

Financial Statements of

**Sussex Area Community Foundation Incorporated**

(Unaudited)

Year ended July 31, 2014

**Chris Miller CGA**  
*Professional Corporation*

# Sussex Area Community Foundation Incorporated

Year ended July 31, 2014

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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, 2014 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 10, 2014

  
Chris Miller  
Chartered Professional Accountant

**Sussex Area Community Foundation Incorporated**

Statement of Financial Position

(Unaudited)

July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 12,106	\$ 6,184
Accounts receivable	1,425	990
Prepaid expenses	818	854
	<hr/>	<hr/>
	14,349	8,028
Investments at Market Value (Note 3)	1,594,880	1,439,088
Capital Assets (Note 4)	1,147	1,460
	<hr/>	<hr/>
	\$ 1,610,376	\$ 1,448,576
	<hr/>	<hr/>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,582	\$ 3,515
Scholarships payable (Note 5)	16,500	18,700
	<hr/>	<hr/>
	19,082	22,215
	<hr/>	<hr/>
Net Assets		
Distributable income fund	(14,773)	(3,468)
EJ Cunningham Scholarship Fund	32,338	29,181
Community fund	1,573,729	1,400,648
	<hr/>	<hr/>
	1,591,294	1,426,361
	<hr/>	<hr/>
	\$ 1,610,376	\$ 1,448,576
	<hr/>	<hr/>

Commitment (Note 8)

See accompanying notes to financial statements

Approved by the Board:

\_\_\_\_\_ Chair

\_\_\_\_\_ Treasurer

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**Sussex Area Community Foundation Incorporated**

Statement of Operations and Changes in Net Assets

(Unaudited)

Years ended July 31, 2014 and 2013

	<u>Distributable</u>	<u>Community</u>	<u>Cunningham</u>	<u>Total</u>	<u>Total</u>
	<u>Income Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>2014</u>	<u>2013</u>
<b>Revenue</b>					
Donations and bequests	\$ 22,235	\$ 10,000	\$ -	\$ 32,235	\$ 14,094
Fundraising	10,890	-	-	10,890	11,232
Interest and dividends	31,763	-	675	32,438	40,173
Realized gain (loss) - sale of investments	-	66,019	1,454	67,473	32,581
	<u>64,888</u>	<u>76,019</u>	<u>2,129</u>	<u>143,036</u>	<u>98,080</u>
<b>Expenses</b>					
Investment management fees (Note 6)	-	16,033	345	16,378	10,073
Rent	2,556	-	-	2,556	2,556
Telephone	1,279	-	-	1,279	1,343
Website	187	-	-	187	211
Advertising	-	-	-	-	335
Office supplies and postage	1,212	-	-	1,212	942
Audit and legal	925	-	-	925	905
Insurance	410	-	-	410	476
Membership dues	650	-	-	650	651
Conference, travel, and meeting	725	-	-	725	2,803
Bank charges and interest	15	-	-	15	65
Fundraising	6,756	-	-	6,756	6,637
Wages and employee benefits	12,316	-	-	12,316	8,817
Amortization	313	-	-	313	257
	<u>27,344</u>	<u>16,033</u>	<u>345</u>	<u>43,722</u>	<u>36,071</u>
Excess (Deficiency) revenue over expenses before other items	37,544	59,986	1,784	99,314	62,009
Grant distributions (Note 7)	<u>48,849</u>	<u>-</u>	<u>1,000</u>	<u>49,849</u>	<u>52,852</u>
Excess (Deficiency) revenue over expenses before unrealized gain (loss) - investments	(11,305)	59,986	784	49,465	9,157
Unrealized gain (loss) on investments	<u>-</u>	<u>113,095</u>	<u>2,373</u>	<u>115,468</u>	<u>82,930</u>
Excess (Deficiency) revenue over expenses	(11,305)	173,081	3,157	164,933	92,087
Net Assets, beginning of year	<u>(3,468)</u>	<u>1,400,648</u>	<u>29,181</u>	<u>1,426,361</u>	<u>1,334,274</u>
Net Assets, End 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>

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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating Activities		
(Deficiency) Revenue over Expenses	\$ 164,933	\$ 92,087
Adjustment for :		
Amortization	<u>313</u>	<u>257</u>
	165,246	92,344
Changes in Non-Cash Working Capital Items		
Accounts Receivable	(435)	291
Prepaid Expense	36	330
Accounts Payable	<u>(3,133)</u>	<u>6,153</u>
	<u>161,714</u>	<u>99,118</u>
Investing Activities		
Computer addition		(1,565)
Change in Investments	<u>(155,792)</u>	<u>(93,156)</u>
Increases (Decrease) in Cash	5,922	4,397
Cash, Beginning Balance	<u>6,184</u>	<u>1,787</u>
Cash, Ending Balance	<u>\$ 12,106</u>	<u>\$ 6,184</u>

