

Financial Statements of

Sussex Area Community Foundation Incorporated

(Unaudited)

Year ended July 31, 2015

Chris Miller CGA
Professional Corporation

Sussex Area Community Foundation Incorporated

Year ended July 31, 2015

Table of Contents

Review Engagement Report	1
Statement of Financial Position	2
Statement of Operations and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5-9

Chris Miller CGA
Professional Corporation

55 Broad St.
Sussex, NB
E4E 2J7

Tel.: (506) 433-2942
Fax: (506) 433-2912
Email: cmiller@nbnet.nb.ca

Review Engagement Report

To the Board of Directors
Sussex Area Community Foundation Incorporated.

We have reviewed the Statement of Financial Position of the Sussex Area Community Foundation Incorporated as at July 31, 2015 and the statements of Operation and Changes in Net Assets, and Cash Flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures, and discussion related to information supplied to us by the foundation.

A review does not constitute an audit, and consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Sussex, New Brunswick
November 16, 2015


Chris Miller CGA Professional Corporation
Chartered Professional Accountant

Sussex Area Community Foundation Incorporated

Statement of Financial Position

(Unaudited)

July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets		
Cash	\$ 14,330	\$ 12,106
Accounts receivable	3,077	1,425
Prepaid expenses	717	818
	<u>18,124</u>	<u>14,349</u>
Investments at Market Value (Note 3)	1,708,956	1,594,880
Capital Assets (Note 4)	<u>834</u>	<u>1,147</u>
	<u>\$ 1,727,914</u>	<u>\$ 1,610,376</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,904	\$ 2,582
Scholarships payable (Note 5)	<u>16,625</u>	<u>16,500</u>
	<u>19,529</u>	<u>19,082</u>
Net Assets		
Distributable income fund	(32,371)	(14,773)
EJ Cunningham Scholarship Fund	34,906	32,338
Community Fund (Note 9)	<u>1,705,851</u>	<u>1,573,729</u>
	<u>1,708,385</u>	<u>1,591,294</u>
	<u>\$ 1,727,914</u>	<u>\$ 1,610,376</u>

Commitment (Note 8)

See accompanying notes to financial statements

Approved by the Board:

_____ Chair

_____ Treasurer

Chris Miller CGA
Professional Corporation

Sussex Area Community Foundation Incorporated

Statement of Operations and Changes in Net Assets

(Unaudited)

Years ended July 31, 2015 and 2014

	<u>Distributable Income Fund</u>	<u>Community Fund</u>	<u>Cunningham Fund</u>	<u>Total 2015</u>	<u>Total 2014</u>
Revenue					
Donations and bequests	\$ 21,527	\$ 3,653	\$ -	\$ 25,180	\$ 32,235
Donations -Sussex High Alumni Fund		2,725		2,725	
Fundraising	10,540	-	-	10,540	10,890
Interest and dividends	42,908	-	917	43,825	32,438
Realized gain (loss) - sale of investments	-	6,925	148	7,073	67,473
	<u>74,975</u>	<u>13,303</u>	<u>1,065</u>	<u>89,343</u>	<u>143,036</u>
Expenses					
Investment management fees (Note 6)	-	19,417	411	19,828	16,378
Rent	2,556	-	-	2,556	2,556
Telephone	1,280	-	-	1,280	1,279
Website	218	-	-	218	187
Advertising	362	-	-	362	-
Office supplies and postage	2,111	-	-	2,111	1,212
Audit and legal	1,009	-	-	1,009	925
Insurance	443	-	-	443	410
Membership dues	650	-	-	650	650
Conference, travel, and meeting	2,737	-	-	2,737	725
Bank charges and interest	5	-	-	5	15
Fundraising	11,282	-	-	11,282	6,756
Wages and employee benefits	14,559	-	-	14,559	12,316
Amortization	313	-	-	313	313
	<u>37,524</u>	<u>19,417</u>	<u>411</u>	<u>57,352</u>	<u>43,722</u>
Excess (Deficiency) revenue over expenses before other items	37,451	(6,115)	654	31,991	99,314
Grant distributions (Note 7)	52,992	-	1,000	53,992	49,849
Excess (Deficiency) revenue over expenses before unrealized gain (loss) - investments	(15,541)	(6,115)	(346)	(22,001)	49,465
Unrealized gain (loss) on investments	-	136,179	2,913	139,093	115,468
Excess (Deficiency) revenue over expenses	(15,541)	130,065	2,568	117,091	164,933
Inter fund Balance	(2,057)	2,057			
Net Assets, beginning of year	<u>(14,773)</u>	<u>1,573,729</u>	<u>32,338</u>	<u>1,591,294</u>	<u>1,426,361</u>
Net Assets, End of Year	<u>\$ (32,371)</u>	<u>\$ 1,705,851</u>	<u>\$ 34,906</u>	<u>\$ 1,708,385</u>	<u>\$ 1,591,294</u>

