

United Way Fort McMurray and Wood Buffalo
Financial Statements

For the year ended December 31, 2021

United Way Fort McMurray and Wood Buffalo

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For the year ended December 31, 2021

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Management's Responsibility

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 17, 2022

signed by "Cathy Steeves"

Executive Director

signed by "Maryellen Fenech"

Director of Finance and Administration

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, 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 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, 2021, 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, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 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 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 auditor's 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.

Fort McMurray, Alberta

February 17, 2022

MNP LLP

Chartered Professional Accountants

United Way Fort McMurray and Wood Buffalo

Statement of Financial Position

As at December 31, 2021

	2021	2020
Assets		
Current		
Cash and cash equivalents (Note 3)	4,220,578	4,203,585
Investments (Note 4)	5,825,303	5,302,068
Campaign pledges receivable (Note 5)	1,861,062	1,998,334
Prepaid expenses	44,529	28,497
Interest receivable	1,211	1,181
	11,952,683	11,533,665
Capital assets (Note 6)	384,226	426,135
	12,336,909	11,959,800
Liabilities		
Current		
Accounts payable and accruals	55,540	71,966
Deferred rental income	17,044	18,575
Deferred revenue (Note 7)	268,324	300,146
Deferred recovery contributions (Note 8)	321,383	399,718
	662,291	790,405
Long-term debt (Note 10)	40,000	-
Unamortized deferred capital contributions (Note 11)	314	392
	702,605	790,797
Commitments (Note 12)		
Significant event (Note 14)		
Net Assets		
Invested in capital assets	383,912	425,743
Internally restricted net assets	7,142,344	7,158,446
Tomorrow fund	2,841,369	2,362,143
Capital fund	1,266,679	1,222,671
	11,634,304	11,169,003
	12,336,909	11,959,800

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, 2021

	2021	2020
Support revenue		
Campaign contributions and pledges	3,918,435	3,496,683
Red Cross grant revenue (Note 9)	210,836	713,239
Fire recovery contributions (Note 8)	78,335	100,224
Pandemic recovery	-	536,784
	4,207,606	4,846,930
Provision for uncollectible pledges (Note 5)	(97,869)	(98,137)
	4,109,737	4,748,793
Other revenue		
Redpoll Centre revenue (Schedule 4)	326,266	306,935
Investment income	149,545	113,143
Collaboration project	121,734	10,428
Government subsidy (Note 14)	20,000	8,250
Doubtful pledge recovery	14,438	15,368
Interest	13,260	24,580
	645,243	478,704
Total revenue	4,754,980	5,227,497
General and administrative expenses (Schedule 1)	-	-
Campaign expenses (Schedule 2)	592,703	301,161
Community investment (Schedule 3)	3,483,773	4,868,444
Redpoll expenses (Schedule 4)	386,074	339,909
Fire recovery investments (Schedule 5)	79,085	100,274
Pandemic recovery (Schedule 6)	-	536,784
Collaboration project	121,734	10,428
Total expenses	4,663,369	6,157,000
Excess (deficiency) of revenue over expenses before other item	91,611	(929,503)
Unrealized gain on investments	373,690	98,421
Excess (deficiency) of revenue over expenses	465,301	(831,082)

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, 2021

	Invested in capital assets	General contingency reserve	Internally restricted net assets	Tomorrow fund	Capital fund	2021	2020
Net assets, beginning of year	425,743	-	7,158,446	2,362,143	1,222,671	11,169,003	12,000,085
Excess (deficiency) of revenue over expenses	-	465,301	-	-	-	465,301	(831,082)
Amortization of internally funded capital assets	(57,318)	57,318	-	-	-	-	-
Amortization of deferred capital contributions	78	(78)	-	-	-	-	-
Capital assets acquired from internal funds	15,409	(15,409)	-	-	-	-	-
Allocation of investment income earned	-	(523,234)	-	479,226	44,008	-	-
Transfer from internally restricted net assets	-	16,102	(16,102)	-	-	-	-
Net assets, end of year	383,912	-	7,142,344	2,841,369	1,266,679	11,634,304	11,169,003

