

Financial Statements of
Sussex Area Community Foundation Incorporated
(Unaudited)
Year ended July 31, 2016

Sussex Area Community Foundation Incorporated

Year ended July 31, 2016

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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, 2016 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, 2016



Chris Miller CGA Professional Corporation
Chartered Professional Accountant

Sussex Area Community Foundation Incorporated

Statement of Financial Position

(Unaudited)

July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash	\$ 48,879	\$ 14,330
Accounts receivable	1,623	3,077
Prepaid expenses	<u>751</u>	<u>717</u>
	51,252	18,124
Investments at Market Value (Note 3)	1,999,896	1,708,956
Capital Assets (Note 4)	<u>521</u>	<u>834</u>
	<u>\$ 2,051,669</u>	<u>\$ 1,727,914</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,064	\$ 2,904
Scholarships and Grants payable (Note 5)	<u>54,948</u>	<u>16,625</u>
	<u>58,012</u>	<u>19,529</u>
Net Assets		
Distributable income fund	(3,619)	(32,371)
EJ Cunningham Scholarship Fund	34,163	34,906
Community fund	1,643,999	1,705,851
PotashCorp Fund	<u>319,115</u>	<u>-</u>
	<u>1,993,657</u>	<u>1,708,386</u>
	<u>\$ 2,051,669</u>	<u>\$ 1,727,914</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, 2016 and 2015

	Distributable Income Fund	Community Fund *	Cunningham Fund	PotashCorp Fund	Total 2016	Total 2015
Revenue						
Donations and bequests	\$ 17,664	\$ 3,813	\$ -	\$ 375,000	\$ 396,477	\$ 25,180
Donations -Sussex High Alumni Fund	-	2,559	-	-	2,559	2,725
Fundraising	13,450	-	-	-	13,450	10,540
Interest and dividends	80,101	-	1,714	1,281	83,097	43,825
Realized gain (loss) - sale of investments	-	5,085	108	-	5,193	7,073
	<u>111,215</u>	<u>11,457</u>	<u>1,823</u>	<u>376,281</u>	<u>500,776</u>	<u>89,343</u>
Expenses						
Investment management fees (Note 6)	-	19,193	411	1,278	20,882	19,828
Rent	2,556	-	-	-	2,556	2,556
Telephone	1,291	-	-	-	1,291	1,280
Website	219	-	-	-	219	218
Advertising	-	-	-	-	-	362
Office supplies and postage	873	-	-	-	873	2,111
Audit and legal	1,044	-	-	-	1,044	1,009
Insurance	443	-	-	-	443	443
Membership dues	678	-	-	-	678	650
Conference, travel, and meeting	50	-	-	-	50	2,737
Bank charges and interest	-	-	-	-	-	5
Fundraising	5,790	-	-	-	5,790	11,282
Wages and employee benefits	15,775	-	-	-	15,775	14,559
Fund Administration Fee	(1,100)	-	-	1,100	-	-
Amortization	313	-	-	-	313	313
	<u>27,934</u>	<u>19,193</u>	<u>411</u>	<u>2,378</u>	<u>49,916</u>	<u>57,352</u>
Excess (Deficiency) revenue over expenses before other items	83,281	(7,736)	1,412	373,903	450,859	31,991
Grant distributions (Note 7)	54,529	-	1,000	57,500	113,029	53,992
Excess (Deficiency) revenue over expenses before unrealized gain (loss) - investments	28,752	(7,736)	412	316,403	337,831	(22,001)
Unrealized gain (loss) on investments	-	(54,116)	(1,155)	2,712	(52,559)	139,093
Excess (Deficiency) revenue over expenses	28,752	(61,852)	(743)	319,115	285,271	117,091
Net Assets, beginning of year	(32,371)	1,705,851	34,906	-	1,708,385	1,591,294
Net Assets, End of Year	<u>\$ (3,619)</u>	<u>\$ 1,643,999</u>	<u>\$ 34,163</u>	<u>\$ 319,115</u>	<u>\$ 1,993,656</u>	<u>\$ 1,708,385</u>

* Includes Sussex High Alumni Fund balance of \$5,284

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Activities		
(Deficiency) Revenue over Expenses	\$ 285,271	\$ 117,091
Adjustment for :		
Amortization	<u>313</u>	<u>313</u>
	285,584	117,404
Changes in Non-Cash Working Capital Items		
Accounts Receivable	1,454	(1,652)
Prepaid Expense	(33)	101
Accounts Payable	<u>38,484</u>	<u>447</u>
	<u>325,489</u>	<u>116,300</u>
Investing Activities		
Computer addition		-
Change in Investments	<u>(290,940)</u>	<u>(114,076)</u>
Increases (Decrease) in Cash	34,548	2,224
Cash, Beginning Balance	<u>14,330</u>	<u>12,106</u>
Cash, Ending Balance	<u>\$ 48,879</u>	<u>\$ 14,330</u>

See accompanying notes to financial statements

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2016 and 2015

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.

