

**Financial Statements of  
United Way of Fort McMurray  
Year ended December 31, 2008**

## **MANAGEMENT'S RESPONSIBILITY**

To the Members of United Way of Fort McMurray:

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 generally accepted accounting principles. 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 safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board of Directors 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 of Directors fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board of Directors is also responsible for recommending the appointment of the Organization's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the Directors 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 of Directors and management to discuss their audit findings.

February 6, 2009

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Management



MEYERS NORRIS PENNY LLP

## AUDITORS' REPORT TO THE DIRECTORS OF UNITED WAY OF FORT MCMURRAY

We have audited the statement of financial position of United Way of Fort McMurray as at December 31, 2008, and the statements of operations including supporting schedules, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on the financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets, current liabilities and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donations and fundraising referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2008 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Meyers Norris Penny LLP*

Fort McMurray, Alberta

Chartered Accountants

February 6, 2009



CHARTERED ACCOUNTANTS & BUSINESS ADVISORS  
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**United Way of Fort McMurray**  
Statement of Financial Position

As at December 31, 2008

	2008	2007
<b>Assets</b>		
<b>Current assets:</b>		
Cash	3,069,737	2,090,422
Campaign pledges receivable (Note 2)	3,054,488	2,607,166
Goods and Services Tax receivable	6,675	5,488
Interest receivable	4,067	6,575
Supplies	8,321	9,165
Prepaid campaign expenses	295,837	285,997
Other prepaid expenses	759	704
	6,439,884	5,005,517
Capital assets (Note 3)	89,632	14,767
	6,529,516	5,020,284
<b>Liabilities and net assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accruals	326,450	94,430
Deferred campaign revenue (Note 4)	4,274,066	3,800,715
Deferred grant revenue (Note 5)	344,280	-
	4,944,796	3,895,145
Unamortized deferred capital contributions (Note 6)	78,537	980
	5,023,333	3,896,125
<b>Net assets:</b>		
Invested in capital assets	11,095	13,787
General contingency reserve	1,495,088	1,110,372
	1,506,183	1,124,159
	6,529,516	5,020,284

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

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**United Way of Fort McMurray**  
Statement of Operations

For the year ended December 31, 2008

	2008	2007
<b>Support revenues:</b>		
Campaign contributions and pledges	3,936,958	3,050,867
Provision for uncollectible pledges	(136,243)	(103,147)
	<u>3,800,715</u>	<u>2,947,720</u>
<b>Other revenues (expenses):</b>		
Interest	59,220	52,465
Amortization of deferred capital contributions	196	245
Program funding	28,039	16,000
Doubtful pledge recovery (expense)	(36,286)	(42,324)
	<u>51,169</u>	<u>26,386</u>
<b>Total support and other revenues</b>	<u>3,851,884</u>	<u>2,974,106</u>
<b>Expenditures:</b>		
Community investment ( <i>Schedule 1</i> )	3,075,139	2,209,061
Campaign expenses ( <i>Schedule 2</i> )	285,997	207,286
Administration and allocation expenses ( <i>Schedule 3</i> )	108,724	94,893
Loss on disposal of assets	-	428
	<u>3,469,860</u>	<u>2,511,668</u>
<b>Excess of revenues over expenses</b>	<u>382,024</u>	<u>462,438</u>

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

**United Way of Fort McMurray**  
Statement of Changes in Net Assets

For the year ended December 31, 2008

	Invested in capital assets	General contingency reserve	2008
Balance, beginning of year	13,787	1,110,372	1,124,159
Excess of revenues over expenses		382,024	382,024
Amortization internally funded capital assets	(4,620)	4,620	
Capital assets acquired from internal funds	1,928	(1,928)	
<b>Balance, end of year</b>	<b>11,095</b>	<b>1,495,088</b>	<b>1,506,183</b>

For the year ended December 31, 2007

	Invested in capital assets	General contingency reserve	2007
Balance, beginning of year	5,979	655,742	661,721
Excess of revenues over expenses		462,438	462,438
Amortization internally funded capital assets	(2,619)	2,619	
Capital assets acquired from internal funds	10,855	(10,855)	
Loss on disposal of assets	(428)	428	
<b>Balance, end of year</b>	<b>13,787</b>	<b>1,110,372</b>	<b>1,124,159</b>