United Way Fort McMurray and Wood Buffalo

Statement of Cash Flows

For the year ended December 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Cash received from campaign contributions	4,087,255	4,371,411
Cash received from other contributions	510,425	2,626,827
Cash paid for community investment	(3,498,411)	(4,860,353)
Cash paid for campaign	(610,522)	(302,935)
Cash paid for Redpoll	(450,490)	(289,193)
Cash paid for fire recovery investments	(79,085)	(100,274)
Cash paid for pandemic recovery investments	-	(536,784)
Interest received	13,230	27,545
	(27,598)	936,244
Financing		
Advances of long-term debt (Note 14)	60,000	-
Investing		
Purchase of internally funded capital assets	(15,409)	(3,116)
Increase in cash and cash equivalents	16,993	933,128
Cash and cash equivalents, beginning of year	4,203,585	3,270,457
Cash resources, end of year	4,220,578	4,203,585

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, 2021

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 set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include 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 Capital 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, 2021

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 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.
- ix) **Pandemic recovery revenue**
The Organization has received pandemic recovery funding to assist organizations with COVID-19 pandemic recovery expenses. Pandemic 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, 2021

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.

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

Long-lived assets

Long-lived assets consist of capital assets held for use and are measured and amortized as described above.

The Organization writes down long-lived assets held for use when conditions indicate that an asset no longer contributes to the Organization's ability to provide goods and services. An asset is also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

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 \$72,935 (2020 - \$5,869) 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:

	2021	2020
Campaign expenses	60%	40%
Community investments	40%	60%

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 excess (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 excess (deficiency) of revenue over expenses.

United Way Fort McMurray and Wood Buffalo
Notes to the Financial Statements
For the year ended December 31, 2021

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

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 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 excess (deficiency) of revenue over expenses in the periods in which they become known.

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 \$589,707 (2020 - \$699,864) of cash restricted with regards to deferred grant revenue and deferred fire recovery contributions, as disclosed in Notes 7 and 8, 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.

	2021	2020
Measured at fair value:		
Marketable securities	3,037,294	2,574,648
Mutual funds	437,671	450,376
Other investments	1,903,827	2,119,607
Cash and cash equivalents	446,511	157,437
	5,825,303	5,302,068

5. Campaign pledges receivable

Campaign pledges receivable are shown net of allowance for uncollectible pledges. The amount of uncollectible pledges is estimated to be \$97,869 (2020 - \$98,137).

6. Capital assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	197,953	197,594	359	538
Computer software	50,398	50,398	-	-
Furniture and fixtures	422,404	311,293	111,111	121,943
Leasehold improvements	462,001	189,245	272,756	303,654
	1,132,756	748,530	384,226	426,135

United Way Fort McMurray and Wood Buffalo
Notes to the Financial Statements
For the year ended December 31, 2021

7. Deferred revenue

Deferred revenue represents the unspent portion of grants and other revenue received in the year. Amounts received are intended for expenses related to the Redpoll Centre from Suncor Energy Foundation and Collaboration Project as well as unspent Donor's Choice contributions and pledges.

	<i>Opening balance</i>	<i>Amounts received</i>	<i>Recognized as revenue</i>	2021 Ending balance
Redpoll Centre	96,250	85,000	(88,333)	92,917
Collaboration Project	39,572	100,000	(121,734)	17,838
Donor's Choice contributions and pledges	164,324	157,569	(164,324)	157,569
	300,146	342,569	(374,391)	268,324

8. Deferred recovery contributions

Deferred 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. During the year, \$nil (2020 - \$25,000) was approved to be spent on the pandemic recovery. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

	<i>Opening balance</i>	<i>Recognized as revenue</i>	2021 Ending balance
Fire recovery	399,718	(78,335)	321,383

9. 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.

