

Financial Statements of  
**Sussex Area Community Foundation Incorporated**  
(Unaudited)  
Year ended July 31, 2013

**Chris Miller CGA**  
*Professional Corporation*

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*Professional Corporation*

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04 November, 2013

Sussex Area Community Foundation Incorporated  
494 Main Street, Unit 1  
Sussex, NB..  
E4E 2S4

Dear Gale:

We have been engaged to review the financial statements of Sussex Area Community Foundation Incorporated for the year ending July 31, 2013.

Canadian generally accepted review standards require that we communicate at least annually with you regarding all relationships between the Sussex Area Community Foundation Incorporated and us that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Certified General Accountants Association of New Brunswick and applicable legislation, covering such matters as:

- a) holding a financial interest, either directly or indirectly, in a client;
- b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- d) economic dependence on a client; and
- e) provision of services in addition to the review engagement.

We are not aware of any relationships between Sussex Area Community Foundation Incorporated and us that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred from November 07, 2011 to 04 November, 2013.

We hereby confirm that we are independent with respect to Sussex Area Community Foundation Incorporated within the meaning of the Code of Ethical Principles and Rules of Conduct of the CGA Association of New Brunswick as of 04 November, 2013.

This report is intended solely for the use of the board of directors, management, and others within Sussex Area Community Foundation Incorporated and should not be used for any other purpose.

We look forward to discussing with you the matters addressed in this letter.

Yours truly,

  
Chris Miller CGA Professional Corporation

# Sussex Area Community Foundation Incorporated

Year ended July 31, 2013

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**Chris Miller CGA**  
*Professional Corporation*

**Review Engagement Report**

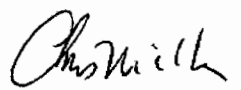
To the Board of Directors  
Sussex Area Community Foundation Incorporated.

We have reviewed the Statement of Financial Position of the Sussex Area Community Foundation Incorporated as at July 31, 2013 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 05, 2013

  
Chris Miller CGA  
Professional Corporation

**Sussex Area Community Foundation Incorporated**  
 Statement of Financial Position  
 (Unaudited)  
 July 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 6,184	\$ 1,787
Accounts receivable	990	1,281
Prepaid expenses	<u>854</u>	<u>1,184</u>
	8,028	4,252
Investments at Market Value (Note 3)	1,439,088	1,345,932
Capital Assets (Note 4)	<u>1,460</u>	<u>152</u>
	<u>\$ 1,448,576</u>	<u>\$ 1,350,336</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,515	\$ 2,162
Scholarships payable (Note 5)	<u>18,700</u>	<u>13,900</u>
	<u>22,215</u>	<u>16,062</u>
Net Assets		
Distributable income fund	(3,468)	9,903
EJ Cunningham Scholarship Fund	29,181	27,012
Community fund	<u>1,400,648</u>	<u>1,297,359</u>
	<u>1,426,361</u>	<u>1,334,274</u>
	<u>\$ 1,448,576</u>	<u>\$ 1,350,336</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, 2013 and 2012

	<u>Distributable Income Fund</u>	<u>Community Fund</u>	<u>Cunningham Fund</u>	<u>Total 2013</u>	<u>Total 2012</u>
<b>Revenue</b>					
Donations and bequests	\$ 14,094	\$ -	\$ -	\$ 14,094	\$ 9,323
Fundraising	11,232	-	-	11,232	13,107
Interest and dividends	39,353	-	820	40,173	40,421
Realized gain (loss) - sale of investmen	<u>-</u>	<u>31,917</u>	<u>664</u>	<u>32,581</u>	<u>(24,963)</u>
	<u>64,679</u>	<u>31,917</u>	<u>1,484</u>	<u>98,080</u>	<u>37,888</u>
<b>Expenses</b>					
Investment management fees (Note 6)	-	9,870	203	10,073	9,604
Rent	2,556	-	-	2,556	2,556
Telephone	1,343	-	-	1,343	1,274
Website	211	-	-	211	212
Advertising	335	-	-	335	131
Office supplies and postage	942	-	-	942	202
Supplies	-	-	-	-	65
Audit and legal	905	-	-	905	905
Insurance	476	-	-	476	407
Membership dues	651	-	-	651	608
Conference, travel, and meeting	2,803	-	-	2,803	813
Bank charges and interest	65	-	-	65	54
Fundraising	6,637	-	-	6,637	8,965
Wages and employee benefits	8,817	-	-	8,817	2,945
Amortization	257	-	-	257	228
	<u>25,998</u>	<u>9,870</u>	<u>203</u>	<u>36,071</u>	<u>28,969</u>
Excess (Deficiency) revenue over expenses before other items	38,681	22,047	1,281	62,009	8,919
Grant distributions (Note 7)	<u>52,052</u>	<u>-</u>	<u>800</u>	<u>52,852</u>	<u>48,104</u>
Excess (Deficiency) revenue over expenses before unrealized gain (loss) - investmer	(13,371)	22,047	481	9,157	(39,185)
Unrealized gain (loss) on investments	<u>-</u>	<u>81,242</u>	<u>1,688</u>	<u>82,930</u>	<u>(16,050)</u>
Excess (Deficiency) revenue over expenses	(13,371)	103,289	2,169	92,087	(55,235)
Net Assets, beginning of year	<u>9,903</u>	<u>1,297,359</u>	<u>27,012</u>	<u>1,334,274</u>	<u>1,389,509</u>
Net Assets, End 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>

