

Financial Statements of  
**Sussex Area Community Foundation Incorporated**  
(Unaudited)  
Year ended July 31, 2012

**Sussex Area Community Foundation Incorporated**

July 31, 2012

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**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

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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, 2012 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 23, 2012

  
Chris Miller CGA  
Professional Corporation

**Sussex Area Community Foundation Incorporated**  
Statement of Financial Position  
(Unaudited)  
July 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 1,787	\$ 1,450
Accounts receivable	1,281	2,071
Prepaid expenses	1,184	632
	<u>4,252</u>	<u>4,153</u>
Investments at Market Value (Note 3)	1,345,932	1,400,035
Capital Assets (Note 4)	152	380
	<u>\$ 1,350,336</u>	<u>\$ 1,404,568</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,162	\$ 1,712
Scholarships payable (Note 5)	13,900	13,345
	<u>16,062</u>	<u>15,057</u>
Net Assets		
Distributable income fund	9,903	14,355
EJ Cunningham Scholarship Fund	27,012	28,230
Community fund	1,297,359	1,346,926
	<u>1,334,274</u>	<u>1,389,511</u>
	<u>\$ 1,350,336</u>	<u>\$ 1,404,568</u>

Commitment (Note 8)

See accompanying notes to financial statements

Approved by the Board:

\_\_\_\_\_ Chair

\_\_\_\_\_ Treasurer

## Sussex Area Community Foundation Incorporated

### Statement of Operations and Changes in Net Assets (Unaudited)

Years ended July 31, 2012 and 2011

	Distributable Income Fund	Community Fund	Cunningham Fund	Total 2012	Total 2011
<b>Revenue</b>					
Donations and bequests	\$ 9,323	\$ -	\$ -	\$ 9,323	\$ 14,823
Fundraising	13,107	-	-	13,107	-
Interest and dividends	39,589	-	832	40,421	34,929
Realized gain (loss) - sale of investments	-	(24,437)	(526)	(24,963)	644
	62,019	(24,437)	306	37,888	50,396
<b>Expenses</b>					
Investment management fees (Note 6)	-	9,406	198	9,604	9,858
Rent	2,556	-	-	2,556	2,556
Telephone	1,274	-	-	1,274	1,203
Website	212	-	-	212	212
Advertising	131	-	-	131	793
Office supplies and postage	202	-	-	202	36
Supplies	65	-	-	65	-
Audit and legal	905	-	-	905	905
Insurance	407	-	-	407	353
Membership dues	608	-	-	608	566
Conference and meeting	813	-	-	813	970
Bank charges and interest	54	-	-	54	54
Fundraising	8,965	-	-	8,965	-
Wages and employee benefits	2,945	-	-	2,945	-
Amortization	228	-	-	228	228
Miscellaneous	-	-	-	-	-
	19,365	9,406	198	28,969	17,734
Excess (Deficiency) revenue over expenses before other items	42,654	(33,843)	108	8,919	32,662
Grant distributions (Note 7)	47,104	-	1,000	48,104	34,323
Excess (Deficiency) revenue over expenses before unrealized gain (loss) - investments	(4,450)	(33,843)	(892)	(39,185)	(1,661)
Unrealized gain (loss) on investments	-	(15,724)	(326)	(16,050)	94,088
Excess (Deficiency) revenue over expenses	(4,450)	(49,567)	(1,218)	(55,235)	92,427
Net Assets, beginning of year	14,353	1,346,926	28,230	1,389,509	1,297,084
Net Assets, End of Year	\$ 9,903	\$ 1,297,359	\$ 27,012	\$ 1,334,274	\$ 1,389,511

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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating Activities		
(Deficiency) Revenue over Expenses	\$ -55,235	\$ 92,427
Adjustment for :		
Amortization	<u>228</u>	<u>228</u>
	-55,007	92,655
Changes in Non-Cash Working Capital Items		
Accounts Receivable	790	-1,192
Prepaid Expense	-554	16
Accounts Payable	<u>1,005</u>	<u>-655</u>
	<u>-53,766</u>	<u>90,824</u>
Investing Activities		
Change in Investments	<u>54,103</u>	<u>-91,401</u>
Increases (Decrease) in Cash	337	-577
Cash, Beginning Balance	<u>1,450</u>	<u>2,027</u>
Cash, Ending Balance	<u>\$ 1,787</u>	<u>\$ 1,450</u>

