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Financial statements of  
YMCA of Greater Saint John  
Endowment Fund Inc.  
(Incorporated under the laws of New Brunswick)

December 31, 2021

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## Independent Auditor's Report

To the Members of  
YMCA of Greater Saint John Endowment Fund Inc.

### Opinion

We have audited the financial statements of YMCA of Greater Saint John Endowment Fund Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2021, and the statements of changes in net assets, operations and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, 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 ("Canadian GAAS"). 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 Organization 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.

### Responsibilities of Management 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

### Auditors' Responsibility 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 GAAS 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 GAAS, 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 Organization'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 Organization'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 Organization 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.

*Deloitte LLP*

Chartered Professional Accountants  
March 23, 2022

**YMCA of Greater Saint John Endowment Fund Inc.**

**Statement of financial position**

As at December 31, 2021

	Notes	<b>2021</b>	2020
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Current assets			
Cash		<b>10,980</b>	46,640
		<b>10,980</b>	46,640
Investments	3	<b>1,025,123</b>	826,423
Designated investments for capital reserve fund	3	<b>1,464,021</b>	1,109,535
		<b>2,500,124</b>	1,982,598
<b>Liabilities</b>			
Current liabilities			
Accounts payable to YMCA of Greater Saint John Inc.		<b>16,570</b>	18,661
Amount held in trust for YMCA of Greater Saint John Inc.		<b>1,464,021</b>	1,109,535
		<b>1,480,591</b>	1,128,196
<b>Net assets</b>		<b>1,019,533</b>	854,402
		<b>2,500,124</b>	1,982,598

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

Approved on behalf of the Board

 \_\_\_\_\_, Director

 \_\_\_\_\_, Director

**YMCA of Greater Saint John Endowment Fund Inc.****Statement of changes in net assets**

Year ended December 31, 2021

	<b>Externally restricted</b>	<b>Unrestricted</b>	<b>2021 Total</b>	2020 Total
	\$	\$	\$	\$
	<b>(Note 4)</b>			
<b>Balance, beginning of year</b>	<b>518,718</b>	<b>335,684</b>	<b>854,402</b>	877,627
Contributions	<b>42,923</b>	—	<b>42,923</b>	21,745
Withdrawals	—	—	—	—
	<b>561,641</b>	<b>335,684</b>	<b>897,325</b>	899,372
Excess/(Deficiency) of revenue over expenditure	<b>67,119</b>	<b>55,089</b>	<b>122,208</b>	(44,970)
<b>Balance, end of year</b>	<b>628,760</b>	<b>390,773</b>	<b>1,019,533</b>	854,402

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

**YMCA of Greater Saint John Endowment Fund Inc.****Statement of operations**

Year ended December 31, 2021

	Notes	2021 \$	2020 \$
<b>Revenue</b>			
Investment income	5	25,333	24,869
Donations		4,018	5,477
		<b>29,351</b>	<b>30,346</b>
<b>Expenditure</b>			
Administrative expenditure	2 and 6	32,009	20,802
<b>Contributions</b>			
YMCA of Greater Saint John Inc.		—	50,000
Bursaries	7	7,500	7,500
Strong Communities		—	2,571
Saint John Field House		—	1,113
Third World relief		996	996
		<b>40,505</b>	<b>82,982</b>
Deficiency of revenue over expenditure before net gain on investments		<b>(11,154)</b>	(52,636)
Net gain on investments		<b>133,362</b>	7,666
<b>Excess/(Deficiency) of revenue over expenditure</b>		<b>122,208</b>	<b>(44,970)</b>

