,041	11,689,118
<b>Capital assets (Note 6)</b>	<b>484,163</b>	<b>547,512</b>
	<b>12,699,204</b>	<b>12,236,630</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	64,782	89,966
Deferred rental income	17,577	15,585
Government remittances payable	-	21,869
Deferred grant revenue (Note 7)	98,750	-
Deferred fire recovery contributions (Note 8)	517,520	879,296
Deferred Red Cross grant (Note 9)	-	58,252
	698,629	1,064,968
<b>Unamortized deferred capital contributions (Note 10)</b>	<b>490</b>	<b>613</b>
	<b>699,119</b>	<b>1,065,581</b>
<b>Commitments (Note 11)</b>		
<b>Net Assets</b>		
Invested in capital assets	483,673	546,899
Internally restricted net assets	8,143,161	7,641,441
Tomorrow fund	2,174,567	1,834,607
Capital fund	1,198,684	1,148,102
	12,000,085	11,171,049
	<b>12,699,204</b>	<b>12,236,630</b>

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

# United Way Fort McMurray and Wood Buffalo Statement of Operations

*For the year ended December 31, 2019*

	2019	2018
<b>Support revenue</b>		
Campaign contributions and pledges	4,558,499	4,557,013
Red Cross grant revenue <i>(Note 9)</i>	1,081,899	873,792
Fire recovery contributions <i>(Note 8)</i>	361,776	1,212,809
	<b>6,002,174</b>	6,643,614
Provision for uncollectible pledges <i>(Note 5)</i>	<b>(139,407)</b>	(155,023)
	<b>5,862,767</b>	6,488,591
<b>Other revenue</b>		
Redpoll Centre revenue <i>(Schedule 4)</i>	340,625	351,651
Investment income	180,148	136,591
Interest	53,655	63,334
Doubtful pledge recovery	47,954	57,379
	<b>622,382</b>	608,955
<b>Total revenue</b>	<b>6,485,149</b>	7,097,546
<b>General and administrative expenses</b> <i>(Schedule 1)</i>	-	-
<b>Campaign expenses</b> <i>(Schedule 2)</i>	385,755	442,194
<b>Community investment</b> <i>(Schedule 3)</i>	4,693,867	5,662,212
<b>Redpoll expenses</b> <i>(Schedule 4)</i>	425,109	427,965
<b>Fire recovery investments</b> <i>(Schedule 5)</i>	361,776	1,212,809
<b>Total expenses</b>	<b>5,866,507</b>	7,745,180
<b>Excess (deficiency) of revenue over expenses before other item</b>	<b>618,642</b>	(647,634)
<b>Other item</b>		
Unrealized gain (loss) on investments	210,394	(266,101)
<b>Excess (deficiency) of revenue over expenses</b>	<b>829,036</b>	(913,735)

*The accompanying notes are an integral part of these financial statements*

**United Way Fort McMurray and Wood Buffalo**  
**Statement of Changes in Net Assets**

*For the year ended December 31, 2019*

	<i>Invested in capital assets</i>	<i>General contingency reserve</i>	<i>Internally restricted net assets</i>	<i>Tomorrow fund</i>	<i>Capital fund</i>	<b>2019</b>	<i>2018</i>
<b>Net assets, beginning of year</b>	<b>546,899</b>	-	<b>7,641,441</b>	<b>1,834,607</b>	<b>1,148,102</b>	<b>11,171,049</b>	12,084,784
<b>Excess (deficiency) of revenue over expenses</b>	-	<b>829,036</b>	-	-	-	<b>829,036</b>	(913,735)
<b>Amortization of internally funded capital assets</b>	<b>(67,989)</b>	<b>67,989</b>	-	-	-	-	-
<b>Amortization of deferred capital contributions</b>	<b>123</b>	<b>(123)</b>	-	-	-	-	-
<b>Capital assets acquired from internal funds</b>	<b>4,640</b>	<b>(4,640)</b>	-	-	-	-	-
<b>Allocation of investment income earned</b>	-	<b>(390,542)</b>	-	<b>339,960</b>	<b>50,582</b>	-	-
<b>Transfer from internally restricted net assets</b>	-	<b>(501,720)</b>	<b>501,720</b>	-	-	-	-
<b>Net assets, end of year</b>	<b>483,673</b>	-	<b>8,143,161</b>	<b>2,174,567</b>	<b>1,198,684</b>	<b>12,000,085</b>	11,171,049

