

Financial Statements of
Sussex Area Community Foundation Incorporated
(Unaudited)
Year ended July 31, 2020

Chris Miller CPA
Professional Corporation

Sussex Area Community Foundation Incorporated

Year ended July 31, 2020

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Chris Miller CPA
Professional Corporation

55 Broad St.
Sussex, NB
E4E 2J7

Tel.: (506) 433-2942
Fax: (506) 433-2912
Email: cmiller@nb.aibn.com

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, 2020 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, whether 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 extent 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, 2020 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.

Sussex, New Brunswick
November 26, 2020


Chris Miller CPA Professional Corporation
Chartered Professional Accountant

Sussex Area Community Foundation Incorporated

Statement of Financial Position
(Unaudited)

July 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash	\$ 51,904	\$ 24,006
Accounts receivable	1,053	2,466
Prepaid expenses	<u>962</u>	<u>1,024</u>
	53,920	27,496
Investments at Market Value (Note 3)	2,080,779	2,171,280
Security deposit	<u>490</u>	<u>490</u>
	<u>\$ 2,135,189</u>	<u>\$ 2,199,266</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,921	\$ 3,752
Scholarships and Grants payable (Note 4)	<u>23,500</u>	<u>34,875</u>
	<u>27,421</u>	<u>38,627</u>
Net Assets		
Distributable Income Fund	47,620	28,182
EJ Cunningham Scholarship Fund	62,057	64,780
Community Fund	1,797,652	1,817,753
Friars Fund	52,290	55,083
PotashCorp Fund	<u>148,149</u>	<u>194,841</u>
	<u>2,107,767</u>	<u>2,160,639</u>
	<u>\$ 2,135,188</u>	<u>\$ 2,199,266</u>

Commitment (Note 8)

See accompanying notes to financial statements

Approved by the Board:

Marshall Tanjov

Joselle Walker

Chair

Treasurer

Sussex Area Community Foundation Incorporated

Statement of Operations and Changes in Net Assets

(Unaudited)

Years ended July 31, 2020 and 2019

	Distributable Income Fund	Community Fund	Cunningham Fund	Friars Fund	PotashCorp Fund	Total 2020	Total 2019
Revenue							
Donations and bequests	\$ 14,906	\$ 54,021	\$ 250	\$ -	\$ -	\$ 69,177	\$ 8,885
Donations - Sussex High Alumni Fund		1,767	-	-	-	1,767	6,377
Other income	560					560	-
Fundraising	2,510					2,510	12,545
Interest and dividends	68,427		2,454	2,018	5,751	78,649	90,996
Realized gain (loss) - sale of investments	-	74,668	2,699	2,187	1,874	81,429	31,272
	<u>86,403</u>	<u>130,457</u>	<u>5,403</u>	<u>4,205</u>	<u>7,625</u>	<u>234,092</u>	<u>150,075</u>
Expenses							
Investment management fees (Note 5)	-	19,340	699	570	1,977	22,585	24,294
Rent	6,321	-	-	-	-	6,321	5,010
Telephone	1,340	-	-	-	-	1,340	1,486
Website	220	-	-	-	-	220	220
Advertising	-	-	-	-	-	-	2,196
Office supplies and postage	568	-	-	-	-	568	2,136
Audit and legal	1,048	-	-	-	-	1,048	1,048
Insurance	956	-	-	-	-	956	756
Electricity	-	-	-	-	-	-	623
Membership dues	854	-	-	-	-	854	857
Conference, travel, and meeting	35	-	-	-	-	35	2,120
Bank charges and interest	-	-	-	-	-	-	8
Fundraising	746	-	-	-	-	746	6,810
Wages and employee benefits	19,250	-	-	-	-	19,250	18,660
Fund Administration Fee	(10,303)	1,406	971	792	7,134	(0)	-
	<u>21,035</u>	<u>20,746</u>	<u>1,669</u>	<u>1,362</u>	<u>9,111</u>	<u>53,924</u>	<u>66,223</u>
Excess (Deficiency) revenue over expenses before other items	65,367	109,711	3,733	2,843	(1,486)	180,168	83,852
Grant distributions (Note 7)	45,930	6,500	2,000	2,000	43,223	99,653	102,148
Excess (Deficiency) revenue over expenses before unrealized gain (loss) - investments	19,437	103,211	1,733	843	(44,709)	80,515	(18,296)
Unrealized gain (loss) on investments	-	(123,312)	(4,456)	(3,636)	(1,983)	(133,386)	(41,772)
Excess (Deficiency) revenue over expenses	19,437	(20,101)	(2,723)	(2,793)	(46,692)	(52,871)	(60,068)
Net Assets, beginning of year	28,182	1,817,753	64,780	55,083	194,841	2,160,638	2,217,138
Adjustment to display actual fund balances						-	3,569
	<u>28,182</u>	<u>1,817,753</u>	<u>64,780</u>	<u>55,083</u>	<u>194,841</u>	<u>2,160,638</u>	<u>2,220,707</u>
Net Assets, End of Year	\$ <u>47,620</u>	\$ <u>1,797,652</u>	\$ <u>62,057</u>	\$ <u>52,290</u>	\$ <u>148,149</u>	\$ <u>2,107,767</u>	\$ <u>2,160,639</u>

