

Financial Statements of  
**Sussex Area Community Foundation Incorporated**  
(Unaudited)  
Year ended July 31, 2019

# Sussex Area Community Foundation Incorporated

Year ended July 31, 2019

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of  
Sussex Area Community Foundation Incorporated

I have reviewed the accompanying financial statements of Sussex Area Community Foundation Incorporated that comprise of the statement of financial position as at July 31, 2019 and the statements of operations, changes in net asset and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not for profit enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, weather due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extant than, and very in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on the financial statements

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Sussex Area Community Foundation Incorporated as at July 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit enterprises.



Chris Miller CPA Professional Corporation  
Chartered Professional Accountant

Sussex, New Brunswick  
November 07, 2019

**Sussex Area Community Foundation Incorporated**

Statement of Financial Position  
(Unaudited)

July 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 24,006	\$ 27,636
Accounts receivable	2,466	5,677
Prepaid expenses	<u>1,024</u>	<u>1,015</u>
	27,496	34,328
Investments at Market Value (Note 3)	2,171,280	2,224,180
Capital Assets (Note 4)	-	-
Security deposit	<u>490</u>	<u>-</u>
	<u>\$ 2,199,266</u>	<u>\$ 2,258,508</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,752	\$ 3,766
Scholarships and Grants payable (Note 5)	<u>34,875</u>	<u>37,604</u>
	<u>38,627</u>	<u>41,370</u>
Net Assets		
Distributable Income Fund	28,182	20,610
EJ Cunningham Scholarship Fund	64,780	66,065
Community Fund (Note 7)	1,817,753	1,894,092
Friars Fund	55,083	-
PotashCorp Fund	<u>194,841</u>	<u>236,371</u>
	<u>2,160,639</u>	<u>2,217,138</u>
	<u>\$ 2,199,266</u>	<u>\$ 2,258,508</u>

Commitment (Note 9)

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, 2019 and 2018

	Distributable Income Fund	Community Fund	Cunningham Fund	Friars Fund	PotashCorp Fund	Total 2019	Total 2018
<b>Revenue</b>							
Donations and bequests	\$ 5,013	\$ 3,872	\$ -	\$ -	\$ -	\$ 8,885	\$ 27,278
Donations - Sussex High Alumni Fund		6,377	-	-	-	6,377	4,001
Friars Family Scholarship			-	-	-	-	57,200
Fundraising	12,545		-	-		12,545	16,396
Interest and dividends	78,006		2,924	2,452	7,614	90,996	73,717
Realized gain (loss) - sale of investments	-	28,580	1,083	908	702	31,272	28,394
	<u>95,565</u>	<u>38,828</u>	<u>4,006</u>	<u>3,359</u>	<u>8,316</u>	<u>150,075</u>	<u>206,986</u>
<b>Expenses</b>							
Investment management fees (Note 6)	-	20,712	700	587	2,296	24,294	24,768
Rent	5,010	-	-	-	-	5,010	3,511
Telephone	1,486	-	-	-	-	1,486	1,470
Website	220	-	-	-	-	220	220
Advertising	2,196	-	-	-	-	2,196	-
Office supplies and postage	2,136	-	-	-	-	2,136	1,495
Audit and legal	1,048	-	-	-	-	1,048	1,046
Insurance	756	-	-	-	-	756	878
Electricity	623	-	-	-	-	623	600
Membership dues	857	-	-	-	-	857	805
Conference, travel, and meeting	2,120	-	-	-	-	2,120	-
Bank charges and interest	8	-	-	-	-	8	-
Fundraising	6,810	-	-	-	-	6,810	6,815
Wages and employee benefits	18,660	-	-	-	-	18,660	18,101
Fund Administration Fee	(10,425)	528	1,013	849	8,035	-	-
Amortization	-	-	-	-	-	-	209
	<u>31,504</u>	<u>21,240</u>	<u>1,712</u>	<u>1,436</u>	<u>10,331</u>	<u>66,223</u>	<u>59,918</u>
Excess (Deficiency) revenue over expenses before other items	64,060	17,589	2,294	1,923	(2,015)	83,852	147,068
Grant distributions (Note 8)	56,398	500	2,000	2,000	41,250	102,148	104,789
Excess (Deficiency) revenue over expenses before unrealized gain (loss) - investments	7,663	17,089	294	(77)	(43,265)	(18,296)	42,279
Unrealized gain (loss) on investments	-	(40,714)	(1,513)	(1,270)	1,726	(41,772)	94,834
Excess (Deficiency) revenue over expenses	7,663	(23,625)	(1,219)	(1,347)	(41,539)	(60,068)	137,113
Net Assets, beginning of year	20,610	1,894,092	66,065	-	236,371	2,217,138	2,080,025
Adjustment to display actual fund balances	(90)	(52,713)	(66)	56,429	9	3,569	-
	<u>20,520</u>	<u>1,841,379</u>	<u>65,999</u>	<u>56,429</u>	<u>236,380</u>	<u>2,220,707</u>	<u>2,080,025</u>
Net Assets, End of Year	\$ <u>28,182.39</u>	\$ <u>1,817,753</u>	\$ <u>64,780</u>	\$ <u>55,083</u>	\$ <u>194,841</u>	\$ <u>2,160,639</u>	\$ <u>2,217,138</u>

