

Financial Statements of
Sussex Area Community Foundation Incorporated
(Unaudited)
Year ended July 31, 2021

Sussex Area Community Foundation Incorporated

Year ended July 31, 2021

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	5-9

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, 2021 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 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 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, 2021 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
December 01, 2021


Chris Miller CPA Professional Corporation
Chartered Professional Accountant

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

07 December 2021

Sussex Area Community Foundation Incorporated
625 Main Street Unit Y
Sussex, N.B.
E4E 7H5

To the Board of Directors

Please find enclosed two copies of your financial statements for the year ended July 31, 2021.

You are reminded that you have 6 Months from your year end to complete T3010 Registered Charity Information Return, for the Canada Revenue Agency.

It has been my pleasure to serve your organization as your accountant. If you have any questions, please do not hesitate to contact me.

Sincerely,



Chris Miller, CPA
Chris Miller CPA Professional Corporation

Sussex Area Community Foundation Incorporated

Statement of Financial Position

(Unaudited)

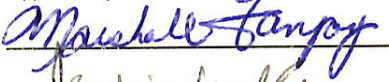
July 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash	\$ 73,816	\$ 51,904
Accounts receivable	3,245	1,052
Prepaid expenses	<u>1,169</u>	<u>962</u>
	78,230	53,919
Investments at Market Value (Note 3)	2,273,849	2,080,779
Security deposit	<u>490</u>	<u>490</u>
	<u>\$ 2,352,569</u>	<u>\$ 2,135,188</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,946	\$ 3,921
Scholarships and Grants payable (Note 4)	<u>20,000</u>	<u>23,500</u>
	<u>23,946</u>	<u>27,421</u>
Net Assets		
Distributable Income Fund	62,640	47,620
EJ Cunningham Scholarship Fund	65,278	62,057
Community Fund	2,014,101	1,797,652
Friars Fund	54,995	52,290
PotashCorp Fund	<u>131,609</u>	<u>148,149</u>
	<u>2,328,623</u>	<u>2,107,767</u>
	<u>\$ 2,352,569</u>	<u>\$ 2,135,188</u>

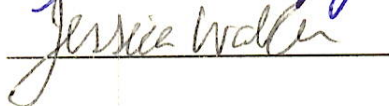
Commitment (Note 8)

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, 2021 and 2020

	Distributable Income Fund	Community Fund	Cunningham Fund	Friars Fund	PotashCorp Fund	Total 2021	Total 2020
Revenue							
Donations and bequests	\$ 33,335	\$ 81,249	\$ -	\$ -	\$ -	\$ 114,584	\$ 69,177
Donations - Sussex High Alumni Fund		1,539	-	-	-	1,539	1,767
Other income	-	-	-	-	-	-	560
Fundraising	2,694	-	-	-	-	2,694	2,510
Interest and dividends	39,045	-	1,253	1,021	1,907	43,226	78,649
Realized gain (loss) - sale of investments	-	248,497	8,863	7,177	8,112	272,649	81,429
	<u>75,074</u>	<u>331,285</u>	<u>10,116</u>	<u>8,198</u>	<u>10,019</u>	<u>434,692</u>	<u>234,092</u>
Expenses							
Investment management fees (Note 5)	-	18,696	673	548	1,924	21,841	22,585
Rent	6,531	-	-	-	-	6,531	6,321
Telephone	1,343	-	-	-	-	1,343	1,340
Website	220	-	-	-	-	220	220
Advertising	499	-	-	-	-	499	-
Office supplies and postage	1,384	-	-	-	-	1,384	568
Audit and legal	1,140	-	-	-	-	1,140	1,048
Insurance	864	-	-	-	-	864	956
Electricity	-	-	-	-	-	-	-
Membership dues	988	-	-	-	-	988	854
Conference, travel, and meeting	40	-	-	-	-	40	35
Bank charges and interest	-	-	-	-	-	-	-
Fundraising	355	-	-	-	-	355	746
Wages and employee benefits	19,526	-	-	-	-	19,526	19,250
Fund Administration Fee	(10,774)	2,469	1,006	809	6,490	0	(0)
	<u>22,115</u>	<u>21,165</u>	<u>1,679</u>	<u>1,357</u>	<u>8,414</u>	<u>54,729</u>	<u>53,924</u>
Excess (Deficiency) revenue over expenses before other items	52,959	310,120	8,437	6,841	1,605	379,963	180,168
Grant distributions (Note 7)	37,939	3,500	2,000	1,500	15,700	60,639	99,653
Excess (Deficiency) revenue over expenses before unrealized gain (loss) - investments	15,020	306,620	6,437	5,341	(14,095)	319,324	80,515
Unrealized gain (loss) on investments	-	(90,171)	(3,216)	(2,636)	(2,444)	(98,468)	(133,386)
Excess (Deficiency) revenue over expenses	15,020	216,449	3,221	2,706	(16,539)	220,856	(52,871)
Net Assets, beginning of year	47,620	1,797,652	62,057	52,290	148,149	2,107,767	2,160,638
Adjustment to display actual fund balances	47,620	1,797,652	62,057	52,290	148,149	2,107,767	2,160,638
Net Assets, End of Year	<u>\$ 62,640</u>	<u>\$ 2,014,101</u>	<u>\$ 65,278</u>	<u>\$ 54,995</u>	<u>\$ 131,609</u>	<u>\$ 2,328,623</u>	<u>\$ 2,107,767</u>

