
Financial statements of
Wood Buffalo Community Foundation

December 31, 2020

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Independent Auditor's Report

To the Board of Directors of
Wood Buffalo Community Foundation

Opinion

We have audited the financial statements of Wood Buffalo Community Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2020, 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Foundation 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 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 GAAS 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 GAAS, 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 Foundation'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 Foundation'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 Foundation 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.

Deloitte LLP

Chartered Professional Accountants
May 18, 2021

Wood Buffalo Community Foundation

Statement of financial position

As at December 31, 2020

	Notes	2020	2019
		\$	\$
Assets			
Cash		384,638	1,029,985
Condo	1	30,911	—
		415,549	1,029,985
Liability			
Accounts payable		16,119	6,943
Commitments	4		
Fund balances			
Unrestricted fund		105,324	751,789
Restricted funds			
Operating fund		244,000	221,487
Community fund		106	(234)
Donor specific funds		50,000	50,000
		399,430	1,023,042
		415,549	1,029,985

The accompanying notes are an integral part of the financial statements.

Approved by the Board

_____, Director

_____, Director

Wood Buffalo Community Foundation
Statement of operations and changes in fund balances
Year ended December 31, 2020

	Unrestricted	Operating	Community	CFC Emergency Community Support Funds	Donor Specific Funds	2020 Total	2019 Total
	Fund	Fund	Fund	Fund	Funds	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Contributions	875,051	—	233,121	—	55,876	1,164,048	1,023,641
Emergency Community Support Grants	—	—	—	207,746	—	207,746	—
Rental Revenue	11,092	—	—	—	—	11,092	—
Interest income	364	—	—	—	—	364	148
	886,507	—	233,121	207,746	55,876	1,383,250	1,023,789
Expenses							
Charitable activities							
Distributions	1,423,101	—	232,781	191,941	55,876	1,903,699	201,161
Donations	—	—	—	—	—	—	21,214
	1,423,101	—	232,781	191,941	55,876	1,903,699	222,375
General and administrative expenses							
Accounting and legal	—	23,494	—	—	—	23,494	14,297
Conference and training	—	4,020	—	—	—	4,020	2,952
Condo expenses	—	24,910	—	—	—	24,910	—
Rent	—	2,379	—	—	—	2,379	2,818
Payroll	—	25,976	—	15,805	—	41,781	2,182
Insurance	—	2,006	—	—	—	2,006	1,815
Communications	—	288	—	—	—	288	1,455
Office supplies	—	2,746	—	—	—	2,746	331
Miscellaneous	—	1,491	—	—	—	1,491	218
Travel and entertainment	—	—	—	—	—	—	189
Strategic meeting expenses	—	—	—	—	—	—	114
Interest and bank charges	—	48	—	—	—	48	25
	—	87,358	—	15,805	—	103,163	26,396
(Deficiency) excess of revenue over expenses	(536,594)	(87,358)	340	—	—	(623,612)	775,018
Fund balance, beginning of year	751,789	221,487	(234)	—	50,000	1,023,042	248,024
Interfund transfer	(109,871)	109,871	—	—	—	—	—
Fund balance, end of year	105,324	244,000	106	—	50,000	399,430	1,023,042

The accompanying notes are an integral part of the financial statements.

Wood Buffalo Community Foundation

Statement of cash flows

Year ended December 31, 2020

	2020	2019
Notes	\$	\$
Operating activities		
(Deficiency) excess of revenue over expenditures	(623,612)	775,018
Changes in non-cash operating working capital		
Increase in accounts payable	9,176	6,943
Donation of condo	(30,911)	—
(Decrease) increase in cash	(645,347)	775,018
Cash, beginning of year	1,029,985	248,024
Cash, end of year	384,638	1,023,042

The accompanying notes are an integral part of the financial statements.

Wood Buffalo Community Foundation

Notes to the financial statements

December 31, 2020

Nature of the organization

The Wood Buffalo Community Foundation (the "Foundation") was incorporated under the Canada Not-for-profit Corporations Act and commenced operations March 27, 2017. The Foundation is a charitable public foundation registered under the Income Tax Act and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes.

The Foundation encourages and promotes philanthropy in the Regional Municipality of Wood Buffalo ("RMWB"). It creates and manages a variety of funds to meet current and emerging community needs.

1. Accounting policies

The Foundation's accounting policies set out below have been applied consistently to all periods presented in these financial statements and reflect the following policies:

Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") issued by the Accounting Standards Board of CPA Canada and set out in Part III of the CPA Canada Handbook.