See accompanying notes to financial statements

Chris Miller CPA
Professional Corporation

Sussex Area Community Foundation Incorporated
Statement of Cash Flows
(Unaudited)
Years ended July 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Activities		
Revenue over Expenses	\$ (52,871)	\$ (60,068)
Adjustment for :		
Adjustment to fund balances	<u>-</u>	<u>3,569</u>
	(52,871)	(56,499)
 Changes in Non-Cash Working Capital Items		
Accounts Receivable	1,413	2,721
Prepaid Expense	61	(9)
Accounts Payable	<u>(11,206)</u>	<u>(2,743)</u>
	<u>(62,603)</u>	<u>(56,530)</u>
 Investing Activities		
Change in Investments	<u>90,501</u>	<u>52,900</u>
 Increases (Decrease) in Cash	27,899	(3,630)
Cash, Beginning Balance	<u>24,006</u>	<u>27,636</u>
Cash, Ending Balance	<u>\$ 51,904</u>	<u>\$ 24,006</u>

See accompanying notes to financial statements

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)

Years ended July 31, 2020 and 2019

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, were 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, 2020 and 2019

2. Accounting Policies - continued

Cash and Cash Equivalents

Cash per the financial statements may include cash and/or cash equivalents. Cash equivalents fixed income securities with maturities no longer than 90 days and are valued at cost plus accrued interest. Cash amounts held in investments accounts that is not available for current use is excluded from cash and cash equivalents.

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, 2020 and 2019

3. Investments at Market Value

	<u>2020</u>	%		<u>2019</u>	
Short Term	\$ 41,147	2.0		\$ 96,702	4.6
Fixed Income	1,095,824	52.7		690,699	33.2
Equities					
Canada	403,487	19.4		614,794	29.5
United States	364,052	17.5		515,444	24.8
International	173,596	8.3		249,326	12.0
Interest Receivable	2,673	0.1		4,315	0.2
	<u>\$ 2,080,779</u>	<u>100</u>		<u>\$ 2,171,280</u>	<u>104</u>

4. Scholarships and Grants Payable

	<u>2020</u>		<u>2019</u>
SACFI Scholarships	\$ 13,000		\$ 12,875
Earl J. Cunningham Scholarships	2,000		2,000
Matthew Palmer Scholarships	2,000		3,000
Sussex High Alumni Fund	500		500
PotashCorp Scholarships	-		12,500
Simpson Scholarships	2,000		2,000
Friars Family Scholarships	2,000		2,000
Unsung Hero (Class of 1998) Scholarships	2,000		-
	<u>\$ 23,500</u>		<u>\$ 34,875</u>

5. Investment Management Fees

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

6. Net Assets - Community Fund

The total net assets of the community fund includes the net assets held for various other funds totalling \$81,321. The stated amount is held for the ongoing activities of the following: Sussex High Alumni, Simpson Scholarship, Sussex Accessibility, AX Heritage Fund, Unsung Hero (Class of 1998) and Ellen's Tour funds.

