

**Wood Buffalo Community Foundation**  
**Financial Statements**  
*December 31, 2022*

# Wood Buffalo Community Foundation Contents

*For the year ended December 31, 2022*

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To the Members 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, 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation 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 Opinion

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 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.

## Other Matter

The financial statement for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on May 5, 2022.

## 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 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 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.

Fort McMurray, Alberta

June 21, 2023

*MNP LLP*

Chartered Professional Accountants

**Wood Buffalo Community Foundation**  
**Statement of Financial Position**

*As at December 31, 2022*

	<b>2022</b>	<b>2021</b>
<hr/>		
<b>Assets</b>		
<b>Current</b>		
Cash	534,281	181,653
Accounts receivable	4,075	26
Prepaid expenses	300	-
	<hr/>	<hr/>
	<b>538,656</b>	<b>181,679</b>
<hr/>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable	28,210	9,225
<hr/>		
<b>Commitments</b> (Note 4)		
<b>Net Assets</b>		
Unrestricted funds	49,282	28,977
Internally restricted funds	335,184	143,477
Externally restricted funds	125,980	-
	<hr/>	<hr/>
	<b>510,446</b>	<b>172,454</b>
	<hr/>	<hr/>
	<b>538,656</b>	<b>181,679</b>
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Approved on behalf of the Board

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Director

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Director

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

**Wood Buffalo Community Foundation**  
**Statement of Operations and Changes in Fund Balances**

*For the year ended December 31, 2022*

	Restricted Funds							Total	
	Unrestricted Fund	Operating Fund	Community & Rapid Response Fund	Donor Specific Funds	Brandy Simon Memorial Scholarship Fund	Environmental Fund	Ukrainian Support Fund	2022	2021
<b>Revenue</b>									
Contributions	565,676	-	40,906	41,100	9,840	3,000	-	<b>660,522</b>	378,412
Grants	-	72,000	286,606	5,153	-	3,695	-	<b>367,454</b>	-
Ukrainian support	-	-	-	-	-	-	48,764	<b>48,764</b>	-
Golf tournament	-	25,166	-	-	-	-	-	<b>25,166</b>	-
Vital signs	-	18,838	-	-	-	-	-	<b>18,838</b>	-
Rapid response	-	-	11,464	-	-	-	-	<b>11,464</b>	-
Donor campaign	-	5,500	-	-	-	-	-	<b>5,500</b>	-
Interest	-	244	-	-	-	-	-	<b>244</b>	177
Rental	-	-	-	-	-	-	-	-	3,450
	<b>565,676</b>	<b>121,748</b>	<b>338,976</b>	<b>46,253</b>	<b>9,840</b>	<b>6,695</b>	<b>48,764</b>	<b>1,137,952</b>	<b>382,039</b>
<b>Expenses</b>									
Charitable activities									
Distributions	220,524	-	258,976	46,192	2,500	6,695	10,185	<b>545,072</b>	441,492
	<b>220,524</b>	<b>-</b>	<b>258,976</b>	<b>46,192</b>	<b>2,500</b>	<b>6,695</b>	<b>10,185</b>	<b>545,072</b>	441,492
Programs and events									
Payroll	-	100,929	-	-	-	-	-	<b>100,929</b>	86,669
Vital signs	-	53,010	-	-	-	-	-	<b>53,010</b>	-
General office and administration	-	47,901	-	-	-	-	-	<b>47,901</b>	63,946
Donor campaign	-	18,134	-	-	-	-	-	<b>18,134</b>	-
Legal and accounting	-	17,714	-	-	-	-	-	<b>17,714</b>	16,907
Golf tournament	-	17,200	-	-	-	-	-	<b>17,200</b>	-
	<b>-</b>	<b>254,888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254,888</b>	167,522
<b>Excess (deficiency) of revenue over expenses</b>	<b>345,152</b>	<b>(133,140)</b>	<b>80,000</b>	<b>61</b>	<b>7,340</b>	<b>-</b>	<b>38,579</b>	<b>337,992</b>	<b>(226,975)</b>
<b>Interfund transfers (Note 5)</b>	<b>(324,847)</b>	<b>324,847</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>28,977</b>	<b>143,477</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172,454</b>	<b>399,429</b>
<b>Fund balance, end of year</b>	<b>49,282</b>	<b>335,184</b>	<b>80,000</b>	<b>61</b>	<b>7,340</b>	<b>-</b>	<b>38,579</b>	<b>510,446</b>	<b>172,454</b>