*The accompanying notes are an integral part of these financial statements*

# United Way Fort McMurray and Wood Buffalo

## Statement of Cash Flows

For the year ended December 31, 2019

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	2019	2018
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Cash received from campaign contributions	4,613,845	5,336,190
Cash received from other contributions	441,244	1,169,093
Cash paid for community investment	(4,741,211)	(5,695,675)
Cash paid for campaign	(385,227)	(441,609)
Cash paid for Redpoll	(357,121)	(330,760)
Cash paid for fire recovery investments	(361,775)	(1,213,254)
Interest received	54,233	61,624
	(736,012)	(1,114,391)
<b>Investing activities</b>		
Purchase of internally funded capital assets	(4,640)	(72,353)
<b>Decrease in cash and cash equivalents</b>	<b>(740,652)</b>	<b>(1,186,744)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,011,109</b>	<b>5,197,853</b>
<b>Cash and cash equivalents, end of year</b>	<b>3,270,457</b>	<b>4,011,109</b>

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The accompanying notes are an integral part of these financial statements

# United Way Fort McMurray and Wood Buffalo

## Notes to the Financial Statements

For the year ended December 31, 2019

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### 1. Incorporation and nature of the organization

United Way Fort McMurray and Wood Buffalo (the "Organization") is a not-for-profit organization incorporated under the Alberta Societies Act for the purpose of conducting an annual fund raising campaign in Fort McMurray on behalf of member agencies. It is registered as a public foundation and thus is exempt from income taxes under section 149(1)(l) of the Income Tax Act. Its registered charity number is 11926 0495 RR0001.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

#### ***Internally restricted net assets***

The Organization follows the deferral method of accounting for contributions and reports several reserves to fund future operations as follows:

The Invested in Capital Assets Fund reports the Organization's internally restricted resources for future purchases of capital assets and for future Redpoll Centre operational costs.

The Tomorrow Fund reports the Organization's internally restricted resources for projects that address emerging issues in the community and provide developmental program funding.

The Board of Directors has also set aside funds in internally restricted net assets to fulfil the subsequent year's Community Investment commitments, designated donations programs and operating budget.

In addition to the above reserves, the Organization reports a general contingency reserve reflecting unrestricted resources which are used to supplement fulfilment by the internally restricted net assets of the community investment commitments, designated donations, programs and operating budget. Invested in capital assets reports the Organization's resources devoted to capital assets.

# United Way Fort McMurray and Wood Buffalo Notes to the Financial Statements

For the year ended December 31, 2019

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## 2. Significant accounting policies (Continued from previous page)

### **Revenue recognition**

The Organization follows the deferral method of accounting with the following policies for each type of revenue:

- i) Campaign contributions and pledges  
The annual campaign runs from September to December each calendar year. It is conducted to raise support for member agencies and new agency development in the following year. Contributions and pledges are recognized as revenue in the period in which the campaign is held.
- ii) Designated contributions and pledges  
Donations designated by donors for specific agencies are in addition to the allocations determined by the Board of Directors. The designated donations are included in Other Allocations, termed non-support direct pledges in Schedule 3.
- iii) Contributed materials and services  
Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Organization's operations and would otherwise have been purchased.
- iv) Pledges receivable  
Pledges are recorded as receivable at the time the pledges are made, usually during the annual campaign. Pledges are recognized as revenue when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured. Collectability is assessed utilizing several years of historical pledge collection information along with an assessment of current market conditions in order to project estimated current year collection.
- v) Externally restricted non-capital contributions  
Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributors. Any externally restricted contributions containing stipulations that the amounts should be retained as net assets or that the contributions should not be expended are recorded as direct increases in net assets.
- vi) Externally restricted capital contributions  
Externally restricted capital contributions are recorded as deferred contributions until the amount is invested to acquire capital assets. Amounts invested in externally funded capital assets are then transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.
- vii) Redpoll Centre revenue  
Redpoll Centre receives revenue from rental operations. Revenue is recognized when amounts are received or receivable if the amount can be reasonably estimated and collection is reasonably assured. The Redpoll Centre also receives externally restricted contributions and revenue is recognized as described above.
- viii) Fire recovery revenue  
The City of Fort McMurray and surrounding area was evacuated due to a wildfire in May 2016. United Way Fort McMurray and Wood Buffalo has received wildfire recovery fundraising proceeds from various sources to assist member and non-member agencies with fire recovery expenses. Fire recovery contributions are externally restricted contributions and are recognized in revenue in the period in which the related expense occurs.

### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

**United Way Fort McMurray and Wood Buffalo**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

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**2. Significant accounting policies** *(Continued from previous page)*

**Capital assets**

Capital assets are initially recorded at cost. The policy of the Organization is to capitalize assets when the useful life is greater than one year and the acquisition cost meets the capitalization threshold of \$1,000. Amortization is provided using the declining balance and straight-line methods at rates intended to amortize the cost of assets over their estimated useful lives. In the year of acquisition, amortization commences in the month acquired

	<b>Method</b>	<b>Rate</b>
Computer equipment	straight-line	33 %
Computer software	straight-line	33 %
Furniture and fixtures	declining balance	20 %
Leasehold improvements	straight-line	lease term

**Contributed materials and services**

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased. In the current year contributions of materials in the amount of \$13,638 (2018 - \$16,113) were recognized as campaign contributions and pledges. Volunteer hours contributed in the year are not recognized in the financial statements because of the difficulty in determining their fair value.

**Allocation of general management and administration expenses**

General management and administration expenses (Schedule 1) are incurred to support functional areas and are allocated to campaign and community investment expenses based on the time study method. Following this method, general management and administration expenses are allocated as follows:

	<b>2019</b>	<b>2018</b>
Campaign expenses	40%	40%
Community investments	60%	60%
Fire recovery investments	0%	0%

**Measurement uncertainty**

The preparation of 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 revenue and expenses during the reporting period. Campaign pledges receivable and Red Cross receivable are stated after evaluation as to their collectibility and an appropriate provision for uncollectible pledges is provided where considered necessary. Amortization is based on the estimated useful life of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in deficiency of revenue over expenses in the periods in which they become known.

**Financial instruments**

All financial instruments are initially recorded at their fair value except for certain related party transactions that are initially measured at their carrying or exchange amount in accordance with 3840 Related Party Transactions.

The Organization subsequently measures all of its financial assets and liabilities at cost or amortized cost, except for equity instruments that are quoted in an active market which are measured at fair value. Fair value is determined by published price quotations.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in deficiency of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost when there are indicators of impairment. Any impairment which is not considered temporary is included in current year deficiency of revenue over expenses.

# United Way Fort McMurray and Wood Buffalo

## Notes to the Financial Statements

*For the year ended December 31, 2019*

### 3. Composition of cash and cash equivalents

Cash and cash equivalents represent amounts required to fulfil the subsequent year's community investment commitments, designated donations, programs, and the operating budget. These funds are included in internally restricted net assets and the general contingency reserve. Included in cash and cash equivalents is \$616,270 (2018 - \$937,548) of cash restricted with regards to deferred grant revenue, deferred fire recovery contributions, and deferred Red Cross grant, as disclosed in Notes 7, 8 and 9, respectively.

### 4. Investments

Investments consist of funds held by brokers for the purpose of investing in various instruments to earn returns on the funds held. Investments are internally restricted within the Capital and Tomorrow funds.

	2019	2018
<b>Measured at fair value:</b>		
Marketable securities	2,105,573	1,824,462
Mutual funds	2,025,783	1,990,549
Other investments	858,871	775,898
Cash and cash equivalents	100,277	109,054
	5,090,504	4,699,963

### 5. Campaign pledges receivable

Campaign pledges receivable are shown net of allowance for uncollectible pledges. The amount of uncollectible pledges is estimated to be \$139,407 (2018 - \$155,023).

### 6. Capital assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer equipment	197,953	197,146	807	110
Computer software	50,398	50,398	-	-
Furniture and fixtures	403,880	255,077	148,803	183,235
Leasehold improvements	462,001	127,448	334,553	364,167
	1,114,232	630,069	484,163	547,512

### 7. Deferred grant revenue

Deferred grant revenue represents the unspent portion of grants received in the year. Amounts received are intended for expenses related to the Redpoll Centre from Suncor Energy Foundation as well as CIBC funding for financial literacy programming.

