

**United Way Fort McMurray and Wood Buffalo**  
**Financial Statements**  
*For the year ended December 31, 2022*

# United Way Fort McMurray and Wood Buffalo Contents

*For the year ended December 31, 2022*

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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 21, 2023

*signed by "Cathy Steeves"*

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Executive Director

*signed by "Maryellen Fenech"*

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Director of Finance and Administration

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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, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the 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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Qualified Opinion

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, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the 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 21, 2023

*MNP* LLP

Chartered Professional Accountants

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

*As at December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents <i>(Note 3)</i>	3,124,864	4,220,578
Investments <i>(Note 4)</i>	5,403,293	5,825,303
Campaign pledges receivable <i>(Note 5)</i>	1,822,941	1,861,062
Prepaid expenses	77,179	44,529
Interest receivable	7,886	1,211
	<b>10,436,163</b>	11,952,683
<b>Capital assets</b> <i>(Note 6)</i>	<b>331,024</b>	384,226
	<b>10,767,187</b>	12,336,909
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	79,743	55,540
Deferred rental income	9,071	17,044
Deferred revenue <i>(Note 7)</i>	129,495	268,324
Deferred recovery contributions <i>(Note 8)</i>	-	321,383
	<b>218,309</b>	662,291
<b>Long-term debt</b> <i>(Note 10)</i>	<b>40,000</b>	40,000
<b>Unamortized deferred capital contributions</b> <i>(Note 11)</i>	<b>251</b>	314
	<b>258,560</b>	702,605
<b>Commitments</b> <i>(Note 12)</i>		
<b>Net Assets</b>		
Invested in capital assets	330,773	383,912
Internally restricted net assets	6,491,816	7,142,344
Tomorrow fund	2,510,893	2,841,369
Capital fund	1,175,145	1,266,679
	<b>10,508,627</b>	11,634,304
	<b>10,767,187</b>	12,336,909

Approved on behalf of the Board

*signed by "Ken Sandmoen"*

Director

*signed by "IJ Uche-Ezeala"*

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, 2022

	<b>2022</b>	<b>2021</b>
<b>Support revenue</b>		
Campaign contributions and pledges	3,238,357	3,918,435
Red Cross grant revenue <i>(Note 9)</i>	-	210,836
Fire recovery contributions <i>(Note 8)</i>	-	78,335
	<b>3,238,357</b>	4,207,606
Provision for uncollectible pledges <i>(Note 5)</i>	<b>(94,872)</b>	(97,869)
	<b>3,143,485</b>	4,109,737
<b>Other revenue</b>		
Redpoll Centre revenue <i>(Schedule 4)</i>	237,169	326,266
Investment income	386,529	149,545
Other revenue <i>(Note 8)</i>	321,383	-
Interest	46,558	13,260
Doubtful pledge recovery	15,996	14,438
Collaboration project	-	121,734
Government subsidy	-	20,000
	<b>1,007,635</b>	645,243
<b>Total revenue</b>	<b>4,151,120</b>	4,754,980
<b>General and administrative expenses</b> <i>(Schedule 1)</i>	-	-
<b>Campaign expenses</b> <i>(Schedule 2)</i>	517,644	592,703
<b>Community investment</b> <i>(Schedule 3)</i>	3,577,922	3,483,773
<b>Redpoll expenses</b> <i>(Schedule 4)</i>	372,681	386,074
<b>Fire recovery investments</b> <i>(Schedule 5)</i>	11	79,085
<b>Collaboration project</b>	-	121,734
<b>Total expenses</b>	<b>4,468,258</b>	4,663,369
<b>Excess (deficiency) of revenue over expenses before other item</b>	<b>(317,138)</b>	91,611
<b>Unrealized gain (loss) on investments</b>	<b>(808,539)</b>	373,690
<b>Excess (deficiency) of revenue over expenses</b>	<b>(1,125,677)</b>	465,301

