

Financial Statements of

Sussex Area Community Foundation Incorporated

(Unaudited)

Year ended July 31, 2017

Chris Miller CGA
Professional Corporation

Sussex Area Community Foundation Incorporated

Year ended July 31, 2017

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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, 2017, and July 31, 2016 and the statements of Operation and Changes in Net Assets, and Cash Flows for the years 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 09, 2017


Chris Miller CPA Professional Corporation
Chartered Professional Accountant

Sussex Area Community Foundation Incorporated
Statement of Financial Position
(Unaudited)
July 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash	\$ 66,438	\$ 48,879
Accounts receivable	1,129	1,623
Prepaid expenses	<u>1,097</u>	<u>751</u>
	68,664	51,252
Investments at Market Value (Note 3)	2,047,880	1,999,896
Capital Assets (Note 4)	<u>209</u>	<u>521</u>
	<u>\$ 2,116,752</u>	<u>\$ 2,051,669</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,616	\$ 3,064
Scholarships and Grants payable (Note 5)	<u>33,112</u>	<u>54,948</u>
	<u>36,728</u>	<u>58,012</u>
Net Assets		
Distributable income fund	13,697	(3,619)
EJ Cunningham Scholarship Fund	63,124	34,163
Community fund	1,727,000	1,643,999
PotashCorp Fund	<u>276,204</u>	<u>319,115</u>
	<u>2,080,024</u>	<u>1,993,657</u>
	<u>\$ 2,116,752</u>	<u>\$ 2,051,669</u>

Commitment (Note 8)

See accompanying notes to financial statements

Approved by the Board:

_____ Chair

_____ Treasurer

Chris Miller CGA
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Sussex Area Community Foundation Incorporated
Statement of Operations and Changes in Net Assets
(Unaudited)
Years ended July 31, 2017 and 2016

	Distributable Income Fund	Community Fund *	Cunningham Fund	PotashCorp Fund	Total 2017	Total 2016
Revenue						
Donations and bequests	\$ 16,231	\$ 17,396	\$ 27,245	\$ -	\$ 60,872	\$ 396,477
Donations -Sussex High Alumni Fund	-	3,597	-	-	3,597	2,559
Matthew Palmer Scholarship	7,725	-	-	-	7,725	-
Fundraising	16,340	-	-	-	16,340	13,450
Interest and dividends	48,822	-	1,842	9,285	59,949	83,097
Realized gain (loss) - sale of investments	-	6,357	177	2,175	8,709	5,193
	<u>89,118</u>	<u>27,350</u>	<u>29,264</u>	<u>11,460</u>	<u>157,192</u>	<u>500,776</u>
Expenses						
Investment management fees (Note 6)	-	19,795	781	3,588	24,164	20,882
Rent	2,556	-	-	-	2,556	2,556
Telephone	1,593	-	-	-	1,593	1,291
Website	219	-	-	-	219	219
Office supplies and postage	1,800	-	-	-	1,800	873
Audit and legal	1,024	-	-	-	1,024	1,044
Insurance	608	-	-	-	608	443
Membership dues	738	-	-	-	738	678
Conference, travel, and meeting	1,155	-	-	-	1,155	50
Fundraising	8,697	-	-	-	8,697	5,790
Wages and employee benefits	17,641	-	-	-	17,641	15,775
Fund Administration Fee	(12,006)	-	384	11,622	-	-
Amortization	313	-	-	-	313	313
	<u>24,338</u>	<u>19,795</u>	<u>1,165</u>	<u>15,210</u>	<u>60,508</u>	<u>49,916</u>
Excess (Deficiency) revenue over expenses before other items	64,780	7,555	28,099	(3,750)	96,684	450,859
Grant distributions (Note 7)	47,463	-	2,000	40,164	89,627	113,029
Excess (Deficiency) revenue over expenses before unrealized gain (loss) - investments	17,317	7,555	26,099	(43,914)	7,057	337,831
Unrealized gain (loss) on investments	-	75,446	2,862	1,003	79,311	(52,559)
Excess (Deficiency) revenue over expenses	17,317	83,001	28,961	(42,911)	86,368	285,271
Net Assets, beginning of year	(3,619)	1,643,999	34,163	319,115	1,993,656	1,708,385
Net Assets, End of Year	<u>\$ 13,697</u>	<u>\$ 1,727,000</u>	<u>\$ 63,124</u>	<u>\$ 276,204</u>	<u>\$ 2,080,024</u>	<u>\$ 1,993,656</u>

* Includes Sussex High Alumni Fund balance of \$8,881

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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Activities		
(Deficiency) Revenue over Expenses	\$ 86,368	\$ 285,271
Adjustment for :		
Amortization	<u>313</u>	<u>313</u>
	86,681	285,584
Changes in Non-Cash Working Capital Items		
Accounts Receivable	494	1,454
Prepaid Expense	(346)	(33)
Accounts Payable	<u>(21,286)</u>	<u>38,484</u>
	<u>65,542</u>	<u>325,489</u>
Investing Activities		
Change in Investments	<u>(47,984)</u>	<u>(290,940)</u>
Increases (Decrease) in Cash	17,558	34,549
Cash, Beginning Balance	<u>48,879</u>	<u>14,330</u>
Cash, Ending Balance	<u>\$ 66,438</u>	<u>\$ 48,879</u>

See accompanying notes to financial statements

Chris Miller CGA
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Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2017 and 2016

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

The Potash Corporation of Saskatchewan provided a gift of \$375,000 in 2016 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, 2016 through 2019. The remainder of the fund has been invested and provides annual grants to qualified local donees. The fund is to be fully distributed 10 years from the date it was established.

