

Independent Practitioner's Review Engagement Report

To the Members of
The Endowment Fund of the United Way of Central N.B. Inc

We have reviewed the accompanying financial statements of The Endowment Fund of the United Way of Central N.B. Inc that comprise the balance sheet as at March 31, 2022, and the statements of income and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Independent Practitioner's Review Engagement Report (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The Endowment Fund of the United Way of Central N.B. Inc as at March 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.

Fredericton, Canada
October 24, 2022

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

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, 2022

FOREVER FUND / LE FONDS A VIE

Financial Statements

March 31, 2022

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FOREVER FUND / LE FONDS A VIE

Statement of Financial Position

March 31	2022	2021	2022	2021	2022	2021
	General Fund		Endowment Fund		Total	Total
ASSETS						
CURRENT						
Cash	\$ 132,354	\$ 25,694	\$ -	\$ -	\$ 132,354	\$ 25,694
Accounts receivable - United Way	-	125	-	-	-	125
HST receivable	1,463	1,196	-	-	1,463	1,196
Due from the General Fund	-	-	858	1,209	-	-
	<u>133,817</u>	<u>27,015</u>	<u>858</u>	<u>1,209</u>	<u>133,817</u>	<u>27,015</u>
LONG-TERM INVESTMENTS (Note 2)	-	-	3,103,415	2,945,361	3,103,415	2,945,361
	<u>\$ 133,817</u>	<u>\$ 27,015</u>	<u>\$3,104,273</u>	<u>\$2,946,570</u>	<u>\$3,237,232</u>	<u>\$2,972,376</u>
LIABILITIES						
CURRENT						
Accounts payable and accruals	\$ 98,692	\$ 3,426	\$ -	\$ -	\$ 98,692	\$ 3,426
Due to the Endowment Fund	858	1,209	-	-	-	-
	<u>99,550</u>	<u>4,635</u>	<u>-</u>	<u>-</u>	<u>98,692</u>	<u>3,426</u>
FUND BALANCES						
Externally restricted for endowment purposes						
Bequests (Note 5)			2,612,730	2,502,738	2,612,730	2,502,738
Individual Donations			360,377	324,677	360,377	324,677
Corporate Donations			9,187	8,648	9,187	8,648
Memorials, fundraisers and other Foundations			112,971	102,027	112,971	102,027
			<u>9,008</u>	<u>8,480</u>	<u>9,008</u>	<u>8,480</u>
			<u>3,104,273</u>	<u>2,946,570</u>	<u>3,104,273</u>	<u>2,946,570</u>
Unrestricted	<u>34,267</u>	<u>22,380</u>	<u>-</u>	<u>-</u>	<u>34,267</u>	<u>22,380</u>
	<u>\$ 133,817</u>	<u>\$ 27,015</u>	<u>\$3,104,273</u>	<u>\$2,946,570</u>	<u>\$3,237,232</u>	<u>\$2,972,376</u>

APPROVED BY THE BOARD

DocuSigned by:



Director

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

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

For the Year Ended March 31				2022	2021
	General Fund Internally Restricted	Unrestricted	Endowment Fund	Total	Total
BALANCE					
- BEGINNING OF YEAR	\$ -	\$ 22,380	\$2,946,570	\$2,968,950	\$2,568,421
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	-	(115,219)	284,809	169,590	400,528
TRANSFER FROM ENDOWMENT FUND	<u>-</u>	<u>127,106</u>	<u>(127,106)</u>	<u>-</u>	<u>-</u>
BALANCE - END OF YEAR	\$ -	\$ 34,267	\$3,104,273	\$3,138,540	\$2,968,949

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

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

For the Year Ended March 31	2022	2021	2022	2021
	General Fund		Endowment Fund	
REVENUES				
Investment income	\$ -	\$ -	\$ 314,186	\$ 102,758
Restricted gifts	-	-	14,264	9,394
Bequests	-	-	15,235	16,490
Unrealized capital gains (losses)	-	-	(58,876)	389,577
	<u>-</u>	<u>-</u>	<u>284,809</u>	<u>518,219</u>
EXPENSES				
Gift to United Way/Centraide	96,000	87,000	-	-
Endowment officer	10,000	24,000	-	-
Meeting cost and travel	-	103	-	-
Printing and promotion	783	1,574	-	-
Professional fees	3,445	2,584	-	-
Membership fees/dues	642	153	-	-
Insurance	824	848	-	-
Interest and bank charges	78	67	-	-
Volunteer recognition	917	1,445	-	-
IT software and computer equipment	2,566	-	-	-
Miscellaneous	(36)	(83)	-	-
	<u>115,219</u>	<u>117,691</u>	<u>-</u>	<u>-</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	\$ (115,219)	\$ (117,691)	\$ 284,809	\$ 518,219