See accompanying notes to financial statements

**Sussex Area Community Foundation Incorporated**

Statement of Cash Flows

(Unaudited)

Years ended July 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Activities		
Revenue over Expenses	\$ (60,068)	\$ 137,113
Adjustment for :		
Adjustment to fund balances	3,569	-
Amortization	-	209
	<u>(56,499)</u>	<u>137,322</u>
Changes in Non-Cash Working Capital Items		
Accounts Receivable	2,721	(4,548)
Prepaid Expense	(9)	82
Accounts Payable	<u>(2,743)</u>	<u>4,643</u>
	<u>(56,530)</u>	<u>137,499</u>
Investing Activities		
Change in Investments	<u>52,900</u>	<u>(176,301)</u>
Increases (Decrease) in Cash	(3,630)	(38,802)
Cash, Beginning Balance	<u>27,636</u>	<u>66,438</u>
Cash, Ending Balance	<u>\$ 24,006</u>	<u>\$ 27,636</u>

See accompanying notes to financial statements

# Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

(Unaudited)

Years ended July 31, 2019 and 2018

## 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.

#### EJ Cunningham Fund

The EJ Cunningham Scholarship Fund was established in 2008 with the purpose of providing grant scholarships to graduates of area high schools

#### Community Fund

The Community Fund reports amounts that are required to be maintained by the Foundation on a permanent basis.

#### Friars Fund

The Friars Family Scholarship Fund was established in 2018 with the purpose of providing grant scholarships to graduates of area high schools.

#### 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.

# Sussex Area Community Foundation Incorporated

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2019 and 2018

## 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, 2019 and 2018

**3. Investments at Market Value**

	<u>2019</u>			<u>2018</u>	
		%			
Short Term	\$ 96,702	4.5	\$ 157,625	7.1	
Fixed Income	690,699	31.8	679,743	30.6	
Equities					
Canada	614,794	28.3	572,038	25.7	
United States	515,444	23.7	536,123	24.1	
International	249,326	11.5	273,602	12.3	
Interest Receivable	4,315	0.2	5,049	0.2	
	<u>\$ 2,171,280</u>	<u>100</u>	<u>\$ 2,224,180</u>	<u>100</u>	

**4. Property, plant and equipment**

			2018	2017
	Cost	Accumulated Amortization	Net	Net
Computer Equipment	\$ <u>2,704</u>	\$ <u>2,704</u>	\$ <u>0</u>	\$ <u>0</u>

**5. Scholarships and Grants Payable**

	<u>2019</u>		<u>2018</u>	
SACFI Scholarships	\$ 12,875		\$ 12,875	
Earl J. Cunningham Scholarships	2,000		2,000	
Matthew Palmer Scholarships	3,000		1,000	
Sussex High Alumni Fund	500		400	
PotashCorp Scholarships	12,500		12,500	
Simpson Scholarships	2,000		6,829	
Friars Family Scholarships	2,000		2,000	
	<u>\$ 34,875</u>		<u>\$ 37,604</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.

**7. Net Assets - Community Fund**

The total net assets of the community fund includes the net assets held for various other funds totaling \$ 22,923.