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Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2017 and 2016

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.

Chris Miller CGA
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Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

(Unaudited)

Years ended July 31, 2017 and 2016

3. Investments at Market Value	<u>2017</u>		<u>2016</u>	
		%		
Short Term	\$ 102,658	5.0	\$ 195,045	9.8
Fixed Income	638,164	31.2	583,263	29.2
Equities				
Canada	550,179	26.9	500,858	25.0
United States	501,063	24.5	478,806	23.9
International	252,328	12.3	239,330	12.0
Interest Receivable	3,488	0.2	2,594	0.1
	<u>\$ 2,047,880</u>	<u>100</u>	<u>\$ 1,999,896</u>	<u>100</u>

4. Property, plant and equipment			<u>2017</u>	<u>2016</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer Equipment	\$ <u>2,704</u>	\$ <u>2,495</u>	\$ <u>209</u>	\$ <u>521</u>

5. Scholarships and Grants Payable	<u>2017</u>		<u>2016</u>	
SACFI Scholarships	\$ 12,825		\$ 12,750	
Earl J. Cunningham Scholarships	2,000		1,000	
Matthew Palmer Scholarships	2,000		-	
PotashCorp Grants	-		25,000	
PotashCorp Scholarships	12,500		12,500	
Simpson Scholarships	<u>3,787</u>		<u>3,698</u>	
	<u>\$ 33,112</u>		<u>\$ 54,948</u>	

6. Investment Management Fees

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

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Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2017 and 2016

7. Grant Distributions

	<u>2017</u>	<u>2016</u>
Distributable Income Fund:		
Anglican Parish Waterford & Saint Mark's	\$ 200	\$ 1,000
Apohaqui Elementary School	100	200
Belleisle Regional High School	5,600	200
Best Buddies Canada	-	1,000
Cambridge Narrows Home & School Assoc	-	2,500
Cambridge Narrows School	100	200
Canadian Cancer Society New Brunswick	1,000	-
Crosswinds Occupational Activity Center	100	6,664
Family & Child Education Anglophone South	500	-
Fog Lit Festival Inc.	-	520
Greater Fundy Ground Search and Rescue	-	3,000
Hospice of Sussex Inc.	2,500	-
Junior Achievement	1,500	-
Kingswood University	100	200
Kiwanis Nursing Home	5,000	5,000
NB Association for Community Living Inc.	3,000	-
NB Federation of Music Festivals Inc	750	1,000
Norton Elementary School	-	200
Partners in Alternative Learning - Sussex	100	200
Roots of Empathy	1,500	2,000
Saint Mark's Anglican Church	1,500	-
St. Paul's United Church Scouting	-	3,500
Sussex & Area Activity Centre	-	800
Sussex Adult Learning	100	200
Sussex and Area Early Intervention Inc	-	2,000
Sussex Christian School	100	-
Sussex Corner Elementary School	100	200
Sussex Elementary School	100	200
Sussex Middle School	1,229	920
Sussex Regional High School	100	-
Sussex Regional Library	275	877
Sussex Sharing Club	-	2,000
The Learning Partnership	-	2,000
The Saint John Theatre Company	-	1,500
Town of Sussex - Communities in Bloom	2,500	-
Village of Sussex Corner	2,500	-
Grants to Organizations	30,554	38,081
SACFI Scholarships	12,875	12,750
Matthew Palmer Scholarships	2,000	-
Fran Simpson Memorial Scholarships	2,034	3,698
	\$ 47,463	\$ 54,529
E.J. Cunningham Scholarship Fund	\$ 2,000	\$ 1,000

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Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

(Unaudited)

Years ended July 31, 2017 and 2016

7. Grant Distributions - continued

	<u>2017</u>	<u>2016</u>
PotashCorp Fund		
PotashCorp Fund Scholarships	\$ 12,500	\$ 12,500
Penobsquis Community Enrichment Committee	-	25,000
Sussex Volunteer Fire Department	-	20,000
Agricultural Museum of New Brunswick Inc.	2,124	-
Community Forests International	3,000	-
Crosswinds Occupational Activity Center	6,492	-
Fog Lit Festival Inc.	870	-
Greater Fundy Ground Search and Rescue	3,707	-
Kings County Family Resource Centre Inc.	1,000	-
Portage Atlantic	2,500	-
Sussex Elementary School	1,200	-
Sussex Figure Skating Club	2,500	-
Sussex Middle School	3,268	-
Sussex Regional Library	1,004	-
	<u>\$ 40,164</u>	<u>\$ 57,500</u>

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 \$2,575 each to five Sussex Regional High School graduates, totaling \$12,875. 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.

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