

Financial Statements of

**Sussex Area Community Foundation Incorporated**

(Unaudited)

Year ended July 31, 2023

# Sussex Area Community Foundation Incorporated

Year ended July 31, 2023

## Table of Contents

Review Engagement Report	1
Statement of Financial Position	2
Statement of Operations and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5-8

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Sussex Area Community Foundation

I have reviewed the accompanying financial statements of Sussex Area Community Foundation Incorporated that comprise the statement of financial position as at July 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

### *Management's 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 organizations, 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 vary 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 these financial statements.

### *Conclusion*

Based on my review, nothing has come to my attention causing 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, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Other Matter*

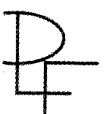
The financial statements of Sussex Area Community Foundation Incorporated for the year ended July 31, 2022, were reviewed by another practitioner who expressed an unmodified opinion on those statements on November 16, 2022.

Sussex, New Brunswick  
November 29, 2023



Donna L. Floyd, CPA  
Professional Corporation  
Chartered Professional Accountant

DONNA L. FLOYD, CPA  
PROFESSIONAL CORP.



**Sussex Area Community Foundation Incorporated**

Statement of Financial Position

(Unaudited)

July 31, 2023 and 2022

**ASSETS**

Current Assets

Cash

Accounts receivable (Note 3)

Prepaid expenses

	<u>2023</u>		<u>2022</u>
\$	35,856	\$	44,708
	1,379		2,436
	<u>1,808</u>		<u>1,185</u>

39,043                      48,329

Investments at Market Value (Note 4)

Security deposit

	2,263,204		2,238,048
	<u>490</u>		<u>490</u>

\$ 2,302,737      \$ 2,286,867

**LIABILITIES AND NET ASSETS**

Current Liabilities

Accounts payable and accrued liabilities

Scholarships and Grants payable (Note 5)

\$	4,120	\$	4,339
	<u>23,000</u>		<u>24,500</u>

27,120                      28,839

Net Assets

Distributable Income Fund

EJ Cunningham Scholarship Fund

Community Fund

Friars Fund

PotashCorp Fund

	126,071		73,739
	99,042		81,524
	1,943,373		1,965,728
	48,830		51,013
	<u>58,302</u>		<u>86,024</u>

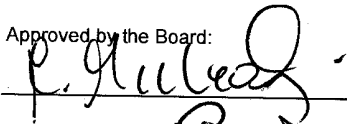
2,275,617                      2,258,028

\$ 2,302,737      \$ 2,286,867

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, 2023 and 2022

	Distributable Income Fund	Community Funds Note 10	Cunningham Fund	Friars Fund	PotashCorp Fund	Total 2023	Total 2022
<b>Revenue</b>							
Donations and bequests	\$ 34,535	\$ 36,126	\$ 20,000	\$ -	\$ -	\$ 90,661	\$ 108,961
Fundraising	12,292	-	-	-	-	12,292	3,444
Interest and dividends	62,395	6,316	3,050	1,944	4,455	78,160	63,017
Canada Recovery	25,000	-	-	-	-	25,000	-
Realized gain (loss) - sale of investments	-	922	-	-	(20,255)	(19,333)	22,325
	<u>134,222</u>	<u>43,364</u>	<u>23,050</u>	<u>1,944</u>	<u>(15,800)</u>	<u>186,780</u>	<u>197,747</u>
<b>Expenses</b>							
Investment management fees (Note 6)	-	19,555	944	560	526	21,585	24,785
Rent	6,746	-	-	-	-	6,746	6,751
Telephone	1,345	-	-	-	-	1,345	1,345
Website	220	-	-	-	-	220	220
Office supplies and postage	1,692	-	-	-	-	1,692	1,464
Audit and legal	1,475	-	-	-	-	1,475	1,592
Insurance	1,008	-	-	-	-	1,008	959
Membership dues	979	-	-	-	-	979	950
Fundraising	4,880	-	-	-	-	4,880	-
Wages and employee benefits	22,495	-	-	-	-	22,495	20,576
Fund Administration Fee	(12,150)	3,468	1,439	753	6,490	-	-
	<u>28,690</u>	<u>23,023</u>	<u>2,383</u>	<u>1,313</u>	<u>7,016</u>	<u>62,425</u>	<u>58,642</u>
Excess (Deficiency) revenue over expenses before other items	105,532	20,341	20,667	631	(22,816)	124,355	139,105
Grant distributions (Note 8)	53,201	11,515	3,000	2,000	19,024	88,740	97,136
Excess (Deficiency) revenue over expenses before unrealized loss - investments	52,331	8,826	17,667	(1,369)	(41,840)	35,615	41,969
Unrealized gain (loss) on investments	-	(31,182)	(149)	(814)	14,118	(18,027)	(112,564)
Excess (Deficiency) revenue over expenses	52,331	(22,356)	17,518	(2,183)	(27,722)	17,588	(70,595)
Net Assets, beginning of year	73,739	\$ 1,965,728	\$ 81,524	\$ 51,013	\$ 86,024	2,258,028	2,328,623
Net Assets, End of Year	\$ <u>126,071</u>	\$ <u>1,943,373</u>	\$ <u>99,042</u>	\$ <u>48,830</u>	\$ <u>58,302</u>	\$ <u>2,275,617</u>	\$ <u>2,258,028</u>