See accompanying notes to financial statements

Sussex Area Community Foundation Incorporated

Statement of Cash Flows
(Unaudited)
Years ended July 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Activities		
Revenue over Expenses	\$ 220,856	\$ (52,871)
Adjustment for :		
Adjustment to fund balances	<u>-</u>	<u>-</u>
	220,856	(52,871)
Changes in Non-Cash Working Capital Items		
Accounts Receivable	(2,193)	1,413
Prepaid Expense	(207)	61
Accounts Payable	<u>(3,475)</u>	<u>(11,206)</u>
	214,981	(62,603)
Investing Activities		
Change in Investments	<u>(193,070)</u>	<u>90,501</u>
Increases (Decrease) in Cash	21,911	27,899
Cash, Beginning Balance	<u>51,904</u>	<u>24,006</u>
Cash, Ending Balance	<u>\$ 73,816</u>	<u>\$ 51,904</u>

See accompanying notes to financial statements

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2021 and 2020

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.

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2021 and 2020

2. Accounting Policies - continued

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.

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, 2021 and 2020

3. Investments at Market Value

	<u>2021</u>	<u>%</u>		<u>2020</u>	<u>%</u>
Short Term	\$ 140,145	6.2	\$ 41,147	2.0	
Fixed Income	887,337	39.0	1,095,824	52.7	
Equities					
Canada	655,248	28.8	403,487	19.4	
United States	570,008	25.1	364,052	17.5	
International	-	0.0	173,596	8.3	
Multi-Asset	21,111	0.9			
Interest Receivable	-	0.0	2,673	0.1	
	<u>\$ 2,273,849</u>	<u>100</u>	<u>\$ 2,080,779</u>	<u>100</u>	

4. Scholarships and Grants Payable

	<u>2021</u>	<u>2020</u>
SACFI Scholarships	\$ 13,000	\$ 13,000
Earl J. Cunningham Scholarships	2,000	2,000
Matthew Palmer Scholarships	-	2,000
Sussex High Alumni Fund	500	500
Simpson Scholarships	1,000	2,000
Friars Family Scholarships	1,500	2,000
Opportunity Scholarship	1,000	-
Unsung Hero (Class of 1998) Scholarships	<u>1,000</u>	<u>2,000</u>
	<u>\$ 20,000</u>	<u>\$ 23,500</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 \$155,018. 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, 2021 and 2020