	2019	2018
Balance, beginning of year	-	116,849
Additional grant funding received	170,000	-
Amount utilized for operating expenses	(71,250)	(116,849)
	98,750	-

# United Way Fort McMurray and Wood Buffalo

## Notes to the Financial Statements

*For the year ended December 31, 2019*

### 8. Deferred fire recovery contributions

Deferred fire recovery contributions consist of unspent contributions from the wildfire recovery fund which are externally restricted to assist with fire recovery expenditures incurred by member and non-member agencies. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

	<b>2019</b>	<b>2018</b>
Balance, beginning of year	<b>879,296</b>	2,092,105
Less: Amounts recognized as revenue during the year	<b>(361,776)</b>	(1,212,809)
	<b>517,520</b>	879,296

The Organization is committed to pay out the following, respectively, from deferred fire recovery contributions to various agencies and non-agencies.

2020	105,643
2021	52,822

### 9. Deferred Red Cross grant

In 2018, the Organization entered into a contribution agreement with the Canadian Red Cross Society ("Red Cross"), whereby, subject to the terms of the Agreement, the Red Cross intends to provide financial assistance and support to the Organization in order to deliver community-based recovery social services in the Regional Municipality of Wood Buffalo in order to provide support to those persons affected by the 2016 Alberta Wildfire over a five year term ending March 31, 2021.

	<b>2019</b>	<b>2018</b>
Balance, beginning of year	<b>58,252</b>	-
Amount received or receivable during the year	<b>1,023,647</b>	932,044
Less: amounts recognized as revenue during the year	<b>(1,081,899)</b>	(873,792)
	<b>-</b>	58,252

### 10. Unamortized deferred capital contributions

Unamortized deferred capital contributions represent the unamortized portion of contributed and external funding of capital assets. Recognition of these amounts is deferred to periods when the related capital assets are amortized. Changes in the unamortized deferred capital contributions balance are as follows:

	<b>2019</b>	<b>2018</b>
Balance, beginning of year	<b>613</b>	766
Amortization of deferred capital contributions <i>(Schedule 4)</i>	<b>(123)</b>	(153)
	<b>490</b>	613

**United Way Fort McMurray and Wood Buffalo**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

**11. Commitments**

The Board approves an annual plan to fund community investment allocations to qualifying organizations. These funds are committed for the term of April 1 to March 31 and therefore the final quarter of funding is committed but unpaid as of December 31 of each year. \$967,400 of funding approved by the Board in February 2019 remains committed for 2020. In addition, subsequent to year end, the Board approved the 2020-21 community investment allocations of \$4,285,133, with \$3,213,850 expected to be paid in 2020 and \$1,071,283 in 2021.

The Board also approved fire recovery fund allocations to qualifying organizations in 2018. These funds are committed to be paid over the next year on a quarterly basis.

Community investment and fire recovery fund commitments may be modified should a recipient fail to comply with its funding agreement or at the Board's discretion based on economic or other relevant circumstances.

The Organization has also entered into a lease agreement to occupy premises and is also responsible for its proportionate share of operating costs relating to the premises lease.

Total annual commitments for the above are as follows:

	<i>Operating lease</i>	<i>Fire recovery commitments</i>	<i>Community investment commitments</i>	<i>Total</i>
2020	182,327	142,889	4,181,250	4,506,466
2021	187,963	52,821	1,071,283	1,312,067
2022	193,762	-	-	193,762
2023	199,806	-	-	199,806
Thereafter, to 2029	1,339,238	-	-	1,339,238
	<u>2,103,096</u>	<u>195,710</u>	<u>5,252,533</u>	<u>7,551,339</u>

**12. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Credit concentration***

The Organization is subject to credit risk with respect to campaign pledges receivable and Red Cross receivable. As at December 31, 2019, employees of three campaign supporting organizations (2018 - three) accounted for 90% (2018 - 85%) of campaign pledges receivable. Management monitors these accounts regularly and is reasonably assured that the Organization is not exposed to significant credit risk in excess of the provision for doubtful pledges at the statement of financial position date.

***Foreign currency risk***

Foreign 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. The Organization enters into transactions for marketable securities and restricted cash resources denominated in US currency for which the related revenue and expenses are subject to exchange rate fluctuations. As at December 31, 2018, investments include \$1,375,921 (2018 - \$1,178,002) denominated in US dollars.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Change in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Organization is exposed to interest rate price risk on its cash and cash equivalents, investments, internally restricted cash and cash equivalents, and internally restricted guaranteed investment certificates.