	2021	2020
Amount received or receivable during the year	210,836	713,239
Less: amounts recognized as revenue during the year	(210,836)	(713,239)
	-	-

United Way Fort McMurray and Wood Buffalo
Notes to the Financial Statements
For the year ended December 31, 2021

10. Long-term debt

	2021	2020
RBC Royal Bank, Canadian Emergency Business Account (CEBA) loan, unsecured, non-interest bearing, repayable December 31, 2023 (Note 14)	40,000	-

11. 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:

	2021	2020
Balance, beginning of year	392	490
Amortization of deferred capital contributions (Schedule 4)	(78)	(98)
	314	392

12. 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. \$726,851 of funding approved by the Board in February 2021 remains committed for 2022. Subsequent to year end, the Board approved the 2022-23 community investment allocations of \$3,132,605, with \$2,349,453 expected to be paid in 2022 and \$783,151 in 2023.

Community investment 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 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>Community investment commitments</i>	<i>Total</i>
2022	208,170	3,076,305	3,284,475
2023	216,836	783,151	999,987
2024	225,914	-	225,914
2025	235,406	-	235,406
Thereafter, to 2029	1,043,726	-	1,043,726
	1,930,052	3,859,456	5,789,508

United Way Fort McMurray and Wood Buffalo
Notes to the Financial Statements
For the year ended December 31, 2021

13. 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. As at December 31, 2021, employees of three campaign supporting organizations (2020 - three) accounted for 94% (2020 - 89%) 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, 2021, investments include \$1,814,383 (2020 - \$1,542,227) 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.

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
Notes to the Financial Statements
For the year ended December 31, 2021

14. Significant event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Organization has continued to operate in accordance with provincial and federal restrictions and regulations.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Canada Emergency Business Account ("CEBA")

The Organization secured a \$60,000 interest-free loan through the CEBA program. No principal payments are required until December 2023. Repayment of the balance of the loan on or before December 31, 2023 will result in loan forgiveness of \$20,000 of the loan. After 2023, any unpaid balances will be converted to a three-year term at a 5% interest rate.

Lease concessions

The Organization received rent concessions of \$nil (2020 - \$40,325) during the year. The Organization has provided rent concessions of \$nil (2020 - \$40,893) during the year to their tenants.

Temporary Wage Subsidy ("TWS")

Under the TWS program, organizations experiencing significant revenue reductions during the COVID-19 pandemic are eligible to receive a subsidy for a portion of employee wages. For the year ended December 31, 2021, the Organization claimed subsidies under the TWS program of \$nil (2020 - \$8,250).

15. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

United Way Fort McMurray and Wood Buffalo
Schedule 1 - Schedule of General Management and Administration Expenses
For the year ended December 31, 2021

	2021	2020
General management and administration expenses		
Salaries and employee benefits	289,903	275,190
Rent	65,345	52,198
Audit and accounting	23,520	24,070
Contracts	14,465	50,162
Office expenses	14,028	28,580
Insurance	9,507	7,854
Promotion and publicity	5,442	1,598
Bank charges	4,343	5,821
Membership fees	3,549	3,300
Meetings, seminars and events	3,121	994
Goods and services tax	2,878	3,550
Recognition	1,727	437
Amortization	779	819
Transportation	777	-
Training and conferences	650	2,274
General management and administration expenses before allocations	440,034	456,847
Allocations		
Allocation to campaign expenses <i>(Note 2) (Schedule 2)</i>	(264,020)	(182,739)
Allocation to community investment <i>(Note 2) (Schedule 3)</i>	(176,014)	(274,108)
	(440,034)	(456,847)
Total general management and administration expenses	-	-

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

For the year ended December 31, 2021

	2021	2020
Campaign expenses		
Allocation of general and administration expenses (Schedule 1)	264,020	182,739
Salaries and employee benefits	187,460	51,471
Events	72,313	10,993
Promotion and publicity	37,808	27,527
Bank charges	14,093	9,021
Office expenses	6,478	5,589
Raffle	3,604	6,662
Goods and service tax	2,843	2,474
Supplies	2,756	-
Recognition	704	4,660
Transportation	624	25
	592,703	301,161