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

**United Way of Fort McMurray**  
Statement of Cash Flows

For the year ended December 31, 2008

	2008	2007
<b>Cash provided by (used in) the following activities:</b>		
<b>Operating activities:</b>		
Cash received from campaign contributions	3,801,370	3,093,681
Cash received from other contributions	422,247	-
Interest received	61,728	49,949
Community investment expenses paid	(2,926,481)	(2,135,686)
Campaign expenses paid	(271,566)	(244,550)
Administration and allocation expenses paid	(106,055)	(98,181)
	981,243	665,213
<b>Investing activities:</b>		
<b>Additions to capital assets:</b>		
Internally funded	(1,928)	(10,855)
Externally funded	(77,753)	
	(79,681)	(10,855)
<b>Financing activities:</b>		
Capital contributions received	77,753	
<b>Increase in cash</b>	<b>979,315</b>	<b>654,358</b>
<b>Cash position, beginning of year</b>	<b>2,090,422</b>	<b>1,436,064</b>
<b>Cash position, end of year</b>	<b>3,069,737</b>	<b>2,090,422</b>

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

# United Way of Fort McMurray

## Notes to Financial Statements

For the year ended December 31, 2008

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United Way of Fort McMurray (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 is exempt from paying tax under Section 149(1)(l) of the *Income Tax Act*. Its registered charity number is 11926 0495 RR0001.

### 1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, using the following significant accounting policies:

#### a) Revenue recognition:

##### i) Campaign contributions and pledges

The annual campaign is conducted to raise support for member agencies and new agency development in the following year. Contributions and pledges are accordingly deferred until the following year when the related allocations to agencies are made.

##### 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 the community investment figures in Schedule 1.

##### 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.

##### 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.

**United Way of Fort McMurray**  
Notes to Financial Statements

For the year ended December 31, 2008

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1. Significant accounting policies (continued):

a) Revenue recognition (continued):

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.

b) Campaign expenses:

Campaign expenses are deferred until the year following the campaign when allocations are made to agencies and campaign contributions and pledges are recognized as revenue.

c) Allocation of general management and administration expenses:

General management and administration expenses are incurred to support functional areas and are allocated to campaign and administration and allocation expenses based on the time study method. Following this method, general management and administration expenses are allocated as follows:

	<u>2008</u>	<u>2007</u>
Campaign expenses	75%	75%
Administration and allocation expenses	25%	25%

d) Supplies:

Supplies are valued at the lower of cost and net realizable value.

e) Capital assets:

Capital assets are initially recorded at cost. 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.

<u>Assets</u>	<u>Method</u>	<u>Rate</u>
Furniture and equipment	Declining balance	20%
Computer equipment and software	Straight line	33%

In the year of acquisition, amortization is taken starting in the month of acquisition.

**United Way of Fort McMurray**  
Notes to Financial Statements

For the year ended December 31, 2008

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1. Significant accounting policies (continued):

f) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 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 earnings in the periods in which they become known.

g) Financial instruments

Held for trading:

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition or adoption of CICA 3855 *Financial Instruments – Recognition and Measurement*, even if that instrument would not otherwise satisfy the definition of held for trading. The Organization has designated cash on initial recognition as held for trading. This instrument is initially recognized at its fair value determined by quotations in an active market. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date and transaction costs are immediately recognized in excess of revenues over expenses.

Held for trading financial instruments are subsequently measured at their fair value. Net gains and losses arising from changes in fair value include interest income and are recognized immediately in excess of revenues over expenses.

Loans and receivables:

The Organization has classified interest receivable as loans and receivables. These assets are initially recognized at their value determined by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date. Total interest income, calculated using the effective rate method, is recognized in excess of revenues over expenses.

Loans and receivables are subsequently measured at their amortized cost, using effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the

**United Way of Fort McMurray**  
Notes to Financial Statements

For the year ended December 31, 2008

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1. Significant accounting policies (continued):

g) Financial instruments (continued):

Loans and receivables (continued):

Cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectibility. Net gains and losses arising from changes in fair value include interest income are recognized in excess of revenues over expenses upon derecognition or impairment.

Other financial liabilities:

The Organization has classified accounts payable and accruals as other financial liabilities. These liabilities are initially recognized at their fair value determined by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in excess of revenues over expenses.

Fees incurred on an exchange of financial liabilities or a modification of the terms of financial liabilities that is accounted for as an extinguishment are included as part of the gain or loss on extinguishment, while any related other costs incurred are recognized in current year excess of revenues over expenses. Any related other costs incurred are recognized in current year excess of revenues over expenses.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Net gains and losses arising from changes in fair value are recognized in excess of revenues over expenses upon derecognition or impairment.