**United Way Fort McMurray and Wood Buffalo**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

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**12. Financial instruments** *(Continued from previous page)*

***Liquidity risk***

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization manages its liquidity risk by monitoring its operating requirements and funding of other agencies. The Organization's policy is to use funding raised from the prior year campaign to pay current year community investment commitments and operating expenses.

***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization enters into transactions to purchase investments, for which the market price fluctuates. The Organization's investments in publicly-traded securities and money market instruments exposes the Organization to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market interest rates, general economic indicators and restrictions on credit markets.

**United Way Fort McMurray and Wood Buffalo**  
**Schedule 1 - Schedule of General Management and Administration Expenses**

*For the year ended December 31, 2019*

	<b>2019</b>	<b>2018</b>
<hr/>		
<b>General management and administration expenses</b>		
Salaries and employee benefits	312,399	371,150
Rent	61,944	62,407
Office expenses	28,037	14,746
Audit and accounting	22,943	22,493
Meetings, seminars and events	15,755	6,371
Conferences	7,326	10,312
Insurance	6,545	6,537
Promotion and publicity	6,226	3,445
Bank charges	4,141	3,833
Membership fees	4,040	3,320
Goods and services tax	3,315	3,532
Recognition	2,435	1,979
Training	2,348	4,666
Amortization	734	-
Transportation	150	157
Advertising	-	214
<hr/>		
<b>General management and administration expenses before allocations</b>	<b>478,338</b>	<b>515,162</b>
<hr/>		
<b>Allocations</b>		
Allocation to campaign expenses <i>(Note 2) (Schedule 2)</i>	<b>(191,335)</b>	(206,065)
Allocation to community investment <i>(Note 2) (Schedule 3)</i>	<b>(287,003)</b>	(309,097)
<hr/>		
	<b>(478,338)</b>	<b>(515,162)</b>
<hr/>		
<b>Total general management and administration expenses</b>	<b>-</b>	<b>-</b>
<hr/>		

**United Way Fort McMurray and Wood Buffalo**  
**Schedule 2 - Schedule of Campaign Expenses**

*For the year ended December 31, 2019*

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	<b>2019</b>	<b>2018</b>
<b>Campaign expenses</b>		
Salaries and employee benefits	<b>117,249</b>	142,908
Events	<b>25,143</b>	41,140
Promotion and publicity	<b>21,862</b>	20,032
Bank charges	<b>9,244</b>	11,301
Office expenses	<b>7,460</b>	4,716
Supplies	<b>5,362</b>	5,597
Recognition	<b>4,261</b>	6,070
Goods and service tax	<b>1,613</b>	1,805
Transportation	<b>1,054</b>	2,038
Raffle	<b>777</b>	(490)
Meetings	<b>395</b>	354
Training	<b>-</b>	658
Allocation of general and administration expenses <i>(Schedule 1)</i>	<b>191,335</b>	206,065
	<b>385,755</b>	442,194

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## United Way Fort McMurray and Wood Buffalo Schedule 3 - Schedule of Community Investment