See accompanying notes to financial statements

## **Sussex Area Community Foundation Incorporated**

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2012 and 2011

### **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, 2012 and 2011

### **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.



**Sussex Area Community Foundation Incorporated**

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2012 and 2011

3. Investments at Market Value	<u>2012</u>		<u>2011</u>	
		%		%
Short Term	\$ 55,383	4.1	\$ 67,412	4.8
Bond	564,698	42.0	83,835	6.0
Fixed Income	0	0.0	511,150	36.5
Dividend	93,936	7.0	85,596	6.1
Equities				
Small Cap	37,052	2.8	29,933	2.1
Canada	229,983	17.1	253,231	18.1
United States	222,432	16.5	224,606	16.0
International	<u>142,449</u>	<u>10.6</u>	<u>144,272</u>	<u>10.3</u>
	\$ 1,345,933	<u>100</u>	\$ 1,400,035	<u>100</u>
Approved for transfer	<u>-</u>		<u>-</u>	
	<u>\$ 1,345,933</u>		<u>\$ 1,400,035</u>	

4. Property, plant and equipment	<u>2012</u>		<u>2011</u>	
	Cost	Accumulated Amortization	Net	Net
Computer Equipment	<u>1,140</u>	<u>988</u>	<u>152</u>	<u>380</u>

5. Scholarships Payable	<u>2012</u>		<u>2011</u>	
Forbes Family Scholarships	\$ 12,500		\$ 12,500	
Earl J. Cunningham Scholarships	<u>1,400</u>		<u>845</u>	
	<u>\$ 13,900</u>		<u>\$ 13,345</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.

**Sussex Area Community Foundation Incorporated**

Notes to the Financial Statements  
(Unaudited)

Years ended July 31, 2012 and 2011

**7. Grant Distributions**

	<u>2012</u>	<u>2011</u>
Distributable Income Fund:		
Belleisle Community Pool Association	-	2,000
Canadian Mental Health Association	1,200	-
Community Capital Project	-	1,000
Danny & Jessica Angel Foundation Inc.	1,000	725
Fundy Civic Centre Inc.	9,000	-
John Howard Society	400	1,000
Kings County Tourism Association	1,500	-
Kings County Family Resource Centre	-	1,745
New Brunswick Association for Community Living	-	1,000
Norton Community Playground	5,000	-
Salvation Army	1,000	-
SLICE	1,500	-
Sussex & Area Crisis Pregnancy Centre Inc.	-	655
Sussex & Area Early Intervention	600	2,850
Sussex & Area Seniors' Centre Inc.	-	1,250
Sussex & Area Critical Stress Management	-	1,073
Sussex Committee for Prevention of Family Violence	354	-
Sussex Corner Elementary School	-	1,000
Sussex Golf & Curling Club	950	-
Sussex Public Library	-	575
Sussex Regional High School	2,000	-
Sussex Vale Transition House	600	1,900
The Learning Partnership	2,500	3,500
The Little Jackie Fund	1,000	-
The Multiple Sclerosis Society of Canada	1,500	-
Town of Sussex - Communities In Bloom	2,500	-
Return of Grant Award	-	(1,000)
	<hr/>	<hr/>
Grants to Organizations	32,604	19,273
Forbes Family Scholarships (awarded 2011)	12,500	12,500
Fran Simpson Memorial Scholarship	2,000	2,000
	<hr/>	<hr/>
	\$ <u>47,104</u>	\$ <u>33,773</u>
Designated Fund:		
E.J. Cunningham Scholarship Fund	\$ <u>1,000</u>	\$ <u>550</u>

## **Sussex Area Community Foundation Incorporated**

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2012 and 2011

### **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 in the name of the Forbes family at the annual Sussex Regional High School commencement ceremonies.

In June 2009, the Foundation awarded Forbes Family 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.