PotashCorp Fund

During the year, the Potash Corporation of Saskatchewan provided a gift of \$375,000 to establish the PotashCorp Fund and requested the Sussex Area Community Foundation administer the fund. Five scholarships of \$2,500 each, will be awarded annually for four years. Two amounts of \$25,000 and \$20,000 respectively were awarded to two designated local organizations. The remainder of the fund has been invested and will provide annual grants to qualified local donees. The fund is to be fully distributed 10 years from the date it was established.

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2016 and 2015

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%
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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, 2016 and 2015

3. Investments at Market Value

	<u>2016</u>		<u>2015</u>	
	\$	%	\$	%
Short Term	195,045	9.8	48,825	2.9
Fixed Income	583,263	29.2	580,835	34.0
Equities				
Canada	500,858	25.0	405,275	23.7
United States	478,806	23.9	447,791	26.2
International	239,330	12.0	221,708	13.0
Interest Receivable	2,594	0.1	4,522	0.3
	\$ 1,999,896	100	\$ 1,708,956	100

4. Property, plant and equipment

	<u>2016</u>		<u>2015</u>	
	Cost	Accumulated Amortization	Net	Net
Computer Equipment	\$ 2,704	\$ 2,183	\$ 521	\$ 834

5. Scholarships and Grants Payable

	<u>2016</u>		<u>2015</u>	
SACFI Scholarships	\$ 12,750		\$ 12,625	
Earl J. Cunningham Scholarships	1,000		1,000	
PotashCorp Grants	25,000			
PotashCorp Scholarships	12,500		-	
Simpson Scholarships	3,698		3,000	
	\$ 54,948		\$ 16,625	

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, 2016 and 2015

7. Grant Distributions

	<u>2016</u>	<u>2015</u>
Distributable Income Fund:		
Anglican Parish Waterford & Saint Mark's	\$ 1,000	-
Apohaqui Elementary School	200	\$ 2,100
Belleisle Regional High School	200	100
Best Buddies Canada	1,000	-
Cambridge Narrows Home & School Assoc	2,500	-
Cambridge Narrows School	200	-
Crosswinds Occupational Activity Center	6,664	-
Fog Lit Festival Inc.	520	-
Greater Fundy Ground Search and Rescue	3,000	2,000
Kingswood University	200	100
Kiwanis Nursing Home	5,000	-
The Multiple Sclerosis Society of Canada	-	2,000
NB Federation of Music Festivals Inc	1,000	-
Norton Elementary School	200	100
Norton Recreation Council./Norton	-	3,000
Partners in Alternative Learning - Sussex	200	-
Portage Atlantic	-	1,500
PotashCorp Civic Centre	-	5,919
Primary Care Provider Program Horizon Health	-	2,500
Roots of Empathy	2,000	-
St. Paul's United Church Scouting	3,500	-
Sussex & Area Activity Centre	800	-
Sussex Adult Learning	200	-
Sussex and Area Early Intervention Inc	2,000	-
Sussex Corner Elementary School	200	2,424
Sussex Elementary School	200	100
Sussex Figure Skating Club	-	5,000
Sussex Middle School	920	3,100
Sussex Regional High School	-	1,849
Sussex Regional Library	877	-
Sussex Sharing Club	2,000	-
The Learning Partnership	2,000	2,000
The Saint John Theatre Company	1,500	-
Town of Sussex - Communities in Bloom	-	1,500
Victorian Order of Nurses	-	2,075
	<u>38,081</u>	<u>37,367</u>
Grants to Organizations	38,081	37,367
SACFI Scholarships (awarded 2015)	12,750	12,625
Fran Simpson Memorial Scholarship	3,698	3,000
	<u>\$ 54,529</u>	<u>\$ 52,992</u>
E.J. Cunningham Scholarship Fund	<u>\$ 1,000</u>	<u>\$ 1,000</u>
PotashCorp Fund		
PotashCorp Fund Scholarships	\$ 12,500	\$ -
Penobsquis Community Enrichment Committee	25,000	-
Sussex Volunteer Fire Department	20,000	-
	<u>\$ 57,500</u>	<u>\$ -</u>

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Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2016 and 2015

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 \$2,550 each to five Sussex Regional High School graduates, totaling \$12,750. Payment of these scholarships is conditional on the graduate enrolling in an accredited educational institution.

Five scholarships of \$2,500 each were awarded in June 2015 by the PotashCorp Fund to students from the Sussex area totaling \$12,500. Payment of these scholarships is conditional on the graduate enrolling at an accredited post-secondary institution in New Brunswick.

In 2015 the Sussex High Alumni Fund was established to provide future scholarships to graduates of Sussex Regional High School. No scholarships were awarded from this fund during the year.