

**FOREVER FUND / LE FONDS A VIE**

**The Endowment Fund of the United Way of Central N.B. Inc./  
Fonds de Dons de Centraide - Region du Centre du N.-B. Inc.**

**Financial Statements**

**March 31, 2021**

**FOREVER FUND / LE FONDS A VIE**

**Financial Statements**

**March 31, 2021**

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**FOREVER FUND / LE FONDS A VIE**

**Statement of Financial Position**

<b>March 31</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>General Fund</b>		<b>Endowment Fund</b>		<b>Total</b>	<b>Total</b>
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash	\$ 25,694	\$ 75,087	\$ -	\$ -	\$ 25,694	\$ 75,087
Accounts receivable - United Way	125	125	-	-	125	125
HST receivable	1,193	1,147	-	-	1,193	1,147
Due from the General Fund	<u>-</u>	<u>-</u>	<u>1,209</u>	<u>17,606</u>	<u>-</u>	<u>-</u>
	<b>27,012</b>	76,359	<b>1,209</b>	17,606	<b>27,012</b>	76,359
LONG-TERM INVESTMENTS (Note 2)	<u>-</u>	<u>-</u>	<u><b>2,945,361</b></u>	<u>2,495,293</u>	<u><b>2,945,361</b></u>	<u>2,495,293</u>
	<b>\$ 27,012</b>	\$ 76,359	<b>\$2,946,570</b>	\$2,512,899	<b>\$2,972,373</b>	\$2,571,652
<b>LIABILITIES</b>						
<b>CURRENT</b>						
Accounts payable and accruals	\$ 3,424	\$ 3,230	\$ -	\$ -	\$ 3,424	\$ 3,230
Due to the Endowment Fund	<u>1,209</u>	<u>17,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><b>4,633</b></u>	<u>20,836</u>	<u>-</u>	<u>-</u>	<u><b>3,424</b></u>	<u>3,230</u>
<b>FUND BALANCES</b>						
Externally restricted for endowment purposes						
Bequests (Note 5)			<b>2,502,738</b>	2,149,432	<b>2,502,738</b>	2,149,432
Individual Donations			<b>324,677</b>	264,257	<b>324,677</b>	264,257
Corporate Donations			<b>8,648</b>	7,219	<b>8,648</b>	7,219
Memorials, fundraisers and other Foundations			<b>102,027</b>	84,913	<b>102,027</b>	84,913
			<u><b>8,480</b></u>	<u>7,078</u>	<u><b>8,480</b></u>	<u>7,078</u>
			<u><b>2,946,570</b></u>	<u>2,512,899</u>	<u><b>2,946,570</b></u>	<u>2,512,899</u>
Unrestricted	<u><b>22,379</b></u>	<u>55,523</u>	<u>-</u>	<u>-</u>	<u><b>22,379</b></u>	<u>55,523</u>
	<b>\$ 27,012</b>	\$ 76,359	<b>\$2,946,570</b>	\$2,512,899	<b>\$2,972,373</b>	\$2,571,652

APPROVED BY THE BOARD

\_\_\_\_\_ Director

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

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**FOREVER FUND / LE FONDS A VIE****Statement of Changes in Fund Balances**

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<b>For the Year Ended March 31</b>				<b>2021</b>	<b>2020</b>
	<b>General Fund</b>		<b>Endowment</b>		
	<b>Internally</b>	<b>Unrestricted</b>	<b>Fund</b>	<b>Total</b>	<b>Total</b>
	<b>Restricted</b>				
<b>BALANCE</b>					
<b>- BEGINNING OF YEAR</b>	\$ -	\$ 55,523	\$2,512,898	<b>\$2,568,421</b>	\$2,685,858
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	-	(117,691)	518,219	<b>400,528</b>	(117,437)
TRANSFER FROM ENDOWMENT FUND	<u>-</u>	<u>84,547</u>	<u>(84,547)</u>	<u>-</u>	<u>-</u>
<b>BALANCE - END OF YEAR</b>	\$ -	\$ 22,379	\$2,946,570	<b>\$2,968,949</b>	\$2,568,421

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**FOREVER FUND / LE FONDS A VIE****Statement of Revenues and Expenses**