2. Campaign pledges receivable:

Campaign pledges receivable are shown net of allowance for uncollectible pledges. The amount for uncollectible pledges is \$242,070 (\$136,243 in 2007).

**United Way of Fort McMurray**  
Notes to Financial Statements

For the year ended December 31, 2008

3. Capital assets:

	2008		2007	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Furniture and equipment	47,508	7,100	40,408	8,825
Computer equipment and software	48,718	42,281	6,437	5,942
Leasehold improvement	42,787	-	42,787	-
	<b>139,013</b>	<b>49,381</b>	<b>89,632</b>	<b>14,767</b>

Furniture and equipment, computer equipment and leasehold improvements include additions purchased for the Redpoll Centre with a carrying value of \$76,753. No amortization of these assets has been recorded during the current period because they were not in use.

4. Deferred campaign revenue:

Deferred campaign contributions relate to funding received in the current period that relates to the subsequent period. Changes in the deferred campaign contributions balance are as follows:

	2008	2007
Balance, beginning of year	3,800,715	2,947,720
Amount recognized as revenue during the year:		
Campaign contributions and pledges	(3,894,603)	(3,023,500)
Contributed materials and services	(42,355)	(27,367)
Provision for uncollectible pledges	136,243	103,147
Amount received relating to the following year:		
Campaign contributions and pledges	4,499,000	3,894,603
Contributed materials and services	17,136	42,355
Provision for uncollectible pledges	(242,070)	(136,243)
	<b>4,274,066</b>	<b>3,800,715</b>

5. Deferred revenue:

Deferred revenue represents the unspent portion of a grant received for the Redpoll Centre from Suncor Energy Services Inc. The total amount of the grant was \$500,000 of which \$77,967 was spent on operating expenses (see Schedule 4) and \$77,753 was spent on capital assets and has been recorded to unamortized deferred capital contributions (see Note 6). The deferred portion will be spent in future years on operating expenses and additional capital asset purchases for the Redpoll Centre.

**United Way of Fort McMurray**  
Notes to Financial Statements

For the year ended December 31, 2008

**6. 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:

	2008	2007
Balance, beginning of year	980	1,502
Additions of deferred capital contributions	77,753	-
Amortization of deferred capital contributions	(196)	(245)
Loss on disposal of contributed capital assets	-	(277)
	<b>78,537</b>	<b>980</b>

**7. Distribution of 2008 campaign funds:**

The Board of Directors has allocated the 2008 campaign pledges to be distributed in 2009 as follows:

2008 Campaign contributions and pledges	4,499,000
2008 Contributed materials and services	17,136
Less: Provision for uncollectible pledges	(242,070)
	<b>4,274,066</b>
Allocated to United Way agencies	3,594,366
Designated donations to United Way agencies	248,255
Allocation to United Way Canada	33,368
Allocated to other United Way programs	195,000
	<b>4,070,989</b>
Designated donations to non-United Way agencies	63,089
	<b>4,134,078</b>
Administrative and allocations expenses	144,765
Campaign expenses	244,580
	<b>4,523,423</b>
Deficiency of revenues over expenses	<b>249,357</b>

**United Way of Fort McMurray**  
Notes to Financial Statements

For the year ended December 31, 2008

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**8. Commitments:**

The Organization has entered into a lease agreement with estimated minimum annual payments as follows:

2009	\$ 82,028
2010	86,131
2011	90,431
2012	94,951
2013	40,365

The Organization has entered into a price contract for leasehold improvements in the amount of \$70,758 of which \$35,379 will be paid subsequent to year end.

During the year the Organization committed funding in the amount of \$900,000 to the Stepping Stones Group Home. Of this commitment \$300,000 was paid in the current year and the remaining \$600,000 will be paid equally in 2009 and 2010.

**9. 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 or credit risks arising from these financial instruments.

**Risk management policy:**

The Organization, as part of its operations, has established avoidance of undue risk due to market fluctuations as a risk management objective. In seeking to meet this objective, the Organization follows a risk management policy approved by its Board of Directors. The Organization crystallizes investments within 24 hours of receiving donated marketable securities.

**Fair value:**

The carrying amount of cash, interest receivable and accounts payable and accruals approximates their fair value due to the short term maturities of these items.