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2020 and 2019

7. Grant Distributions

	<u>2020</u>	<u>2019</u>
Distributable Income Fund:		
Apohaqui Elementary School	\$ -	\$ 175
Arts and Culture Centre of Sussex	5,000	5,000
Belleisle Regional High School	150	175
Cambridge Narrows School	150	175
Canadian Cancer Society New Brunswick	-	1,000
Canadian National Institute for the Blind	5,000	-
Elementary Literacy Inc.	200	-
Family & Child Education Anglophone South	3,150	-
Greater Fundy Ground Search and Rescue	5,000	-
Kings County Historical Archival Society	830	1,590
Kingswood University	150	175
Kiwanis Trust Fund of Sussex	-	4,000
NB Association for Community Living Inc.	-	2,500
Newtown-Waterford Pastoral Charge	-	2,400
Outflow Ministry	1,200	-
Partners in Alternative Learning - Sussex	150	-
Roots of Empathy	3,250	-
Sussex & Area Seniors' Centre Inc.	-	2,000
Sussex Christian School	100	-
Sussex Corner Elementary School	150	175
Sussex Elementary School	150	175
Sussex Middle School	150	2,175
Sussex Regional High School	150	4,812
Sussex Sharing Club	4,000	-
Sussex Wesleyan Church	-	2,211
The Saint John Theatre Company	-	1,500
The Salvation Army	4,000	2,000
Town of Sussex - Communities in Bloom	-	1,556
Town of Sussex - Sussex Minor Ball	-	4,000
Village of Sussex Corner	-	2,000
Grants to Organizations	<u>32,930</u>	<u>39,793</u>
SACFI Scholarships	13,000	12,875
Matthew Palmer Scholarships	2,000	3,000
Fran Simpson Memorial Scholarships	2,000	730
Unsung Hero (Class of 1998) Scholarships	2,000	-
Sussex High Alumni Scholarship	<u>500</u>	<u>500</u>
	<u>\$ 52,430</u>	<u>\$ 56,898</u>
E.J. Cunningham Scholarship Fund	<u>\$ 2,000</u>	<u>\$ 2,000</u>
Friars Family Scholarships	<u>\$ 2,000</u>	<u>\$ 2,000</u>

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

(Unaudited)

Years ended July 31, 2020 and 2019

7. Grant Distributions - continued

	<u>2020</u>	<u>2019</u>
PotashCorp Fund		
PotashCorp Fund Scholarships	\$ -	\$ 12,500
Belleisle Regional High School	-	3,000
Cambridge Narrows School	1,500	1,600
Canadian Cancer Society New Brunswick	1,000	-
Chimo Helpline Inc.	2,650	-
Elementary Literacy Inc.	3,000	-
Junior Achievement	1,500	-
Mill Cove Nursing Home	4,500	-
Multiple Sclerosis Society of Canada	1,500	-
NB Federation of Music Festivals Inc	-	1,200
Pascobac Centre 1979 Inc	-	2,500
Penobscquis Community Enrichment Committee	2,500	2,500
Saint John Regional Hospital Foundation	5,000	-
Saint Mark's Anglican Church	-	2,000
Shannon United Baptist Church	5,000	-
Snider Mountain Adventures Inc.	-	5,000
Sussex Corner Elementary School	1,000	2,400
Sussex Elementary School	-	1,500
Sussex Health Centre Services Inc.	5,000	-
Sussex Public Library	-	1,100
Sussex Regional High School	3,818	-
Sussex Wesleyan Church	-	1,450
Symphony New Brunswick	-	2,000
The Kidney Foundation of Canada	1,500	-
Town of Sussex	1,500	-
YMCA of Greater Saint John	2,255	2,500
	<u>\$ 43,223</u>	<u>\$ 41,250</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 2020, the Foundation awarded Sussex Area Community Foundation Inc. Scholarships of \$2,600 each to five Sussex Regional High School graduates, totaling \$13,000. Payment of these scholarships is conditional on the graduate enrolling in an accredited educational institution.

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 2020.

Four scholarships of \$500 each were awarded in June 2020 by the Friars Family Scholarship Fund to graduates of local schools.

9. Subsequent Events

For the purpose of the accompanying financial statements, subsequent have been evaluated with management through November 26, 2020 which is the date of these financial statements were available to be issued.

During the year, a world-wide pandemic has been announced and both the federal and provincial governments have implemented emergency measures that will negatively impact the national and global economy for an undetermined period. The effects of the pandemic and emergency measures cannot be quantified and no allowance or accrual have been recognized in these financial statements.