See accompanying notes to financial statements

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*Professional Corporation*

# Sussex Area Community Foundation Incorporated

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2014 and 2013

## 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.

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*Professional Corporation*

# Sussex Area Community Foundation Incorporated

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2014 and 2013

## 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.

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*Professional Corporation*



**Sussex Area Community Foundation Incorporated**

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2014 and 2013

**3. Investments at Market Value**

	<u>2014</u>			<u>2013</u>	
		%			
Short Term	\$ 71,255	4.5	\$ 20,060		1.3
Bond	0	0.0	594,463		37.3
Fixed Income	566,976	35.5	0		0.0
Dividend		0.0	109,918		6.9
Equities	0	0.0			
Small Cap	0	0.0	41,953		2.6
Canada	445,255	27.9	248,090		15.6
United States	325,822	20.4	256,671		16.1
International	180,459	11.3	167,933		10.5
Interest Receivable	5,113	0.3			
	<u>\$ 1,594,880</u>		<u>\$ 1,439,088</u>		<u>90</u>

**4. Property, plant and equipment**

	<u>2014</u>		<u>2013</u>	
	Cost	Accumulated Amortization	Net	Net
Computer Equipment	<u>\$ 2,704</u>	<u>\$ 1,557</u>	<u>\$ 2,704</u>	<u>\$ 1,244</u>

**5. Scholarships Payable**

	<u>2014</u>	<u>2013</u>
SACFI Scholarships	\$ 12,500	\$ 12,500
Earl J. Cunningham Scholarships	1,000	800
Simpson Scholarship	3,000	5,000
Scaling Memorial Award	-	400
	<u>\$ 16,500</u>	<u>\$ 18,700</u>

**6. Investment Management Fees**

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

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*Professional Corporation*

## Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

(Unaudited)

Years ended July 31, 2014 and 2013

### 7. Grant Distributions

	<u>2014</u>	<u>2013</u>
Distributable Income Fund:		
Apohaqui Elementary School	\$ 800	
Belleisle Regional High School	100	\$ 200
Canadian Down Syndrome Society	1,000	
Chimo Helpline Inc	-	300
Danny & Jessica Angel Foundation Inc.	650	1,000
Kidstuff Theatre	1,000	
Kingswood University	100	200
The Multiple Sclerosis Society of Canada	1,250	
New Brunswick Association for Community Living		1,000
NB Association of Social Workers	1,250	
Norton Elementary School	100	200
Portage Atlantic		1,000
PotashCorp Civic Centre	5,430	3,700
Sussex & Area Activity Centre		750
Sussex & Area Family & Early Childhood Inc	900	1,800
Sussex & Area Senior Friendship Games		1,000
Sussex & Area Seniors' Centre Inc.		1,250
Sussex Christian School	100	200
Sussex Committee for Prevention of Family Violence		500
Sussex Corner Elementary School	100	1,700
Sussex Elementary Home and School Assoc.		1,000
Sussex Elementary School	1,600	200
Sussex Middle School	3,600	
Sussex Minor Hockey Association	5,000	
Sussex Pregnancy Care Centre		1,452
Sussex Regional High School	3,500	3,900
Sussex Regional Library	970	
Sussex Sharing Club		1,200
Sussex Swordfish Swim Club	3,000	
The Learning Partnership		2,500
Town of Sussex - Communities In Bloom	1,572	1,000
Victorian Order of Nurses	1,455	
Village of Norton		4,000
Village of Sussex Corner		2,500
	33,477	32,552
Grants to Organizations		
SACFI Scholarships (awarded 2013)	12,500	12,500
Fran Simpson Memorial Scholarship	2,872	7,000
Steven Scaling Memorial Award	-	400
	\$ 48,849	\$ 52,452
Designated Fund:		
E.J. Cunningham Scholarship Fund <b>Chris Miller CGA</b>	1,000	\$ 400
<i>Professional Corporation</i>		

**Sussex Area Community Foundation Incorporated**

Notes to the Financial Statements

(Unaudited)

Years ended July 31, 2014 and 2013

**8. Commitment**

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 2014, the Foundation awarded Sussex Area Community Foundation Inc. Scholarships of \$2,500 each to five Sussex Regional High School graduates, totaling \$12,500. Payment of these scholarships is conditional on the graduate enrolling in an accredited educational institution.

**Chris Miller CGA**

*Professional Corporation*