# Wood Buffalo Community Foundation Statement of Cash Flows

For the year ended December 31, 2022

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	2022	2021
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	337,992	(226,975)
Changes in working capital accounts		
Increase in accounts receivable	(4,049)	(27)
Increase in prepaid expenses	(300)	-
Increase (decrease) in accounts payable	18,985	(6,894)
Proceeds on condo sale	-	30,911
<b>Increase (decrease) in cash resources</b>	<b>352,628</b>	<b>(202,985)</b>
<b>Cash resources, beginning of year</b>	<b>181,653</b>	<b>384,638</b>
<b>Cash resources, end of year</b>	<b>534,281</b>	<b>181,653</b>

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The accompanying notes are an integral part of these financial statements

# Wood Buffalo Community Foundation

## Notes to the Financial Statements

For the year ended December 31, 2022

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### 1. Incorporation and nature of the organization

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 registered as a charitable public foundation 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.

### 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:

#### **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 method of accounting for contributions. The accounts have been segregated into the following funds:

#### **Unrestricted fund**

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

#### **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's endowment funds are held by Edmonton Community Foundation ("ECF") and therefore no funds restricted for endowment (Note 3) are directly held.

#### **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 designated by the Board of Directors for the purpose of covering operating costs. The Foundation internally restricts two years of forecasted operating costs of unrestricted funds for operating purposes.

*Community & Rapid Response Fund* - The Community & Rapid Response Fund includes those funds restricted by the donor for the purpose of supporting Qualified Donees that enhance the quality of life for those living and working in RMWB.

*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.

*Brandy Simon Memorial Scholarship Fund* - In memory of Brandy Simon, her family has established a Scholarship Fund.

*Environmental Fund* - Contributions in support of environmental causes.

*Ukrainian Support Fund* - All funds raised directly support Ukrainian evacuees who are making their new home in the Wood Buffalo region.



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

***Revenue recognition***

The Foundation uses the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate restricted fund in the period of receipt. Funding restricted for future periods or for purposes not represented by existing restricted funds is initially recorded as deferred revenue and recognized in the period in which related funds are spent.

Unrestricted contributions are recognized as revenue of the Unrestricted Fund in the year received or receivable.

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

***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.

***Financial instruments***

The Foundation recognizes financial instruments when the Foundation 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 Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation has not made such an election during the year.

The Foundation 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.

***Financial asset impairment***

The Foundation assesses impairment of all its financial assets measured at cost or amortized cost. The Foundation 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 Foundation 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 (use of estimates)***

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 revenues and expenses during the year. A significant item subject to such estimates and assumptions is the provision for impairment of accounts receivable. Actual results could differ from this estimate.

# Wood Buffalo Community Foundation

## Notes to the Financial Statements

For the year ended December 31, 2022

### 3. 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.

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

	2022	2021
Wood Buffalo Community Fund	4,058,751	4,186,600
Wood Buffalo Donor Specific Fund	1,265,382	1,122,328
	<b>5,324,133</b>	<b>5,308,928</b>

### 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:

2023	3,727
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### 5. Interfund transfers

During the year, the Foundation transferred \$324,847 (2021 - \$nil) from the Unrestricted Fund to the Operating Fund to allocate funds sufficient to meet forecasted operating expenses.

### 6. Financial instruments

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

#### **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 Foundation is exposed to interest rate price risk on its cash.

#### **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 Foundation is the beneficiary of funds held by ECF (Note 3) which are invested in a pool of various investments, for which the market price fluctuates. The distributions received by the Foundation are based on the value of the fund thereby exposing the Foundation to price risk as the fair market value of the fund fluctuates based on market forces.

### 7. Comparative figures

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