Note 10

See accompanying notes to financial statements

**Sussex Area Community Foundation Incorporated**

Statement of Cash Flows

(Unaudited)

Years ended July 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Activities		
Revenue (deficiency) over Expenses	\$ 17,588	\$ (70,595)
	17,588	(70,595)
Changes in Non-Cash Working Capital Items		
Accounts Receivable	1,057	809
Prepaid Expense	(623)	(16)
Accounts Payable	<u>(1,719)</u>	<u>4,893</u>
	<u>16,304</u>	<u>(64,909)</u>
Investing Activities		
Change in Investments	<u>(25,156)</u>	<u>35,801</u>
Increases (Decrease) in Cash	(8,852)	(29,108)
Cash, Beginning Balance	<u>44,708</u>	<u>73,816</u>
Cash, Ending Balance	\$ <u><u>35,856</u></u>	\$ <u><u>44,708</u></u>

See accompanying notes to financial statements

## Sussex Area Community Foundation Incorporated

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2023 and 2022

### 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 standards for not-for-profit organizations.

#### 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.

#### Cash and Cash Equivalents

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date. Cash does not include any balances held within the investment accounts.

#### 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%
--------------------	-----

#### 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.

**Sussex Area Community Foundation Incorporated**

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2023 and 2022

**2. Accounting Policies - continued**

**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.

**3. Accounts receivable**

	<u>2023</u>	<u>2022</u>
HST Receivable	\$ 1,064	\$ 2,436
Miscellaneous Receivable	315	-
	<u>\$ 1,379</u>	<u>\$ 2,436</u>

**4. Investments at Market Value**

	<u>2023</u>	%	<u>2022</u>	%
Short Term	\$ 112,123	5.0	\$ 59,169	2.6
Fixed Income	872,190	38.5	811,026	36.2
Equities				
Canada	696,116	30.8	774,667	34.6
United States	<u>582,775</u>	<u>25.7</u>	<u>593,186</u>	<u>26.5</u>
	<u>\$ 2,263,204</u>	<u>100</u>	<u>\$ 2,238,048</u>	<u>100</u>

**5. Scholarships and Grants Payable**

	<u>2023</u>	<u>2022</u>
SACFI Scholarships	\$ 13,000	\$ 13,000
Earl J. Cunningham Scholarships	3,000	2,000
Friars Family Scholarships	2,000	2,500
Sussex High Alumni Fund	500	500
Simpson Scholarships	2,000	2,000
Opportunity Scholarship	-	1,000
MacLeod Fund	500	500
Unsung Hero (Class of 1998) Scholarships	<u>2,000</u>	<u>3,000</u>
	<u>\$ 23,000</u>	<u>\$ 24,500</u>

**6. 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.

**7. Net Assets - Community Fund**

The total net assets of the community fund includes the net assets held for various other funds totaling \$206,682. 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, 2023 and 2022