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

For the year ended December 31, 2021

	2021	2020
Agency allocations		
The Salvation Army	338,715	353,081
Pastew Place Detoxification Centre	307,242	412,576
Some Other Solutions Society for Crisis Prevention	213,500	275,000
The Hub Family Resource Centre	208,810	350,000
Waypoints Community Services Association	207,500	187,500
St. Aidan's Society	207,361	204,574
Centre of Hope	192,166	369,312
Local HERO Foundation	166,250	187,500
The Children's Centre	158,850	159,000
Support Through Housing Team	143,975	145,800
Nistawoyou Friendship Centre	133,483	168,573
Multicultural Association of Wood Buffalo	92,089	138,901
Northreach Society	85,889	88,554
Stepping Stones	85,019	187,804
Fort McMurray Golden Years Society	83,750	95,000
Mark Amy	69,233	331,384
Justin Slade Youth Foundation	65,054	78,750
Autism Society	57,340	46,250
Legacy Counselling Centre	32,500	125,000
Safe Community Wood Buffalo	26,250	39,310
Fort McMurray Search and Rescue	25,250	24,375
Kidsport Wood Buffalo	12,500	50,000
Girls Incorporated of Northern Alberta Society	6,250	35,000
Alberta Brain Injury	-	550
Spinal Cord Injury Alberta	-	21,675
Canadian Mental Health (St. Aidan's)	-	34,612
	2,918,976	4,110,081
Other allocations		
Designated donations non member	107,005	136,094
Designated donation member agencies	55,016	115,396
Tools for School	17,745	19,548
Personal Support Network	8,609	8,903
Poverty reduction	2,674	2,615
	191,049	282,556
Total allocations	3,110,025	4,392,637
Other expenses		
Allocation of general and administration expenses (Schedule 1)	176,014	274,108
Community investment process	142,828	141,693
United Way of Canada	54,606	59,762
Community building	300	244
	373,748	475,807
Total community investment	3,483,773	4,868,444

United Way Fort McMurray and Wood Buffalo
Schedule 4 - Schedule of Redpoll Centre Revenue and Expenses
For the year ended December 31, 2021

	2021	2020
Revenue		
Revenue from Redpoll Centre	247,854	219,337
Grant revenue from Suncor Energy Foundation (Note 7)	78,334	87,500
Amortization of deferred capital contributions (Note 11)	78	98
	326,266	306,935
Expenses		
Rent	202,030	153,723
Office expenses	62,090	60,423
Salaries and benefits	58,025	57,067
Amortization	56,539	60,325
Goods and services tax	6,636	5,195
Supplies	744	3,071
Repair and maintenance	10	105
	386,074	339,909
Deficiency of revenue over expenses	(59,808)	(32,974)

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

For the year ended December 31, 2021

	2021	2020
United Way Supported Agencies		
St. Aidan's Society	52,822	105,643
Canadian Mental Health Association	-	(43,357)
	52,822	62,286
Non-Agencies		
FuseSocial	-	20,000
Programs		
Foundant	16,218	-
Calgary Chamber of Volunteer Organizations	10,000	-
Objective Research and Evaluation Inc.	-	16,438
Life and Portraits	-	1,500
	26,218	17,938
Operating expenses of Fire Recovery		
Bank charges	45	50
Total fire recovery investments	79,085	100,274

United Way Fort McMurray and Wood Buffalo
Schedule 6 - Schedule of Pandemic Recovery Expenses
For the year ended December 31, 2021

	2021	2020
Allocations		
Nistawoyou Association Friendship Centre	-	128,362
St. Aidan's Society	-	108,010
Support Through Housing Team	-	68,000
The Children's Centre Non Profit Society of Fort McMurray	-	60,000
Salvation Army Community Service Centre	-	58,560
Some Other Solutions Society	-	32,340
Centre of Hope	-	30,000
Lac La Biche Heritage Society	-	25,000
Girls Incorporated of Northern Alberta	-	12,500
Autism Society of the Regional Municipality of Wood Buffalo	-	8,012
Kidsport Wood Buffalo	-	6,000
Total allocations	-	536,784