The stated amount is held for the ongoing activities of the following: Sussex High Alumni, Simpson Scholarship, Matthew Palmer Scholarship and Ellen's Tour fund.

## Sussex Area Community Foundation Incorporated

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2019 and 2018

### 8. Grant Distributions

	<u>2019</u>	<u>2018</u>
<b>Distributable Income Fund:</b>		
Agricultural Museum of New Brunswick Inc.	\$ -	\$ 960
Anglican Parish Waterford & Saint Mark's	-	1,880
Apohaqui Elementary School	175	0
Arts and Culture Centre of Sussex	5,000	
Belleisle Regional High School	175	150
Cambridge Narrows Home & School Assoc	-	2,000
Cambridge Narrows School	175	150
Canadian Cancer Society New Brunswick	1,000	1,000
Crosswinds Occupational Activity Center	-	150
Family & Child Education Anglophone South	-	0
Hospice of Sussex Inc.	-	0
Junior Achievement	-	1,500
Kidstuff Theatre	-	2,000
Kings County Historical Archival Society	1,590	
Kingswood University	175	150
Kiwanis Nursing Home	-	0
Kiwanis Trust Fund of Sussex	4,000	
MS Society of Canada, Atlantic Division	-	1,882
NB Association for Community Living Inc.	2,500	0
NB Federation of Music Festivals Inc	-	0
Newtown-Waterford Pastoral Charge	2,400	
Norton Elementary School	-	0
Partners in Alternative Learning - Sussex	-	150
Pascobac Centre 1979 Inc	-	2,500
Roots of Empathy	-	2,650
Saint Mark's Anglican Church	-	0
Snider Mountain Adventures Inc.	-	5,000
Sussex & Area Seniors' Centre Inc.	2,000	5,000
Sussex Adult Learning	-	0
Sussex Christian School	-	1,406
Sussex Corner Elementary School	175	150
Sussex Elementary School	175	150
Sussex Middle School	2,175	150
Sussex Regional High School	4,812	150
Sussex Regional Library	-	0
Sussex Wesleyan Church	2,211	
The Little Jackie Fund	-	5,000
The Saint John Theatre Company	1,500	2,500
The Salvation Army	2,000	
Town of Sussex - Communities in Bloom	1,556	0
Town of Sussex - Sussex Minor Ball	4,000	
Village of Sussex Corner	2,000	2,971
Grants to Organizations	39,793	39,599
SACFI Scholarships	12,875	12,875
Matthew Palmer Scholarships	3,000	1,000
Fran Simpson Memorial Scholarships	730	4,092
Friars Family Scholarships	0	2,000
Sussex High Alumni Scholarship	500	400
	<b>\$ 56,898</b>	<b>\$ 59,966</b>
<b>E.J. Cunningham Scholarship Fund</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>
<b>Friars Family Scholarships</b>	<b>\$ 2,000</b>	<b>\$ 0</b>

**Sussex Area Community Foundation Incorporated**

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2019 and 2018

**8. Grant Distributions - continued**

	<u>2019</u>		<u>2018</u>
<b>PotashCorp Fund</b>			
PotashCorp Fund Scholarships	\$ 12,500	\$	12,500
Arts and Cultural Centre of Sussex Inc	-		5,000
Belleisle Regional High School	3,000		8,600
Cambridge Narrows School	1,600		0
Fundy Civic Centre Inc.	-		6,963
Greater Fundy Ground Search and Rescue	-		3,500
NB Federation of Music Festivals Inc	1,200		1,200
Pascobac Centre 1979 Inc	2,500		0
Penobscus Community Enrichment Committee	2,500		0
Saint Mark's Anglican Church	2,000		3,000
Snider Mountain Adventures Inc.	5,000		0
Sussex Corner Elementary School	2,400		0
Sussex Elementary School	1,500		0
Sussex Middle School	-		2,060
Sussex Public Library	1,100		0
Sussex Wesleyan Church	1,450		0
Symphony New Brunswick	2,000		0
Town of Sussex	2,500		0
	<u>\$ 41,250</u>	\$	<u>42,823</u>

**9. 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 2019, 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 2019 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. One scholarship for \$500 was awarded from this fund in June.

Four scholarships of \$500 each were awarded in June 2019 by the Friars Family Scholarship Fund to graduates of local schools.