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, 2022*

	<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>2022</b>	<i>2021</i>
<b>Net assets, beginning of year</b>	<b>383,912</b>	-	<b>7,142,344</b>	<b>2,841,369</b>	<b>1,266,679</b>	<b>11,634,304</b>	11,169,003
<b>Excess (deficiency) of revenue over expenses</b>	-	<b>(1,125,677)</b>	-	-	-	<b>(1,125,677)</b>	465,301
<b>Amortization of internally funded capital assets</b>	<b>(53,202)</b>	<b>53,202</b>	-	-	-	-	-
<b>Amortization of deferred capital contributions</b>	<b>63</b>	<b>(63)</b>	-	-	-	-	-
<b>Allocation of investment income earned</b>	-	<b>422,010</b>	-	<b>(330,476)</b>	<b>(91,534)</b>	-	-
<b>Transfer from internally restricted net assets</b>	-	<b>650,528</b>	<b>(650,528)</b>	-	-	-	-
<b>Net assets, end of year</b>	<b>330,773</b>	-	<b>6,491,816</b>	<b>2,510,893</b>	<b>1,175,145</b>	<b>10,508,627</b>	11,634,304

*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, 2022

	2022	2021
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash received from campaign contributions	3,166,814	4,087,255
Cash received from other contributions	121,092	510,425
Cash paid for community investment	(3,554,446)	(3,498,411)
Cash paid for campaign	(549,567)	(610,522)
Cash paid for Redpoll	(319,479)	(450,490)
Cash paid for fire recovery investments	(11)	(79,085)
Interest received	39,883	13,230
	<b>(1,095,714)</b>	<b>(27,598)</b>
<b>Financing</b>		
Advances of long-term debt	-	60,000
<b>Investing</b>		
Purchase of internally funded capital assets	-	(15,409)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(1,095,714)</b>	<b>16,993</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,220,578</b>	<b>4,203,585</b>
<b>Cash and cash equivalents, end of year</b>	<b>3,124,864</b>	<b>4,220,578</b>

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, 2022

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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 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 fulfillment 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, 2022

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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 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, 2022

## 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

### 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 \$3,570 (2021 - \$72,935) 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>2022</b>	<b>2021</b>
Campaign expenses	<b>50%</b>	60%
Community investments	<b>50%</b>	40%

### Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

#### Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

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 cost or amortized cost.

**United Way Fort McMurray and Wood Buffalo**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2022*

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

**Related party financial instruments**

The Organization initially measures investments or debt instruments with a quoted market value or derivatives originated in a related party transaction ("related party financial instruments") at fair value.

All other related party financial instruments are measured at cost on initial recognition.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Organization has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

**Financial asset impairment**

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses. The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

**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 \$129,495 (2021 - \$589,707) of cash restricted with regards to deferred revenue and deferred recovery contributions, as disclosed in Notes 7 and 8, respectively.

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

*For the year ended December 31, 2022*

## 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.

	<b>2022</b>	2021
<b>Measured at fair value:</b>		
Marketable securities	<b>2,482,925</b>	3,037,294
Mutual funds	<b>403,195</b>	437,671
Other investments	<b>1,962,615</b>	1,903,827
Cash and cash equivalents	<b>554,558</b>	446,511
	<b>5,403,293</b>	5,825,303

## 5. Campaign pledges receivable

Campaign pledges receivable are shown net of allowance for uncollectible pledges. The amount of uncollectible pledges is estimated to be \$94,872 (2021 - \$97,869).