**United Way of Fort McMurray**  
Schedule 1 – Community Investment

For the year ended December 31, 2008

	2008	2007
<b>United Way agencies and funded programs:</b>		
Big Brothers/Big Sisters Association of Wood Buffalo	\$ 723	\$ 1,666
Canadian Mental Health Association	72,035	64,298
Canadian Paraplegic Association	7,412	5,000
CNIB	13,539	10,510
Centre of Hope	261,128	200,647
Fort McMurray Association for Community Living	112,496	83,984
Fort McMurray Boys & Girls Club	176,368	140,974
Fort McMurray Family Crisis Society	224,347	244,992
Fort McMurray Food Bank Association	4,126	4,434
Fort McMurray Golden Years Society	52,202	47,916
Fort McMurray Search and Rescue Society	17,743	17,058
Fort McMurray Society for the Prevention of Cruelty to Animals	79,343	48,225
Fort McMurray Victim Services Society	51,710	553
Girls Incorporated of Northern Alberta Society	35,581	25,280
Girls Guides of Canada - Northern Lights Area	19,946	17,722
Marshall House	250,000	112,500
Northern Lights Respiratory Health Program	(2,350)	33,519
Pastew Place Detox Centre	254,103	198,887
Some Other Solutions Society for Crisis Prevention	214,610	196,080
St. John Council for the Province of Alberta Branch	1,887	5,442
The Arthritis Society	2,616	13,891
The Children's Centre	119,167	93,822
The Hub	117,706	106,968
The Salvation Army	349,454	275,351
Wood Buffalo HIV & Aids Society	59,670	45,370
YMCA of Wood Buffalo	41,936	43,101
Young Life of Fort McMurray	14,209	2,425
	<b>2,551,707</b>	<b>2,040,615</b>
<b>Other non-profit organizations:</b>		
Personal Support Network	13,340	12,060
Tools for Schools	11,720	6,486
Non-support agencies direct pledges	43,390	39,847
Emergency Funding	122,989	30,000
	<b>191,439</b>	<b>88,392</b>
<b>Affiliated Charities</b>		
United Way of Canada	29,455	22,676
<b>Other expenditures:</b>		
Community Building	2,538	57,377
Program Development Funding	300,000	-
Redpoll Centre (Schedule 4)	-	-
	<b>\$3,075,139</b>	<b>\$2,209,061</b>

**United Way of Fort McMurray**  
Schedule 2 – Campaign Expenses

For the year ended December 31, 2008

	2008	2007
<b>Audit and accounting</b>	8,555	6,985
<b>Bank charges</b>	2,909	1,521
<b>Conference</b>	4,450	4,293
<b>Goods and Services Tax</b>	2,996	1,763
<b>Insurance</b>	1,365	844
<b>Memberships</b>	104	232
<b>Meetings, seminars and events</b>	9,915	21,388
<b>Office expenses</b>	60,109	10,648
<b>Promotion and publicity</b>	20,946	18,483
<b>Recognition expense</b>	8,826	3,670
<b>Rent</b>	9,558	7,406
<b>Salaries and employee benefits</b>	131,707	107,298
<b>Supplies</b>	17,763	13,194
<b>Training</b>	3,138	2,335
<b>Transportation</b>	1,696	1,298
	<b>284,037</b>	<b>201,358</b>
<b>Amortization</b>	1,960	5,928
	<b>285,997</b>	<b>207,286</b>

**United Way of Fort McMurray**  
**Schedule 3 – Administration and Allocation Expenses**

For the year ended December 31, 2008

	2008	2007
Audit and accounting	6,411	4,560
Bank charges	100	156
Conference	235	1,114
Goods and Services Tax	1,906	2,492
Insurance	1,160	734
Meetings, seminars and events	1,648	2,442
Memberships	96	92
Office expenses	6,367	5,182
Promotion and publicity	1,968	3,838
Recognition expense	915	2,164
Rent	6,699	5,138
Salaries and employee benefits	78,746	64,605
Training	423	808
Transportation	437	666
	107,111	93,991
Amortization	1,613	902
	108,724	94,893

**United Way of Fort McMurray**  
**Schedule 4 – Redpoll Centre Revenue and Expenditures**

For the year ended December 31, 2008

	2008	2007
Grant revenue from Suncor Energy Services Inc.	77,967	-
Goods and Services Tax	1,398	-
Meetings, seminars and events	344	-
Office expenses	1,662	-
Renovations	5,987	-
Research and development	2,519	-
Rent	66,057	-
	<u>77,967</u>	-
Amortization	-	-
Total expenses	77,967	-
<b>Total of revenue over expenditures</b>	<u>-</u>	<u>-</u>