See accompanying notes to financial statements

Chris Miller CGA
Professional Corporation

Sussex Area Community Foundation Incorporated

Statement of Cash Flows

(Unaudited)

Years ended July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating Activities		
(Deficiency) Revenue over Expenses	\$ 117,091	\$ 164,933
Adjustment for :		
Amortization	<u>313</u>	<u>313</u>
	117,404	165,246
Changes in Non-Cash Working Capital Items		
Accounts Receivable	(1,652)	(435)
Prepaid Expense	101	36
Accounts Payable	<u>447</u>	<u>(3,133)</u>
	<u>116,299</u>	<u>161,714</u>
Investing Activities		
Computer addition		-
Change in Investments	<u>(114,076)</u>	<u>(155,792)</u>
Increases (Decrease) in Cash	2,224	5,922
Cash, Beginning Balance	<u>12,106</u>	<u>6,184</u>
Cash, Ending Balance	<u>\$ 14,330</u>	<u>\$ 12,106</u>

See accompanying notes to financial statements

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2015 and 2014

1. Operations

Sussex Area Community Foundation Incorporated (the "Foundation") was incorporated under the Province of New Brunswick Companies Act on August 1, 2003.

The Foundation is registered with the Charities Division, Canada Revenue Agency, and is classified as a public foundation. As such, it is exempt from income taxes and can issue charitable donation receipts.

The Foundation is a philanthropic organization focused on building permanent endowments in order to tackle long-term community challenges as well as meeting immediate needs. The Foundation serves the people of Sussex and the surrounding area by providing grants for projects that will positively affect our communities.

2. Accounting Policies

The following accounting policies used by the Foundation are stated below to assist in understanding the financial statements.

General

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Fund Accounting

The accounts of the Foundation are maintained in accordance with the principles of "fund accounting". Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

Distributable Income Fund

The Distributable Income Fund reports all revenue, expenses and net assets of the Foundation which are available for distribution within the guidelines of the Foundation. Net expenditures of this fund are financed primarily by donor contributions directed to general operations and from investment income earned on the Community Fund contributions on which the donor placed no restrictions.

Designated Fund

The Designated Fund reports amounts, including investment income earned on restricted Community Fund contributions, that are available to be used for purposes specified by donors. Donors may specify the charitable organization(s) to receive the grants or may identify the particular area of interest to be supported. For the year ended July 31, 2008, one contribution was made to the designated Fund to establish the EJ Cunningham Scholarship Fund. The purpose of this fund is to grant annual scholarships to graduates of Sussex Regional High School.

Community Fund

The Community Fund reports amounts that are required to be maintained by the Foundation on a permanent basis.

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

(Unaudited)

Years ended July 31, 2015 and 2014

2. Accounting Policies - continued

Investments

Investments are recorded at market value. Changes in market value of investments are reflected in the fund balances. Realized and unrealized gains and losses are recorded in the year they occur.

The Board exercises discretionary control over the investment of these assets through external investment fund managers within guidelines established by the Board of Directors.

Financial Instruments

Financial instruments consist of cash, accounts receivable, investments and accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risk.

Property, plant and equipment

Property, plant and equipment are recorded at cost. The Foundation provides for amortization using the straight-line method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The amortization rate is as follows:

Computer Equipment	20%
--------------------	-----

Revenue Recognition

The Foundation follows the restricted fund method of accounting for contributions. Contributions are recognized only as received, or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Expenses

Expenses are recorded using the accrual basis.