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

**YMCA of Greater Saint John Endowment Fund Inc.****Statement of cash flows**

Year ended December 31, 2021

	2021	2020
Notes	\$	\$
<b>Operating activities</b>		
Excess/(Deficiency) of revenue over expenditures	<b>122,208</b>	(44,970)
Item not involving cash		
Net gain on investments	<b>(133,362)</b>	(7,666)
	<b>(11,154)</b>	(52,636)
Changes in non-cash working capital balances		
Accrued interest receivable	—	2,504
Accounts payable and accrued liabilities	—	(2,700)
Account payable to YMCA of Greater Saint John Inc.	<b>(2,091)</b>	13,381
	<b>(13,245)</b>	(39,451)
<b>Investing activities</b>		
Purchase of investments	<b>(168,024)</b>	(158,002)
Purchase of investments held in trust for YMCA of Greater Saint John Inc.	—	(200,000)
Proceeds on disposal of investments	<b>102,687</b>	196,441
	<b>(65,338)</b>	(161,561)
<b>Financing activities</b>		
Contributions subject to external restriction	<b>42,923</b>	21,745
Contributions from the YMCA of Greater Saint John Inc. for investment	—	200,000
	<b>42,923</b>	221,745
(Decrease)/Increase in cash	<b>(35,659)</b>	20,733
Cash, beginning of year	<b>46,640</b>	25,907
<b>Cash, end of year</b>	<b>10,980</b>	46,640

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

# YMCA of Greater Saint John Endowment Fund Inc.

## Notes to the financial statements

December 31, 2021

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### Purpose of the organization

The purpose of YMCA of Greater Saint John Endowment Fund Inc. (the "Organization" or "Endowment Fund") is to raise, invest and direct the management of funds and distribute investment income for providing for the future financial stability of YMCA of Greater Saint John Inc. and to enhance the "Y" presence in the community. The Organization is incorporated under the laws of New Brunswick and, as a registered charity under the Income Tax Act, is exempt from paying income taxes.

### 1. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### *Cash and cash equivalents*

The Organization's policy is to disclose bank balances under cash and cash equivalents, if applicable, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

#### *Revenue recognition*

Restricted contributions are recognized as revenue in the year in which the related expenditure is incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is assured. Endowment contributions are recognized as direct increases in net assets in the year received.

#### *Allocation of revenue and administrative expenditure to externally restricted net assets*

Investment income and administrative expenditure are allocated to externally restricted and unrestricted net assets by the ratio of the net assets at beginning of year in each fund to the total net assets at beginning of year.

#### *Financial instruments*

##### *Measurement of financial instruments*

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net gain on investments, along with realized gains on disposals of investments. Interest income is recognized to revenue.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and demand term loan.

The Organization's financial assets measured at fair value include investments.

## **YMCA of Greater Saint John Endowment Fund Inc.**

### **Notes to the financial statements**

December 31, 2021

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#### **1. Significant accounting policies (continued)**

##### *Financial instruments (continued)*

###### *Impairment*

In the event of a write-down, financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenditure. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenditure.

###### *Transaction costs*

The Organization recognizes its transaction costs in excess of revenue over expenditure in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

###### *Use of estimates*

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

#### **2. Related party transactions**

YMCA of Greater Saint John Inc. is related to the Organization because it has the ability to approve the election or appointment of the majority of the Organization's Board of Directors.

During the year, the Organization purchased administrative services of \$17,250 (\$4,450 in 2020) from YMCA of Greater Saint John Inc. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

In 2017, the YMCA of Greater Saint John Inc. and the Endowment Fund entered into an agreement whereby the Endowment Fund will hold funds in trust for the YMCA of Greater Saint John Inc. The funds are to be used to provide for major repairs to the YMCA of Greater Saint John Inc. main assets: Regional Y, Camp Glenburn or Glenn Carpenter Centre. The funds are held in a segregated investment account and are invested in accordance with the Endowment Fund's investment policy. Any investment income and related costs associated with the designated funds are allocated to the designated funds. No other costs are allocated.

As at year-end, the balance in the Fund is \$1,464,021 (\$1,109,535 in 2020).

During the year, the Endowment Fund provided contributions to the YMCA of Greater Saint John Inc. in the amount of \$3,679 (\$50,000 in 2020).