<b>For the Year Ended March 31</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>General Fund</b>		<b>Endowment Fund</b>	
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 102,758	\$ 102,203
Restricted gifts	-	-	9,394	13,333
Bequests	-	-	16,490	138,109
Unrealized capital gains (losses)	-	-	389,577	(260,543)
	<u>-</u>	<u>-</u>	<u>518,219</u>	<u>(6,898)</u>
<b>EXPENSES</b>				
Gift to United Way/Centraide	87,000	89,000	-	-
Endowment officer	24,000	14,000	-	-
Meeting cost and travel	103	3,334	-	-
Printing and promotion	1,574	580	-	-
Professional fees	2,584	2,592	-	-
Membership fees/dues	153	153	-	-
Insurance	848	291	-	-
Interest and bank charges	67	79	-	-
Volunteer recognition	1,445	108	-	-
Miscellaneous	(83)	402	-	-
	<u>117,691</u>	<u>110,539</u>	<u>-</u>	<u>-</u>
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ (117,691)</b>	<b>\$ (110,539)</b>	<b>\$ 518,219</b>	<b>\$ (6,898)</b>

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

**FOREVER FUND / LE FONDS A VIE**

**Statement of Cash Flow**

<b>For the Year Ended March 31</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>General Fund</b>		<b>Endowment Fund</b>	
<b>OPERATING ACTIVITIES</b>				
(Deficiency) excess of revenues over expenses	\$ (117,691)	\$ (110,539)	\$ 518,219	\$ (6,898)
Item not affecting cash				
Unrealized capital loss (gain)	<u>-</u>	<u>-</u>	<u>(389,577)</u>	<u>260,540</u>
Cash provided from (applied to) operations	<b>(117,691)</b>	<b>(110,539)</b>	<b>128,642</b>	<b>253,642</b>
Changes in cash relating to operations				
Accounts receivable - United Way	-	500	-	-
HST receivable	(49)	13	-	-
Accounts payable and accruals	<u>198</u>	<u>442</u>	<u>-</u>	<u>-</u>
	<u><b>(117,542)</b></u>	<u><b>(109,584)</b></u>	<u><b>128,642</b></u>	<u><b>253,642</b></u>
<b>FINANCING ACTIVITIES</b>				
Transfer from Endowment Fund	<b>84,547</b>	127,200	-	-
Transfer to General Fund	-	-	<b>(84,547)</b>	(127,200)
Advances from (to) General Fund	-	-	<b>16,399</b>	(15,777)
Advances from (to) Endowment Fund	<u><b>(16,398)</b></u>	<u>15,781</u>	<u>-</u>	<u>-</u>
	<u><b>68,149</b></u>	<u>142,981</u>	<u><b>(68,148)</b></u>	<u><b>(142,977)</b></u>
<b>INVESTING ACTIVITIES</b>				
(Increase) decrease in investments	<u>-</u>	<u>-</u>	<u><b>(60,494)</b></u>	<u><b>(110,665)</b></u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(49,393)</b>	33,397	-	-
<b>CASH - BEGINNING OF YEAR</b>	<u><b>75,087</b></u>	<u>41,690</u>	<u>-</u>	<u>-</u>
<b>CASH - END OF YEAR</b>	<b>\$ 25,694</b>	<b>\$ 75,087</b>	<b>\$ -</b>	<b>\$ -</b>

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

**March 31, 2021**

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The FOREVER FUND / LE FONDS A VIE (the "Foundation") was incorporated on May 14, 1998 under the laws of the Province of New Brunswick as The Endowment Fund of the United Way of Central N.B. Inc. / Fonds de Dons de Centraide - Region du Centre du N.-B. Inc. Operations commenced January 1, 1999 with the transfer of funds from the former endowment fund of the United Way / Centraide (Central N.B. / Region du Centre du N.-B.) Inc. The nature of contributions to this predecessor fund have been maintained.

The mission of the FOREVER FUND / LE FONDS A VIE is to provide the people of Central New Brunswick with an opportunity for planned giving which provides them satisfaction in knowing that they are helping to preserve the future of the United Way's services to the community.

No provision is made for taxes, as the Foundation is a not-for-profit organization under paragraph 149(1)(l) of the Income Tax Act.

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## **1. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Foundation are in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant.

### **Fund Accounting**

The FOREVER FUND / LE FONDS A VIE follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the Endowment Fund.

### **Revenue Recognition**

Restricted contributions for endowment are recognized as revenue of the Endowment Fund.

Unrestricted contributions are recognized as revenue of the Endowment Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income or loss earned on Endowment Fund resources is recognized as revenue of the Endowment Fund. Investment income includes all realized income and capital gains/losses as well as unrealized capital gains and losses.

