

# 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, 2023, and the statements of income and deficit 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.

## 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, 2023, 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 20, 2023



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, 2023**

**FOREVER FUND / LE FONDS A VIE**

**Financial Statements**

**March 31, 2023**

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## FOREVER FUND / LE FONDS A VIE

## Statement of Financial Position

| March 31                                     | 2023             | 2022              | 2023               | 2022               | 2023               | 2022               |
|--|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
|  | General Fund     |                   | Endowment Fund     |                    | Total              | Total              |
| <b>ASSETS</b>                                |                  |                   |                    |                    |                    |                    |
| <b>CURRENT</b>                               |                  |                   |                    |                    |                    |                    |
| Cash   | \$ 17,594        | \$ 132,354        | \$ -               | \$ -               | \$ 17,594          | \$ 132,354         |
| HST receivable                               | 1,964            | 1,463             | -                  | -                  | 1,964              | 1,463              |
| Due from the General Fund                    | -                | -                 | 19,426             | 858                | -                  | -                  |
|  | <u>19,558</u>    | <u>133,817</u>    | <u>19,426</u>      | <u>858</u>         | <u>19,558</u>      | <u>133,817</u>     |
| LONG-TERM INVESTMENTS (Note 2)               | -                | -                 | 3,168,994          | 3,103,415          | 3,168,994          | 3,103,415          |
|  | <u>\$ 19,558</u> | <u>\$ 133,817</u> | <u>\$3,188,420</u> | <u>\$3,104,273</u> | <u>\$3,188,552</u> | <u>\$3,237,232</u> |
| <b>LIABILITIES</b>                           |                  |                   |                    |                    |                    |                    |
| <b>CURRENT</b>                               |                  |                   |                    |                    |                    |                    |
| Accounts payable and accruals                | \$ 3,600         | \$ 98,692         | \$ -               | \$ -               | \$ 3,600           | \$ 98,692          |
| Due to the Endowment Fund                    | 19,426           | 858               | -                  | -                  | -                  | -                  |
|  | <u>23,026</u>    | <u>99,550</u>     | <u>-</u>           | <u>-</u>           | <u>3,600</u>       | <u>98,692</u>      |
| <b>FUND BALANCES</b>                         |                  |                   |                    |                    |                    |                    |
| Externally restricted for endowment purposes |                  |                   |                    |                    |                    |                    |
| Bequests (Note 5)                            |                  |                   | 2,494,234          | 2,612,730          | 2,494,234          | 2,612,730          |
| Individual Donations                         |                  |                   | 551,987            | 360,377            | 551,987            | 360,377            |
| Corporate Donations                          |                  |                   | 8,727              | 9,187              | 8,727              | 9,187              |
| Memorials, fundraisers and other Foundations |                  |                   | 124,915            | 112,971            | 124,915            | 112,971            |
|  |                  |                   | <u>8,557</u>       | <u>9,008</u>       | <u>8,557</u>       | <u>9,008</u>       |
|  |                  |                   | <u>3,188,420</u>   | <u>3,104,273</u>   | <u>3,188,420</u>   | <u>3,104,273</u>   |
| Unrestricted                                 | (3,468)          | 34,267            | -                  | -                  | (3,468)            | 34,267             |
|  | <u>\$ 19,558</u> | <u>\$ 133,817</u> | <u>\$3,188,420</u> | <u>\$3,104,273</u> | <u>\$3,188,552</u> | <u>\$3,237,232</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**

| <b>For the Year Ended March 31</b>               |   |                     |                           | <b>2023</b>        | <b>2022</b>        |
|--|---|---------------------|---------------------------|--------------------|--------------------|
|  | <b>General Fund<br/>Internally<br/>Restricted</b> | <b>Unrestricted</b> | <b>Endowment<br/>Fund</b> | <b>Total</b>       | <b>Total</b>       |
| <b>BALANCE</b>                                   |   |                     |                           |                    |                    |
| <b>- BEGINNING OF YEAR</b>                       | \$ -  | \$ 34,267           | \$3,104,273               | <b>\$3,138,540</b> | \$2,968,950        |
| (DEFICIENCY) EXCESS OF<br>REVENUES OVER EXPENSES | -   | (113,469)           | 159,881                   | <b>46,412</b>      | 169,590            |
| TRANSFER FROM ENDOWMENT<br>FUND                  | <u>-</u>  | <u>75,734</u>       | <u>(75,734)</u>           | <u>-</u>           | <u>-</u>           |
| <b>BALANCE - END OF YEAR</b>                     | <b>\$ -</b>                                       | <b>\$ (3,468)</b>   | <b>\$3,188,420</b>        | <b>\$3,184,952</b> | <b>\$3,138,540</b> |