7. Grant Distributions

	<u>2021</u>	<u>2020</u>
Distributable Income Fund:		
Apohaqui Elementary School	\$ 125	\$ -
Arts and Culture Centre of Sussex	523	5,000
Belleisle Elementary School	125	
Belleisle Regional High School	125	150
Cambridge Narrows School	125	150
Canadian National Institute for the Blind	-	5,000
Elementary Literacy Inc.	-	200
Family & Child Education Anglophone South	2,886	3,150
Greater Fundy Ground Search and Rescue	-	5,000
Kings County Historical Archival Society	-	830
Kingswood University	125	150
Outflow Ministry	-	1,200
Partners in Alternative Learning - Sussex	-	150
Roots of Empathy	3,800	3,250
Sussex Christian School	-	100
Sussex Corner Elementary School	125	150
Sussex Elementary School	125	150
Sussex Health Centre Services Inc.	500	
Sussex Middle School	125	150
Sussex Public Library	1,005	
Sussex Regional High School	125	150
Sussex Sharing Club	1,800	4,000
The Kidney Foundation of Canada	1,500	
The Salvation Army	1,800	4,000
Town of Sussex - Sussex & Area Wellness Network	5,000	-
Town of Sussex - Sussex Minor Ball	5,000	-
	<u>24,939</u>	<u>32,930</u>
Grants to Organizations		
SACFI Scholarships	13,000	13,000
Matthew Palmer Scholarships	0	2,000
Fran Simpson Memorial Scholarships	1,000	2,000
Unsung Hero (Class of 1998) Scholarships	1,000	2,000
Opportunity Scholarship	1,000	0
Sussex High Alumni Scholarship	500	500
	<u>\$ 41,439</u>	<u>\$ 52,430</u>
E.J. Cunningham Scholarship Fund	<u>\$ 2,000</u>	<u>\$ 2,000</u>
Friars Family Scholarships	<u>\$ 1,500</u>	<u>\$ 2,000</u>

Sussex Area Community Foundation Incorporated

Notes to the Financial Statements
(Unaudited)
Years ended July 31, 2021 and 2020

7. Grant Distributions - continued

	<u>2021</u>	<u>2020</u>
PotashCorp Fund		
Apoahqui Elementary School	\$ 1,000	\$ -
Belyea's Cove Community Center	2,500	-
Cambridge Narrows School	-	1,500
Canadian Cancer Society New Brunswick	-	1,000
Chimo Helpline Inc.	-	2,650
Elementary Literacy Inc.	-	3,000
Junior Achievement	-	1,500
Kirk Hill Cemetery	2,000	
Mill Cove Nursing Home	-	4,500
Multiple Sclerosis Society of Canada	-	1,500
NB Federation of Music Festivals Inc	1,500	-
Pascobac Camp	2,200	-
Penobsquis Community Enrichment Committee	-	2,500
Saint John Regional Hospital Foundation	-	5,000
Shannon United Baptist Church	-	5,000
Sussex Cardiac Rehab	5,000	-
Sussex Corner Elementary School	-	1,000
Sussex Health Centre Services Inc.	-	5,000
Sussex Regional High School	-	3,818
The Kidney Foundation of Canada	-	1,500
The Saint John Theatre Company	1,500	
Town of Sussex	-	1,500
YMCA of Greater Saint John	-	2,255
	<u>\$ 15,700</u>	<u>\$ 43,223</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 2021, 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 2021.

Three scholarships of \$500 each were awarded in June 2021 by the Friars Family Scholarship Fund to graduates of local schools.

9. Subsequent Events

For the purpose of the accompanying financial statements, subsequent events have been evaluated with management through December 01, 2021 which is the date of these financial statements were available to be issued.

During the year, a world-wide pandemic has been ongoing 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 effect of the pandemic and emergency measures cannot be quantified and no allowance or accruals have been recognized in these financial statements.