*For the year ended December 31, 2019*

	2019	2018
<b>Agency allocations</b>		
Pastew Place Detoxification Centre	421,778	427,856
The Salvation Army	393,750	450,000
Centre of Hope	343,750	384,589
The Hub Family Resource Centre	316,986	361,915
Mark Amy	288,250	-
Some Other Solutions Society for Crisis Prevention	286,500	333,609
St. Aidan's Society	219,904	244,164
Stepping Stones	192,164	-
Waypoints Community Services Association	168,750	226,652
The Children's Centre	159,000	159,017
Local Hero	150,000	-
Support Through Housing Team	144,375	141,191
Multicultural Association of Wood Buffalo	132,517	139,750
Legacy Counselling Centre	112,500	-
Fort McMurray Golden Years Society	95,750	96,625
HIV North Society	86,290	88,266
Justin Slade Youth Foundation	80,000	100,000
Girls Incorporated of Northern Alberta Society	71,250	92,198
Kidsport Wood Buffalo	43,569	24,276
Canadian Mental Health Association	38,000	196,584
Autism Society	37,500	-
Nistawoyou Friendship Centre	33,513	82,500
Some Other Solutions - 211	22,107	-
Spinal Cord Injury Alberta	20,700	20,525
Fort McMurray Search and Rescue	17,500	27,875
SCWB	16,679	-
Canadian Mental Health (St. Aidan's)	15,666	-
Blue Heron Support Services Association	14,383	56,183
Imagination Library (Rotary Club of Fort McMurray)	3,750	23,750
'Centre d'Accueil et d'Establissement	-	28,500
Family Christian Centre	-	120,000
Helicopter Emergency Response Organization Foundation	-	112,500
The Legacy Children's Foundation	-	(33,932)
McMan Youth Services	-	19,658
The Wood's Home Foundation	-	288,625
Wood Buffalo Wellness Society	-	292,000
Other	-	14,109
Rehoboth Alliance	(8,302)	14,000
YMCA of Wood Buffalo	(17,207)	186,341
	<b>3,901,372</b>	<b>4,719,326</b>
<b>Other allocations</b>		
Designated donations non member	148,692	158,733
Designated donation member agencies	59,597	67,104
Personal Support Network	41,632	52,951
Tools for School	20,534	20,710
Poverty reduction	2,769	5,322
Emerging needs	-	88,427
	<b>273,224</b>	<b>393,247</b>
<b>Total allocations</b>	<b>4,174,596</b>	<b>5,112,573</b>

<b>Other expenses</b>		
Community investment process	<b>154,439</b>	180,330
United Way of Canada	<b>56,594</b>	56,837
Community building	<b>21,235</b>	3,375
Allocation of general and administration expenses <i>(Schedule 1)</i>	<b>287,003</b>	309,097
	<b>519,271</b>	549,639
<b>Total community investment</b>	<b>4,693,867</b>	5,662,212

**United Way Fort McMurray and Wood Buffalo**  
**Schedule 4 - Schedule of Redpoll Centre Revenues and Expenses**

*For the year ended December 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Revenue from Redpoll Centre	<b>269,252</b>	255,664
Grant revenue from Suncor Energy Foundation	<b>71,250</b>	95,834
Amortization of deferred capital contributions <i>(Note 10)</i>	<b>123</b>	153
	<b>340,625</b>	351,651
<b>Expenses</b>		
Rent	<b>177,018</b>	171,872
Office expenses	<b>90,597</b>	76,086
Salaries and benefits	<b>79,733</b>	68,789
Amortization	<b>67,255</b>	96,361
Goods and services tax	<b>6,735</b>	8,674
Supplies	<b>3,179</b>	5,818
Repair and maintenance	<b>592</b>	365
	<b>425,109</b>	427,965
<b>Deficiency of revenue over expenses</b>	<b>(84,484)</b>	(76,314)

## United Way Fort McMurray and Wood Buffalo Schedule 5 - Schedule of Fire Recovery Investment

*For the year ended December 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>United Way Supported Agencies</b>		
St. Aidan's Society	82,704	119,332
Mark Amy	22,392	(5,608)
The Hub Family Resource Centre	18,376	99,354
Canadian Mental Health Association	-	321,311
Legacy Counselling Centre	-	22,500
Pastew Place Detoxification Centre	-	16,250
Multicultural Association of Wood Buffalo	-	7,500
Legacy Children's Foundation	-	(2,560)
Centre of Hope	-	(2,931)
Nistawoyou Association Friendship Centre	(18,779)	25,000
Support Through Housing Team	(21,698)	136,620
HIV North Society	(21,995)	-
	<b>61,000</b>	<b>736,768</b>
<b>Non-Agencies</b>		
Habitat for Humanity Wood Buffalo Society	121,500	-
Fort McMurray Assessment & Referral Society	79,528	119,292
Fuse Social	-	51,000
Fort McMurray Catholic Board of Education	-	40,000
Association Canadienne Francaise de l'Alberta	-	24,241
Unity Charity	-	15,000
Careers The Next Generation Foundation	-	145,106
Fort McMurray SPCA	-	59,290
	<b>201,028</b>	<b>453,929</b>
<b>Programs</b>		
Social Recovery Committee Project	98,987	13,926
<b>Operating expenses of Fire Recovery</b>		
Goods and services tax	470	46
Salaries and employee benefits	245	7,474
Bank charges	46	-
Office expenses	-	393
Meetings	-	273
	<b>761</b>	<b>8,186</b>
<b>Total fire recovery investments</b>	<b>361,776</b>	<b>1,212,809</b>