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

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

| <b>For the Year Ended March 31</b>                       | <b>2023</b>         | <b>2022</b>         | <b>2023</b>           | <b>2022</b>       |
|--|---------------------|---------------------|-----------------------|-------------------|
|  | <b>General Fund</b> |                     | <b>Endowment Fund</b> |                   |
| <b>REVENUES</b>  |                     |                     |                       |                   |
| Investment income  | \$ -                | \$ -                | \$ 72,681             | \$ 314,186        |
| Restricted gifts   | -                   | -                   | 230,762               | 14,264            |
| Bequests   | -                   | -                   | 15,970                | 15,235            |
| Unrealized capital gains (losses)                        | -                   | -                   | (159,532)             | (58,876)          |
|  | <u>-</u>            | <u>-</u>            | <u>159,881</u>        | <u>284,809</u>    |
| <b>EXPENSES</b>  |                     |                     |                       |                   |
| Gift to United Way/Centraide                             | 98,500              | 96,000              | -                     | -                 |
| Endowment officer  | -                   | 10,000              | -                     | -                 |
| Printing and promotion                                   | 7,583               | 783                 | -                     | -                 |
| Professional fees  | 4,815               | 3,445               | -                     | -                 |
| Membership fees/dues                                     | 928                 | 642                 | -                     | -                 |
| Insurance  | 824                 | 824                 | -                     | -                 |
| Interest and bank charges                                | 133                 | 78                  | -                     | -                 |
| Volunteer recognition                                    | 315                 | 917                 | -                     | -                 |
| IT software and computer equipment                       | 1,277               | 2,566               | -                     | -                 |
| Miscellaneous  | (906)               | (36)                | -                     | -                 |
|  | <u>113,469</u>      | <u>115,219</u>      | <u>-</u>              | <u>-</u>          |
| <b>(DEFICIENCY) EXCESS OF REVENUES<br/>OVER EXPENSES</b> | <b>\$ (113,469)</b> | <b>\$ (115,219)</b> | <b>\$ 159,881</b>     | <b>\$ 284,809</b> |

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

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

| For the Year Ended March 31                   | 2023                    | 2022            | 2023                    | 2022             |
|---|-------------------------|-----------------|-------------------------|------------------|
|   | <b>General Fund</b>     |                 | <b>Endowment Fund</b>   |                  |
| <b>OPERATING ACTIVITIES</b>                   |                         |                 |                         |                  |
| (Deficiency) excess of revenues over expenses | \$ (113,469)            | \$ (115,219)    | \$ 159,878              | \$ 284,809       |
| Item not affecting cash                       |                         |                 |                         |                  |
| Unrealized capital loss (gain)                | <u>-</u>                | <u>-</u>        | <u>159,532</u>          | <u>58,876</u>    |
| Cash provided from (applied to) operations    | <b>(113,469)</b>        | (115,219)       | <b>319,410</b>          | 343,685          |
| Changes in cash relating to operations        |                         |                 |                         |                  |
| Accounts receivable - United Way              | -                       | 125             | -                       | -                |
| HST receivable                                | <b>(501)</b>            | (266)           | -                       | -                |
| Accounts payable and accruals                 | <u>(95,093)</u>         | <u>95,265</u>   | <u>-</u>                | <u>-</u>         |
|   | <u><b>(209,063)</b></u> | <u>(20,095)</u> | <u><b>319,410</b></u>   | <u>343,685</u>   |
| <b>FINANCING ACTIVITIES</b>                   |                         |                 |                         |                  |
| Transfer from Endowment Fund                  | <b>75,734</b>           | 127,106         | -                       | -                |
| Transfer to General Fund                      | -                       | -               | <b>(75,734)</b>         | (127,106)        |
| Advances from (to) General Fund               | -                       | -               | <b>(18,566)</b>         | 354              |
| Advances from (to) Endowment Fund             | <u>18,569</u>           | <u>(351)</u>    | <u>-</u>                | <u>-</u>         |
|   | <u><b>94,303</b></u>    | <u>126,755</u>  | <u><b>(94,300)</b></u>  | <u>(126,752)</u> |
| <b>INVESTING ACTIVITIES</b>                   |                         |                 |                         |                  |
| (Increase) decrease in investments            | <u>-</u>                | <u>-</u>        | <u><b>(225,110)</b></u> | <u>(216,933)</u> |
| <b>INCREASE (DECREASE) IN CASH</b>            | <b>(114,760)</b>        | 106,660         | -                       | -                |
| <b>CASH - BEGINNING OF YEAR</b>               | <u>132,354</u>          | <u>25,694</u>   | <u>-</u>                | <u>-</u>         |
| <b>CASH - END OF YEAR</b>                     | <b>\$ 17,594</b>        | \$ 132,354      | <b>\$ -</b>             | \$ -             |

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

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

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**March 31, 2023**

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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, 2023**

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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 \$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, 2023****2. LONG-TERM INVESTMENTS**

|  | <u>2023</u>               | <u>2022</u>        |
|--|---------------------------|--------------------|
| Investments administered by CIBC Wood Gundy                              | <b>\$1,359,916</b>        | \$1,222,783        |
| Investments administered by Investors Group                              | <b>29,928</b>             | 35,136             |
| Investments administered by<br>The Fredericton Community Foundation Inc. | <b><u>1,779,150</u></b>   | <u>1,845,496</u>   |
|  | <b><u>\$3,168,994</u></b> | <u>\$3,103,415</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 - \$3,069,895., 2022 - \$2,843,743).

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


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**March 31, 2023**


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**5. BEQUESTS**

|                                  | <u>2023</u>               | <u>2022</u>               |
|----------------------------------|---------------------------|---------------------------|
| Estate of Maurice Cain           | \$ 53,759                 | \$ 56,592                 |
| Estate of Franklin F. Creighton  | 513,468                   | 523,714                   |
| Estate of John Savage            | 89,534                    | 94,252                    |
| Estate of Gordon Neill           | 209,540                   | 220,582                   |
| Estate of Stella Maie Jones      | 28,816                    | 30,334                    |
| Estate of Ron Hovey              | 1,138,507                 | 1,202,374                 |
| Estate of Gregory Richard McCain | 14,071                    | 14,812                    |
| Estate of D. Rowan               | 178,380                   | 187,780                   |
| Estate of Jean Snow              | 5,383                     | 5,667                     |
| Estate of Jane Whepley           | 5,409                     | 5,694                     |
| Estate of Ena Stephens           | 136,474                   | 143,665                   |
| Estate of Marilyn Garland        | <u>120,893</u>            | <u>127,264</u>            |
|                                  | <b><u>\$2,494,234</u></b> | <b><u>\$2,612,730</u></b> |

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