**8. Grant Distributions**

	<u>2023</u>	<u>2022</u>
<b>Distributable Income Fund:</b>		
Agricultural Museum of New Brunswick Inc.	\$ -	\$ 850
Apohaqui Elementary School	200	150
Arts and Culture Centre of Sussex	4,516	3,267
Belleisle Regional High School	2,200	1,525
Belleisle Watershed Coalition Inc.	1,400	-
Cambridge Narrows Community School	2,700	150
Compass Sussex	200	150
Compassionate Grief Centre of Southern NB	-	2,676
Elementary Literacy Inc.	3,000	-
Family & Child Education Anglophone South	-	2,600
Hospice of Sussex Inc.	2,000	-
Kings County Historical Archival Society	-	850
Kingswood University	200	150
Kiwanis Nursing Home Inc.	-	4,332
NB Federation of Music Festivals Inc	-	750
Portage Atlantic	3,000	-
Rotary Club of Sussex Charitable Trusts	5,000	-
Salvation Army Sussex Community Church	5,000	-
Sussex Corner Elementary School	200	1,100
Sussex Elementary School	200	150
Sussex Middle School	200	500
Sussex Public Library	5,328	5,000
Sussex Regional High School	200	150
Sussex Sharing Club	1,436	1,750
The Chalmers Foundation Inc.	1,500	-
The Saint John Theatre Company	-	1,500
The Salvation Army	1,436	-
Town of Sussex - Multicultural Association	-	10,000
Town of Sussex - Sussex Minor Ball	4,000	-
YMCA of Greater Saint John	1,800	2,500
Grants to Organizations	<u>45,716</u>	<u>40,100</u>
SACFI Scholarships	13,000	13,000
Fran Simpson Memorial Scholarships	2,000	2,000
Unsung Hero (Class of 1998) Scholarships	2,000	3,000
Opportunity Scholarship	-	1,000
Sussex High Alumni Scholarship	500	500
Sussex High School Class of 1970 Scholarship	1,000	-
MacLeod Fund	500	500
	<u>\$ 64,716</u>	<u>\$ 60,100</u>
<b>E.J. Cunningham Scholarship Fund</b>	<u>\$ 3,000</u>	<u>\$ 2,000</u>
<b>Friars Family Scholarships</b>	<u>\$ 2,000</u>	<u>\$ 2,500</u>
<b>PotashCorp Fund</b>		
Agricultural Museum of New Brunswick Inc.	\$ 1,000	\$ -
Fundy Civic Centre	-	5,000
Kiwanis Nursing Home Inc.	4,000	-
NB Federation of Music Festivals Inc	1,500	-
Pascobac Camp	-	5,000
Roots of Empathy	-	3,800
Rotary Club of Sussex Charitable Trusts	-	5,000
Saint John Regional Hospital Foundation	3,800	-
Sussex Public Library	(776)	776
Sussex Regional High School	5,000	12,960
The Saint John Theatre Company	2,500	-
Town of Sussex - Communities in Bloom	(1,500)	-
Town of Sussex - Sussex Disc Golf	3,500	-
	<u>\$ 19,024</u>	<u>\$ 32,536</u>

## Sussex Area Community Foundation Incorporated

Notes to the Financial Statements  
(Unaudited)  
Years ended July 31, 2023 and 2022

### 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 2023, 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 2023.

Four scholarships of \$500 each were awarded in June 2023 by the Friars Family Scholarship Fund to graduates of local schools.

In 2022 the Norman MacLeod Scholarship 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 2023.

### 10. Schedule of Community Funds

	Community & Smaller Funds	AX Heritage Fund	Sussex Accessibility Fund	Sussex High Alumni Fund	MacLeod Fund	Community Funds Total 2023	Community Funds Total 2022
<b>Revenue</b>							
Donations and bequests	\$ 16,387	\$ 17,055	\$ 644	\$ 1,540	\$ 500	\$ 36,126	\$ 55,371
Interest and dividends	114	4,101	1,072	637	392	6,316	12,819
Realized gain - sale of investments	922	-	-	-	-	922	21,692
	<u>17,423</u>	<u>21,156</u>	<u>1,716</u>	<u>2,177</u>	<u>892</u>	<u>43,364</u>	<u>89,882</u>
<b>Expenses</b>							
Investment management fees (Note 5)	18,419	1,136	-	-	-	19,555	21,397
Fund Administration Fee	274	1,980	621	375	218	3,468	3,720
	<u>18,693</u>	<u>3,116</u>	<u>621</u>	<u>375</u>	<u>218</u>	<u>23,023</u>	<u>25,117</u>
Excess revenue over expenses before other items	(1,270)	18,040	1,095	1,802	674	20,341	64,765
Grant distributions (Note 7)	4,000	4,515	2,000	500	500	11,515	14,117
Excess (Deficiency) revenue over expenses before unrealized gain (loss) - investments	(5,270)	13,525	(905)	1,302	174	8,826	50,648
Unrealized gain (loss) on investments	(30,357)	(825)	-	-	-	(31,182)	(99,021)
Excess (Deficiency) revenue over expenses	(35,627)	12,700	(905)	1,302	174	(22,356)	(48,373)
Net Assets, beginning of year	1,766,498	121,044	40,835	22,851	14,500	1,965,728	2,014,101
Net Assets, End of Year	<u>\$ 1,730,871</u>	<u>\$ 133,744</u>	<u>\$ 39,930</u>	<u>\$ 24,153</u>	<u>\$ 14,674</u>	<u>\$ 1,943,372</u>	<u>\$ 1,965,728</u>

### 11. Subsequent Events

For the purpose of the accompanying financial statements, subsequent events have been evaluated with management through December 4, 2023 which is the date of these financial statements were available to be issued.