## 6. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2022 Net book value</i>	<i>2021 Net book value</i>
Computer equipment	<b>197,953</b>	<b>197,772</b>	<b>181</b>	359
Computer software	<b>50,398</b>	<b>50,398</b>	-	-
Furniture and fixtures	<b>422,404</b>	<b>333,418</b>	<b>88,986</b>	111,111
Leasehold improvements	<b>462,001</b>	<b>220,144</b>	<b>241,857</b>	272,756
	<b>1,132,756</b>	<b>801,732</b>	<b>331,024</b>	384,226

## 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>	<i>Repaid and disbursed</i>	<i>2022 Ending balance</i>
Redpoll Centre	92,917	2,000	(31,250)	(60,953)	<b>2,714</b>
Collaboration Project	17,838	-	-	(17,838)	-
Donor's Choice contributions & pledges	157,569	124,009	(154,797)	-	<b>126,781</b>
	268,324	126,009	(186,047)	(78,791)	<b>129,495</b>

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

*For the year ended December 31, 2022*

## 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.

	<i>Opening balance</i>	<i>Recognized as revenue</i>	<b>2022 Ending balance</b>
Fire recovery	321,383	(321,383)	-

During the year, the Board of Directors approved the remaining funds to be used for community investment as the fire recovery program has ended.

## 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.

	<b>2022</b>	<b>2021</b>
Amount received or receivable during the year	-	210,836
Less: amounts recognized as revenue during the year	-	(210,836)
	-	-

## 10. Long-term debt

	<b>2022</b>	<b>2021</b>
RBC Royal Bank, Canadian Emergency Business Account (CEBA) loan, unsecured, non-interest bearing, repayable December 31, 2023	<b>40,000</b>	40,000

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.

## 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:

	<b>2022</b>	<b>2021</b>
Balance, beginning of year	314	392
Amortization of deferred capital contributions ( <i>Schedule 4</i> )	(63)	(78)
	<b>251</b>	314

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

For the year ended December 31, 2022

## 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. \$782,026 of funding approved by the Board in February 2022 remains committed for 2023. Subsequent to year end, the Board approved the 2023-24 community investment allocations of \$3,104,572, with \$2,328,429 expected to be paid in 2023 and \$776,143 in 2024.

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>
2023	216,836	3,110,455	3,327,291
2024	225,914	776,143	1,002,057
2025	235,406	-	235,406
2026	244,737	-	244,737
Thereafter, to 2029	798,989	-	798,989
	<u>1,721,882</u>	<u>3,886,598</u>	<u>5,608,480</u>

## 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, 2022, employees of three campaign supporting organizations (2021 - three) accounted for 94% (2021 - 94%) 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, 2022, investments include \$1,674,096 (2021 - \$1,814,383) 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, 2022*

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## 13. 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, 2022*

	<b>2022</b>	<b>2021</b>
<b>General management and administration expenses</b>		
Salaries and employee benefits	265,298	289,903
Rent	66,179	65,345
Contracts	42,819	14,465
Audit and accounting	30,170	23,520
Office expenses	15,226	14,028
Promotion and publicity	11,054	5,442
Insurance	9,735	9,507
Training and conferences	5,746	650
Bank charges	4,537	4,343
Meetings, seminars and events	4,296	3,121
Goods and services tax	3,529	2,878
Membership fees	3,325	3,549
Recognition	2,666	1,727
Amortization	1,458	779
Transportation	68	777
<b>General management and administration expenses before allocations</b>	<b>466,106</b>	<b>440,034</b>
<b>Allocations</b>		
Allocation to campaign expenses <i>(Note 2) (Schedule 2)</i>	<b>(233,053)</b>	(264,020)
Allocation to community investment <i>(Note 2) (Schedule 3)</i>	<b>(233,053)</b>	(176,014)
	<b>(466,106)</b>	(440,034)
<b>Total general management and administration expenses</b>	<b>-</b>	<b>-</b>

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

*For the year ended December 31, 2022*

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	<b>2022</b>	<b>2021</b>
<b>Campaign expenses</b>		
Allocation of general and administration expenses (Schedule 1)	<b>233,053</b>	264,020
Salaries and employee benefits	<b>204,803</b>	187,460
Promotion and publicity	<b>45,038</b>	37,808
Bank charges	<b>8,257</b>	14,093
Office expenses	<b>7,713</b>	6,478
Events	<b>6,908</b>	72,313
Supplies	<b>3,793</b>	2,756
Transportation	<b>2,669</b>	624
Goods and service tax	<b>2,406</b>	2,843
Raffle	<b>1,474</b>	3,604
Recognition	<b>805</b>	704
Training	<b>457</b>	-
Meetings	<b>268</b>	-
<b>Total campaign expenses</b>	<b>517,644</b>	592,703