**YMCA of Greater Saint John Endowment Fund Inc.**  
**Notes to the financial statements**  
December 31, 2021

**3. Investments**

	<b>2021</b>	2020
	\$	\$
Government of Canada bonds, bearing coupon rates of 5% to 8%, due 2027 to 2037, face value of \$40,129 (\$40,129 in 2020)	<b>40,874</b>	44,919
Provincial bonds, bearing coupon rates of 1.45% to 6.5%, due 2022 to 2037, face value of \$20,582 (\$36,582 in 2020)	<b>23,827</b>	43,193
Corporate bonds, bearing coupon rates of 1.75% to 3.46%, due 2022 to 2025, face value of \$161,667 (\$169,697 in 2020)	<b>163,875</b>	176,736
	<b>228,575</b>	264,848
Equities		
Canadian equities	<b>543,708</b>	352,956
Foreign equities	<b>252,839</b>	208,619
	<b>796,548</b>	561,575
	<b>1,025,123</b>	826,423

*Designated investments for capital reserve fund*

	<b>2021</b>	2020
	\$	\$
Money market funds	<b>25,978</b>	32,029
Fixed income funds, bearing interest of 1.20% to 3.46%, face value of \$352,070 (\$349,602 in 2020)	<b>356,648</b>	357,950
	<b>356,648</b>	357,950
Equities		
Canadian equities	<b>818,547</b>	488,306
Foreign equities	<b>262,848</b>	231,250
	<b>1,081,395</b>	719,556
	<b>1,464,021</b>	1,109,535
Total of all investments	<b>2,489,144</b>	1,935,958

## **YMCA of Greater Saint John Endowment Fund Inc.**

### **Notes to the financial statements**

December 31, 2021

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#### **4. Externally restricted funds**

The Organization holds various funds that are subject to external restrictions on capital and income as follows:

##### *Arthur Kent Melick Memorial Fund*

Established in 1961 on the death of Anne B. Melick in memory of her brother Arthur. The purpose is to use the income from the fund for cash bursaries to students furthering their education.

##### *F. G. Bent Fund*

The F. G. Bent fund was established in 1945 with a stipulation that the capital be maintained and the income used for general purposes.

##### *David Walker Memorial Fund*

The David Walker Memorial fund was established in 2012 by David Walker's family in honour of his memory. The initial capital of the fund and any additions to the fund shall be held in perpetuity. The income of the fund shall be used to sponsor deserving youth to participate in YMCA of Greater Saint John Inc.'s Camp Glenburn Leadership Program.

##### *Dale and Wendy Knox Fund*

The Dale and Wendy Knox fund was established in 2014. The initial capital of the fund and any additions to the fund shall be held in perpetuity. The net income allocated to the fund shall be donated to YMCA of Greater Saint John Inc. Strong Communities program.

##### *Estate of Lillian Hayward Russell Fund*

Established in 1975, by Lillian H. Russell, whereby income from the fund is to be used for the upkeep and decoration of YMCA premises.

##### *Estate of Ora P. MacCollum Fund*

Established in 1978 with funds from the Estate of Ora P. MacCollum with annual income to be paid out for World Service work.

##### *Clark Sancton Fund*

The Clark Sancton Fund was established in 2019 and net income from the Fund shall be donated to the YMCA of Greater Saint John's Strong Communities Campaign.

##### *Jacobsen Family Fund*

The Jacobsen Family Fund was established in 2019 with the objective to make annual contributions to the YMCA of Greater Saint John's Strong Communities Campaign to enable participation in activities and programs.

##### *The Leslie Bruce Memorial Fund*

The Leslie Bruce Memorial Fund was established in 2021, whereby the net income from the fund shall be used to make annual contributions to the YMCA to support youth enrolling in leadership programs at Camp Glenburn

**YMCA of Greater Saint John Endowment Fund Inc.****Notes to the financial statements**

December 31, 2021

**4. Externally restricted funds (continued)**

Changes in restricted net assets for the year ended December 31, 2021 are as follows:

	<b>Opening balance</b>	<b>Contributions</b>	<b>Disbursements</b>	<b>Revenue allocation</b>	<b>Closing balance</b>
	\$	\$	\$	\$	\$
Arthur Kent Melick Memorial Fund	<b>204,353</b>	—	<b>(5,500)</b>	<b>28,851</b>	<b>227,704</b>
F.G. Bent Fund	<b>96,186</b>	—	—	<b>13,580</b>	<b>109,766</b>
David Walker Memorial Fund	<b>60,619</b>	<b>100</b>	<b>(2,000)</b>	<b>8,572</b>	<b>67,291</b>
Dale and Wendy Knox Fund	<b>32,906</b>	<b>2,400</b>	<b>(1,162)</b>	<b>4,985</b>	<b>39,129</b>
Estate of Lillian Hayward Russell Fund	<b>24,368</b>	—	—	<b>3,440</b>	<b>27,808</b>
Estate of Ora P. MacCollum Fund	<b>20,766</b>	—	<b>(996)</b>	<b>2,932</b>	<b>22,702</b>
Clark Sancton Fund	<b>49,217</b>	<b>300</b>	<b>(1,492)</b>	<b>6,991</b>	<b>55,016</b>
Jacobsen Family Fund	<b>30,302</b>	—	<b>(1,024)</b>	<b>4,278</b>	<b>33,556</b>
Leslie Bruce Memorial Fund	—	<b>40,123</b>	—	<b>5,665</b>	<b>45,788</b>
	<b>518,717</b>	<b>42,923</b>	<b>(12,175)</b>	<b>79,294</b>	<b>628,760</b>

Changes in restricted net assets for the year ended December 31, 2020 are as follows:

	<b>Opening balance</b>	<b>Contributions</b>	<b>Disbursements</b>	<b>Revenue allocation</b>	<b>Closing balance</b>
	\$	\$	\$	\$	\$
Arthur Kent Melick Memorial Fund	207,149	—	(5,500)	2,704	204,353
F.G. Bent Fund	144,303	—	(50,000)	1,884	96,187
David Walker Memorial Fund	53,017	8,795	(2,000)	807	60,619
Dale and Wendy Knox Fund	30,256	2,650	(430)	430	32,906
Estate of Lillian Hayward Russell Fund	24,054	—	—	314	24,368
Estate of Ora P. MacCollum Fund	21,482	—	(996)	280	20,766
Clark Sancton Fund	38,907	10,300	(632)	642	49,217
Jacobsen Family Fund	30,302	—	(396)	396	30,302
	<b>549,470</b>	<b>21,745</b>	<b>(59,954)</b>	<b>7,457</b>	<b>518,718</b>

**5. Investment income**

	<b>2021</b>	2020
	\$	\$
Dividends	<b>17,150</b>	14,100
Interest	<b>6,456</b>	8,800
Other	<b>1,727</b>	1,969
	<b>25,333</b>	24,869

**6. Administrative expenditure**

	<b>2021</b>	2020
	\$	\$
Investment management fees	<b>10,354</b>	9,604
Donor recognition	<b>98</b>	5,799
Administration fees	<b>17,249</b>	2,400
Audit fees	<b>2,215</b>	2,150
Officers and directors liability insurance	<b>500</b>	500
Bank charges	<b>104</b>	292
Office	<b>1,489</b>	57
	<b>32,009</b>	20,802

**7. Bursaries**

Bursaries were paid for the year from the following funds:

	<b>2021</b>	2020
	\$	\$
Arthur Kent Melick Memorial Fund	<b>5,500</b>	5,500
David Walker Memorial Fund	<b>2,000</b>	2,000
	<b>7,500</b>	7,500

**8. Financial instruments**

*Risks and concentrations*

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date:

*Liquidity risk*

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

## **8. Financial instruments (continued)**

### *Risks and concentrations (continued)*

#### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

#### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 23% (22.8% in 2020) of the Organization's investments are in foreign currency. Consequently, some assets are exposed to foreign exchange fluctuations, which the Organization does not actively manage.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Approximately 25.61% (32.2% in 2020) of the Organization's investments are fixed rate investments. The organization is exposed to interest rate risk on its fixed rate investments. The Organization is subject to fair value risk due to fixed-rate instruments.

#### *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 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 Organization is exposed to other price risk through its investments in quoted shares. All investments are maintained by third party brokers, management does not actively manage its share holdings.

## **9. Pandemic risk**

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus, including the announcement of a state of emergency in the Province of New Brunswick on March 22, 2020. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Organization in future fiscal years.