Cash

Cash includes cash on hand and balances with banks.

Fund accounting

The accounts of the Foundation are maintained in accordance with the principles of restricted fund accounting for contributions. The accounts have been segregated into the following funds:

Unrestricted fund

The Unrestricted Fund includes resources available for immediate purposes and accounts for the Foundation's general fundraising and administrative activities.

Restricted funds

Restricted funds include those funds whose resources are to be used for an identified purpose as specified by the donor, by fundraising initiatives or as determined by the Board of Directors.

The Foundation currently has the following restricted funds:

Operating Fund – The Operating Fund includes resources restricted by the donor or as determined by the Board of Directors for the purpose of covering operating costs. During the year, the Foundation internally restricted \$109,871 (\$nil in 2019) of unrestricted funds for operating purposes.

Community Fund – The Community Fund includes those funds restricted by the donor for the purpose of supporting Qualified Donees that enhance the quality of life for those living or working in RMWB.

Wood Buffalo Community Foundation

Notes to the financial statements

December 31, 2020

1. Accounting policies (continued)

Fund accounting (continued)

Restricted funds (continued)

Donor specific funds – The donor specific funds include those funds restricted by the donor for a particular use:

- Field of interest – Donor agreements indicate the area(s) of special interest for support.
- Designated – Donors advise on specific charities for support.
- Advised – Donors may provide advice each year on where they wish their donation granted.

Endowment fund

The Endowment Fund includes those funds for which either the donor or internal restrictions require that the principal investment be maintained by the Foundation on a permanent basis. The Foundation endowment funds are held by Edmonton Community Foundation (“ECF”) and therefore do not directly have any funds restricted for endowment (Note 2).

Community Foundations of Canada (CFC) – Emergency Community Support Fund (ECSF)

The ECSF was created by the foundation in 2020 and includes funds externally restricted to support charities and nonprofit organizations serving vulnerable populations as they manage the impacts of COVID-19. All funds were received and granted in the fiscal year 2020.

Revenue recognition

Restricted contributions related to operations are recognized as revenue in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the period of receipt.

Unrestricted contributions are recognized in the Unrestricted Fund as revenue in the period of receipt.

Contributed and in-kind services and donations

The Foundation is governed and supported by numerous volunteers. Contributed services are not reflected in these financial statements as determining their fair value is not practicable. Donations and contributions in kind are recorded at fair value at the date of the contribution when such value can reasonably be determined.

Four condos were donated to the Foundation in 2020 and valued at Fair Market Value determined by a third-party appraisal. At year end, three of the condos were sold with one remaining to be listed. Market conditions provided indicators that the value of the condo may be impaired as at December 31, 2020. Based on the impairment assessment performed by the Foundation, an impairment loss of \$34,089 was recognized in the statement of operations and changes in fund balances. Subsequent to year end, the condo was sold for proceeds of \$30,911.

Pledges

Pledges receivable are recognized when the amount to be received can be reasonably estimated and when collection is reasonably assured.

Wood Buffalo Community Foundation

Notes to the financial statements

December 31, 2020

1. Accounting policies (continued)

Financial instruments

Financial assets include cash. Cash is measured at amortized cost which approximates fair value due to the short-term nature of the assets. Financial assets and financial liabilities are initially recognized at fair value when the Foundation becomes a party to the contractual provisions of the financial instrument.

2. Endowments

Endowment contributions are held by ECF, an unrelated charitable foundation, and are held under agreement with ECF. These funds are permanently endowed and are assets of ECF until the Foundation requests a transfer of the funds and the terms set out in the endowment agreement are met. While held by ECF, these funds are managed for the sole benefit of the Foundation. During the year the Foundation transferred \$1,423,101 to ECF (\$21,214 in 2019).

The endowment balances held under agreement between the Foundation and ECF are as follows:

	2020 \$	2019 \$
Wood Buffalo Community Fund	3,474,487	2,151,391
Wood Buffalo Donor Specific Fund	917,127	733,229
	<u>4,391,614</u>	<u>2,884,620</u>

3. Pledges

The following are future commitments made by donors that have not been recognized in the financial statements:

	\$
2021	406,580
2022	160,392

Included in the above is a commitment from the Suncor Energy Foundation to match \$203,290 in donations to the Foundation raised in 2021.

4. Commitments

The Foundation is committed to pay monthly rental fees under a lease agreement through to April 2023. The following are the total annual commitments:

	\$
2021	8,889
2022	11,036
2023	3,727