Contributed Services

During the year, a number of volunteers contribute a significant amount of their time to the Foundation. Because of the difficulty in determining the fair value, contributed services are not recorded in the financial statements.

Use of Estimates

The preparation of the 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 at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Statement of Cash Flows

A statement of cash flows has not been prepared as management considers that no additional useful information would be provided.

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

(Unaudited)

Years ended July 31, 2015 and 2014

3. Investments at Market Value

	<u>2015</u>		<u>2014</u>	
		%		
Short Term	\$ 48,825	2.9	\$ 71,255	4.5
Fixed Income	580,835	34.0	566,976	35.5
Equities		0.0	0	0.0
Canada	405,275	23.7	445,255	27.9
United States	447,791	26.2	325,822	20.4
International	221,708	13.0	180,459	11.3
Interest Receivable	4,522	0.3	5,113	0.3
	\$ 1,708,956	100	\$ 1,594,880	100

4. Property, plant and equipment

	<u>2015</u>		<u>2014</u>	
	Cost	Accumulated Amortization	Net	Net
Computer Equipment	\$ 2,704	\$ 1,557	\$ 1,147	\$ 1,147

5. Scholarships Payable

	<u>2015</u>		<u>2014</u>	
SACFI Scholarships	\$ 12,625		\$ 12,500	
Earl J. Cunningham Scholarships	1,000		1,000	
Simpson Scholarships	3,000		3,000	
	\$ 16,625		\$ 16,500	

6. Investment Management Fees

Quarterly investment management fees are allocated proportionately to the Community Fund and Designated Fund based on market value of investments.

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2015 and 2014

7. Grant Distributions

	<u>2015</u>	<u>2,014</u>
Distributable Income Fund:		
Apohaqui Elementary School	\$ 2,100	\$ 800
Belleisle Regional High School	100	100
Canadian Down Syndrome Society		1,000
Danny & Jessica Angel Foundation Inc.		650
Greater Fundy Ground Search and Rescue	2,000	
Kidstuff Theatre		1,000
Kingswood University	100	100
The Multiple Sclerosis Society of Canada	2,000	1,250
NB Association of Social Workers		1,250
Norton Elementary School	100	100
Norton Recreation Council./Norton	3,000	
Portage Atlantic	1,500	
PotashCorp Civic Centre	5,919	5,430
Primary Care Provider Program Horizon Health	2,500	
Sussex & Area Family & Early Childhood Inc		900
Sussex Christian School		100
Sussex Corner Elementary School	2,424	100
Sussex Elementary School	100	1,600
Sussex Figure Skating Club	5,000	
Sussex Middle School	3,100	3,600
Sussex Minor Hockey Association		5,000
Sussex Regional High School	1,849	3,500
Sussex Regional Library		970
Sussex Swordfish Swim Club		3,000
The Learning Partnership	2,000	
Town of Sussex - Communities In Bloom	1,500	1,572
Victorian Order of Nurses	2,075	1,455
	37,367	33,477
Grants to Organizations		
SACFI Scholarships (awarded 2015)	12,625	12,500
Fran Simpson Memorial Scholarship	3,000	2,872
	\$ 52,992	\$ 48,849
Designated Fund:		
E. J. Cunningham Scholarship Fund	\$ 1,000	\$ 1,000

Chris Miller CGA
Professional Corporation

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

(Unaudited)

Years ended July 31, 2015 and 2014

8. Commitments

The Foundation received a gift from the Estate of Leo Forbes in 2004. The Board of Directors made a commitment to annually award not less than five scholarships of not less than \$2,500 each at the annual Sussex Regional High School commencement ceremonies.

In June 2015, the Foundation awarded Sussex Area Community Foundation Inc. Scholarships of \$2,525 each to five Sussex Regional High School graduates, totalling \$12,625. Payment of these scholarships is conditional on the graduate enrolling in an accredited educational institution.

9. Community Fund Balance

The Community fund includes \$ 5,285 of donations received from Sussex High Alumni and another organization. These fund will be used for designated purposes in the future. However, no grants or scholarships have been awarded from these funds to date.