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

*For the year ended December 31, 2022*

	2022	2021
<b>Agency allocations</b>		
Pastew Place Detoxification Centre	387,761	307,242
The Salvation Army	320,000	338,715
St. Aidan's Society	221,049	207,361
The Hub Family Resource Centre	215,400	208,810
Some Other Solutions Society for Crisis Prevention	193,000	213,500
Wood Buffalo Wellness Society (Mark Amy)	192,250	69,233
Centre of Hope	187,500	192,166
The Children's Centre Non Profit Society of FT McMurray	166,300	158,850
Local Helicopter Emergency Response Organization Foundation	155,000	166,250
Support Through Housing Team	143,000	143,975
Nistawoyou Friendship Centre	138,500	133,483
Waypoints Community Services Association	122,396	207,500
Multicultural Association of Wood Buffalo	93,750	92,089
Fort McMurray Golden Years Society	72,500	83,750
Autism Society of RMWB	61,412	57,340
Northreach Society	52,045	85,889
Legacy Counselling Centre	48,750	32,500
Canadian Mental Health Association, Alberta North East Region, 1994	48,750	-
Stepping Stones	42,500	85,019
Justin Slade Youth Foundation	38,500	65,054
Fort McMurray Search and Rescue Society	26,225	25,250
Kidsport Wood Buffalo	15,000	12,500
Safe Community Wood Buffalo	14,150	26,250
Variety -The Children's Charity of Alberta Association	6,000	-
Girls Incorporated of Northern Alberta Society	-	6,250
	<b>2,961,738</b>	<b>2,918,976</b>
<b>Other allocations</b>		
Designated donations non member <i>(Note 7)</i>	96,112	107,005
Designated donation member agencies <i>(Note 7)</i>	58,685	55,016
Tools for School	18,726	17,745
Personal Support Network	5,826	8,609
Poverty reduction	1,308	2,674
	<b>180,657</b>	<b>191,049</b>
<b>Total allocations</b>	<b>3,142,395</b>	<b>3,110,025</b>
<b>Other expenses</b>		
Allocation of general and administration expenses <i>(Schedule 1)</i>	233,053	176,014
Community investment process	161,020	142,828
United Way of Canada	40,983	54,606
Community building	471	300
	<b>435,527</b>	<b>373,748</b>
<b>Total community investment</b>	<b>3,577,922</b>	<b>3,483,773</b>

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

*For the year ended December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Revenue from Redpoll Centre	<b>205,856</b>	247,854
Grant revenue from Suncor Energy Foundation (Note 7)	<b>31,250</b>	78,334
Amortization of deferred capital contributions (Note 11)	<b>63</b>	78
	<b>237,169</b>	326,266
<b>Expenses</b>		
Rent	<b>200,596</b>	202,030
Office expenses	<b>68,321</b>	62,090
Amortization	<b>51,744</b>	56,539
Salaries and benefits	<b>41,012</b>	58,025
Goods and services tax	<b>6,668</b>	6,636
Repair and maintenance	<b>2,438</b>	10
Supplies	<b>1,902</b>	744
	<b>372,681</b>	386,074
<b>Deficiency of revenue over expenses</b>	<b>(135,512)</b>	<b>(59,808)</b>

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

*For the year ended December 31, 2022*

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	<b>2022</b>	<b>2021</b>
<b>United Way Supported Agencies</b>		
St. Aidan's Society	-	52,822
<b>Programs</b>		
Foundant	-	16,218
Calgary Chamber of Volunteer Organizations	-	10,000
	-	26,218
<b>Operating expenses of Fire Recovery</b>		
Bank charges	11	45
<b>Total fire recovery investments</b>	<b>11</b>	<b>79,085</b>

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