See accompanying notes to financial statements

**Chris Miller CGA**  
Professional Corporation

# Sussex Area Community Foundation Incorporated

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2013 and 2012

## 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, 2013 and 2012

**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.

**Chris Miller CGA**  
*Professional Corporation*



**Sussex Area Community Foundation Incorporated**

Notes to the Financial Statements  
(Unaudited)

Years ended July 31, 2013 and 2012

3. Investments at Market Value	<u>2013</u>		<u>2012</u>	
		%		
Short Term	\$ 20,060	1.4	\$ 55,383	4.1
Bond	594,463	41.3	564,698	42.0
Fixed Income	0	0.0	0	0.0
Dividend	109,918	7.6	93,936	7.0
Equities				0.0
Small Cap	41,953	2.9	37,052	2.8
Canada	248,090	17.2	229,983	17.1
United States	256,671	17.8	222,432	16.5
International	<u>167,933</u>	<u>11.7</u>	<u>142,449</u>	<u>10.6</u>
	\$ 1,439,088	<u>100</u>	\$ 1,345,933	<u>100</u>
Approved for transfer	<u>-</u>		<u>-</u>	<u>-</u>
	<u>\$ 1,439,088</u>		<u>\$ 1,345,933</u>	<u>100</u>

**4. Property, plant and equipment**

	<u>2013</u>		<u>2012</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer Equipment	\$ <u>2,704</u>	\$ <u>1,244</u>	\$ <u>1,460</u>	\$ <u>152</u>

**5. Scholarships Payable**

	<u>2013</u>	<u>2012</u>
Forbes Family Scholarships	\$ 12,500	\$ 12,500
Earl J. Cunningham Scholarships	800	1,400
Simpson Scholarship	5,000	0
Scaling Memorial Award	<u>400</u>	<u>0</u>
	<u>\$ 18,700</u>	<u>\$ 13,900</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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Notes to the Financial Statements  
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Years ended July 31, 2013 and 2012

**7. Grant Distributions**

	<u>2013</u>	<u>2012</u>
Distributable Income Fund:		
Belleisle Regional High School	\$ 200	\$ -
Canadian Mental Health Association	-	1,200
Chimo Helpline Inc	300	-
Danny & Jessica Angel Foundation Inc.	1,000	1,000
Fundy Civic Centre Inc.	-	9,000
John Howard Society	-	400
Kings County Tourism Association	-	1,500
Kingswood University	200	-
New Brunswick Association for Community Liv	1,000	-
Norton Community Playground	-	5,000
Norton Elementary School	200	-
Portage Atlantic	1,000	-
PotashCorp Civic Centre	3,700	-
Salvation Army	-	1,000
SLICE	-	1,500
Sussex & Area Activity Centre	750	-
Sussex & Area Family & Early Childhood Inc	1,800	600
Sussex & Area Senior Friendship Games	1,000	-
Sussex & Area Seniors' Centre Inc.	1,250	-
Sussex Christian School	200	-
Sussex Committee for Prevention of Family Vi	500	354
Sussex Corner Elementary School	1,700	-
Sussex Elementary Home and School Assoc.	1,000	-
Sussex Elementary School	200	-
Sussex Golf & Curling Club	-	950
Sussex Pregnancy Care Centre	1,452	-
Sussex Regional High School	3,900	2,000
Sussex Sharing Club	1,200	-
Sussex Vale Transition House	-	600
The Learning Partnership	2,500	2,500
The Little Jackie Fund	-	1,000
The Multiple Sclerosis Society of Canada	-	1,500
Town of Sussex - Communities In Bloom	1,000	2,500
Village of Norton	4,000	-
Village of Sussex Corner	2,500	-
	<hr/>	<hr/>
Grants to Organizations	32,552	32,604
Forbes Family Scholarships (awarded 2012)	12,500	12,500
Fran Simpson Memorial Scholarship	7,000	2,000
Steven Scaling Memorial Award	400	-
	<hr/>	<hr/>
	\$ 52,452	\$ 47,104
	<hr/>	<hr/>
Designated Fund:		
E.J. Cunningham Scholarship Fund	Chris Miller CGA \$ 400 <i>Professional Corporation</i>	\$ 1,000
		<hr/>

**Sussex Area Community Foundation Incorporated**

Notes to the Financial Statements

(Unaudited)

Years ended July 31, 2013 and 2012

**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 2013, 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.

**Chris Miller CGA**  
*Professional Corporation*