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

FOREVER FUND / LE FONDS A VIE**Statement of Cash Flow**

For the Year Ended March 31	2022	2021	2022	2021
	General Fund		Endowment Fund	
OPERATING ACTIVITIES				
(Deficiency) excess of revenues over expenses	\$ (115,219)	\$ (117,691)	\$ 284,809	\$ 518,219
Item not affecting cash				
Unrealized capital loss (gain)	<u>-</u>	<u>-</u>	<u>58,876</u>	<u>(389,580)</u>
Cash provided from (applied to) operations	<u>(115,219)</u>	<u>(117,691)</u>	<u>343,685</u>	<u>128,639</u>
Changes in cash relating to operations				
Accounts receivable - United Way	125	-	-	-
HST receivable	(266)	(49)	-	-
Accounts payable and accruals	<u>95,265</u>	<u>198</u>	<u>-</u>	<u>-</u>
	<u>(20,095)</u>	<u>(117,542)</u>	<u>343,685</u>	<u>128,639</u>
FINANCING ACTIVITIES				
Transfer from Endowment Fund	127,106	84,547	-	-
Transfer to General Fund	-	-	(127,106)	(84,547)
Advances from (to) General Fund	-	-	354	16,402
Advances from (to) Endowment Fund	<u>(351)</u>	<u>(16,398)</u>	<u>-</u>	<u>-</u>
	<u>126,755</u>	<u>68,149</u>	<u>(126,752)</u>	<u>(68,145)</u>
INVESTING ACTIVITIES				
(Increase) decrease in investments	<u>-</u>	<u>-</u>	<u>(216,933)</u>	<u>(60,494)</u>
INCREASE (DECREASE) IN CASH	106,660	(49,393)	-	-
CASH - BEGINNING OF YEAR	<u>25,694</u>	<u>75,087</u>	<u>-</u>	<u>-</u>
CASH - END OF YEAR	\$ 132,354	\$ 25,694	\$ -	\$ -

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

FOREVER FUND / LE FONDS A VIE**Notes to Financial Statements**

March 31, 2022

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.

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).

FOREVER FUND / LE FONDS A VIE**Notes to Financial Statements**

March 31, 2022

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 \$15,500 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.

FOREVER FUND / LE FONDS A VIE**Notes to Financial Statements****March 31, 2022****2. LONG-TERM INVESTMENTS**

	<u>2022</u>	<u>2021</u>
Investments administered by CIBC Wood Gundy	\$1,222,783	\$1,209,613
Investments administered by Investors Group	35,136	26,641
Investments administered by The Fredericton Community Foundation Inc.	<u>1,845,496</u>	<u>1,709,107</u>
	<u>\$3,103,415</u>	<u>\$2,945,361</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 - \$2,843,783., 2021 - \$2,626,850).

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.

FOREVER FUND / LE FONDS A VIE**Notes to Financial Statements****March 31, 2022****5. BEQUESTS**

	<u>2022</u>	<u>2021</u>
Estate of Maurice Cain	\$ 56,592	\$ 53,273
Estate of Franklin F. Creighton	523,714	478,662
Estate of John Savage	94,252	88,726
Estate of Gordon Neill	220,582	207,647
Estate of Stella Maie Jones	30,334	28,555
Estate of Ron Hovey	1,202,374	1,189,424
Estate of Gregory Richard McCain	14,812	13,944
Estate of D. Rowan	187,780	176,769
Estate of Jean Snow	5,667	5,335
Estate of Jane Whepley	5,694	5,361
Estate of Ena Stephens	143,665	135,241
Estate of Marilyn Garland	<u>127,264</u>	<u>119,801</u>
	<u>\$2,612,730</u>	<u>\$2,502,738</u>

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, 2022. 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.