### **Fund Transfers**

Funds are transferred from the Endowment Fund to the General Fund based on the amount required to meet the disbursement quota as required by the Canada Revenue Agency plus an amount for operating expenses as determined by the annual operating budget (not to exceed 1.5% of the market value of investments at the end of the prior year).

**March 31, 2021**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial Instruments**

The Foundation's financial instruments consist of cash, investments, receivables, and payables. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

**Measurement of Financial Instruments**

The Foundation initially measures its financial assets and liabilities at fair value.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

**Interest Rate Risk**

The investments of the Endowment Fund are exposed to risk related to interest rate fluctuations, stock market conditions and currency exchange. To illustrate the extent of this risk, a +/-0.5% change of investment return would result in an approximate \$14,750 change in revenue and net income. The Forever Fund reduces the potential impact of these risks as described in the Funds Transfer note, by withdrawing a fixed amount for investments each year at an amount that is predicted to be below long-term investment returns.

**Market Risk**

The Foundation is exposed to market risk on its investments. Market risk is the risk that the fair value of the investments will fluctuate as a result of changes in market prices. Market risk comprises currency risk, interest rate risk, and other price risk.

**Contributed Services and Materials**

The work of the Foundation is dependent on contributed services and materials. Since these volunteer services and materials are not normally purchased by the Foundation and because of the difficulty of determining their fair value, they are not monetarily recognized in these statements.

**Use of Estimates**

Financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations require management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as reported amounts of revenue and expenses during the period. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of revenues and expenses in the year they become known.



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**2. LONG-TERM INVESTMENTS**

	<u>2021</u>	<u>2020</u>
Investments administered by CIBC Wood Gundy	<b>\$1,209,613</b>	\$1,085,060
Investments administered by Investors Group	<b>26,641</b>	21,899
Investments administered by The Fredericton Community Foundation Inc.	<b><u>1,709,107</u></b>	<u>1,388,334</u>
	<b><u>\$2,945,361</u></b>	<u>\$2,495,293</u>

The funds are invested in a portfolio of investments. Those investments are accounted for as "Held-for-Trading" financial instruments and, therefore, are valued at market value (Cost - \$2,626,850., 2020 - \$2,566,358).

**3. CAPITAL MANAGEMENT**

The Foundation considers its capital to be cash, short-term investments of the General Fund and the long-term investments of the Endowment Fund. The Foundation's objective when managing capital of the General Fund is to maintain sufficient liquid resources to meet legal charitable spending requirements (Canada Revenue Agency disbursement quota) and to meet operating requirements.

The Foundation's objective when managing restricted fund balances is to comply with restrictions imposed by the donors and to safeguard the assets in order to assure their perpetual purpose.

**4. ESTATE OF FRANKLIN F. CREIGHTON**

The Fredericton Community Foundation Inc. administers a bequest from the Estate of Franklin F. Creighton. The terms of the bequest stipulate that the annual earnings from these funds (less \$2,000 to five other charities) are donated to the United Way. As per an agreement with the United Way, this donation is transferred to the Forever Fund and is recorded as revenue in these statements under the Endowment Fund.

The funds held by the Fredericton Community Foundation from this bequest are not recorded in these statements.

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5. BEQUESTS

	<u>2021</u>	<u>2020</u>
Estate of Maurice Cain	\$ 53,273	\$ 44,468
Estate of Franklin F. Creighton	478,662	385,783
Estate of John Savage	88,726	74,061
Estate of Gordon Neill	207,647	173,327
Estate of Stella Maie Jones	28,555	23,836
Estate of Ron Hovey	1,189,424	1,066,950
Estate of Gregory Richard McCain	13,944	11,639
Estate of D. Rowan	176,769	147,552
Estate of Jean Snow	5,335	4,453
Estate of Jane Whepley	5,361	4,475
Estate of Ena Stephens	135,241	112,888
Estate of Marilyn Garland	<u>119,801</u>	<u>100,000</u>
	<b><u>\$2,502,738</u></b>	<b><u>\$2,149,432</u></b>

6. COVID-19 PANDEMIC

Since March 11, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Foundation has assessed there were no adjusting events for the statement of financial position and results of operations as of and for the year ended March 31, 2021. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of the potential consequences, as well as their impact on the financial position and results of the Foundation for future periods.