

Financial Statements of

**Sussex Area Community
Foundation Incorporated**

Year ended July 31, 2008



AUDITOR'S REPORT

To the Board of Sussex Area Community Foundation Inc.

We have examined the Distributable, Community, and Designated (Cunningham) Fund Balance Sheet of Sussex Area Community Foundation Inc. as at July 31, 2008 and the Statement of Revenue and Expenditures for the year then ended.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation.

The comparative figures presented were audited by F.L. Skaling Professional Corporation and were relied upon by our company.

In our opinion, these financial statements present fairly the financial position of Sussex Area Community Foundation Inc. as at July 31, 2008 and the results of its activities for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except as disclosed in the following Notes to the Financial Statements.

Sussex, New Brunswick
October 30, 2008



ALLAN EISNER, CGA
ACCOUNTING & MANAGEMENT GROUP



Sussex Area Community Foundation Incorporated

Statement of Financial Position

July 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets		
Cash	\$ 2,567	\$ 1,830
Accounts receivable	1,099	486
Prepaid expenses	<u>604</u>	<u>671</u>
	4,270	2,987
Investments at Market Value (Notes 2 & 3)	1,388,256	1,450,507
Capital Assets (Note 4)	<u>1,064</u>	<u>-</u>
	<u>\$ 1,393,590</u>	<u>\$ 1,453,494</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued liabilities	\$ <u>1,378</u>	\$ <u>1,048</u>
Net Assets		
Distributable income fund	23,983	20,147
EJ Cunningham Scholarship Fund	27,891	-
Community fund	<u>1,340,338</u>	<u>1,432,299</u>
	<u>1,392,212</u>	<u>1,452,446</u>
	<u>\$ 1,393,590</u>	<u>\$ 1,453,494</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

Years ended July 31, 2008 and 2007

	<u>Distributable</u>	<u>Community</u>	<u>Cunningham</u>	<u>Total</u>	<u>Total</u>
	<u>Income Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>2008</u>	<u>2007</u>
Revenue					
Donations and bequests (Note 5)	\$ -	\$ 1,000	\$ 29,326	\$ 30,326	\$ 760
Interest and dividends	55,391	-	71	55,462	50,436
Distributed capital gains	-	13,674	-	13,674	34,177
Realized gain (loss) on sale of investments	-362	-2,511	-	-2,873	-6,260
Unrealized gain (loss) on investments	-	-93,938	-1,506	-95,444	16,666
	<u>55,029</u>	<u>-81,775</u>	<u>27,891</u>	<u>1,145</u>	<u>95,779</u>
Expenses					
Investment management fees (Note 6)	-	10,186	-	10,186	10,386
Rent	2,561	-	-	2,561	2,568
Telephone	689	-	-	689	524
Website	213	-	-	213	272
Advertising	89	-	-	89	861
Postage	14	-	-	14	55
Supplies	66	-	-	66	94
Audit and legal	1,616	-	-	1,616	1,338
Insurance	442	-	-	442	475
Membership dues	449	-	-	449	409
Conference and meeting	-	-	-	0	601
Bank charges and interest	58	-	-	58	55
mortization	76	-	-	76	-
Miscellaneous	218	-	-	218	293
	<u>6,491</u>	<u>10,186</u>	<u>-</u>	<u>16,677</u>	<u>17,931</u>
Excess revenue over expenses before grant distributions	48,538	-91,961	27,891	-15,532	77,848
Grant distributions (Note 7)	<u>44,702</u>	<u>-</u>	<u>-</u>	<u>44,702</u>	<u>44,123</u>
Excess revenue over expenses	3,836	-91,961	27,891	-60,234	33,725
Net Assets, beginning of year	<u>20,147</u>	<u>1,432,299</u>	<u>-</u>	<u>1,452,446</u>	<u>1,418,721</u>
Net Assets, End of Year	<u>\$ 23,983</u>	<u>\$ 1,340,338</u>	<u>\$ 27,891</u>	<u>\$ 1,392,212</u>	<u>\$ 1,452,446</u>

See accompanying notes to financial statements



Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

Years ended July 31, 2008 and 2007

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.



Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

Years ended July 31, 2008 and 2007

4. 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

The carrying value of cash, accounts receivable, prepaid expenses and accounts payable and accrued liabilities are considered to be representative of their respective fair values due to the immediate or short-term maturity of these financial instruments.

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.

Statement of Cash Flows

A statement of cash flows has not been prepared as management considers that no additional useful information would be provided.



Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

Years ended July 31, 2008 and 2007

J. Investments at Market Value

	<u>2008</u>		<u>2007</u>	
		<u>%</u>		<u>%</u>
Short Term	\$ 62,994	4.5	\$ 100	0.0
Bond	31,231	2.2	29,002	2.0
Fixed Income	525,765	37.9	602,748	41.6
Income Trust	181,536	13.1	175,919	12.1
Equities				
Canada	181,405	13.1	185,212	12.8
United States	256,091	18.4	287,235	19.8
International	<u>149,234</u>	<u>10.7</u>	<u>170,291</u>	<u>11.7</u>
	<u>\$ 1,388,256</u>	<u>100</u>	<u>\$ 1,450,507</u>	<u>100</u>

4. Property, plant and equipment

	<u>2008</u>		<u>2007</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer Equipment	<u>1,140</u>	<u>76</u>	<u>1,064</u>	<u>-</u>

5. Donations and Bequests During the Year

	<u>2008</u>	<u>2007</u>
EJ Cunningham Memorial Scholarship	\$ 29,326	\$ -
Louisbourg Investments	-	500
Doris Alexander	-	25
Memorial Donations	-	-
In memory of Vaughn Bell	25	-
In memory of Jack Ross	25	-
In memory of Albert Green	25	-
In memory of Cheryl Chambers	50	-
In memory of Joe Doherty	20	-
In memory of Olive Sharp	20	-
In memory of Glennie Dick	25	-
In memory of Wendell MacKenzie	20	-
In memory of Mable Danson	20	-
In memory of Margaret Garey	20	-
In memory of Barb Goid	-	25
In memory of Catherine Ryan	-	90
In memory of Oscar Anderson	-	20
Unspecified	<u>750</u>	<u>100</u>
	<u>\$ 30,326</u>	<u>\$ 760</u>



Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

Years ended July 31, 2008 and 2007

Investment Management Fees

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

7. Grant Distributions

	<u>2008</u>	<u>2007</u>
Agricultural Museum of NB	\$ -	\$ 1,200
Apohaqui Elementary School	-	1,500
Belleisle Community Pool Association	1,500	2,500
Canadian Red Cross, NB Region	-	1,000
Crosswinds Occupational Activity Center	1,822	1,055
Danny & Jessica Angel Foundation Inc.	2,000	2,000
District 6 Health Advisory Committee	-	3,000
Fundy Civic Centre	5,000	-
John Howard Society	1,000	-
Kings County Family Resource Centre	1,760	-
Kiwanis Nursing Home Inc.	1,200	-
Mental Health Services, Sussex	-	1,000
Portage Atlantic	-	2,000
Southfield United Church	1,000	-
Sussex & Area Early Intervention	600	-
Sussex & Area Seniors' Centre Inc.	1,000	-
Sussex Association for Community Living	-	900
Sussex Corner Elementary School	1,320	-
Sussex Elementary School	2,500	2,000
Sussex Health Services Inc.	5,000	-
Sussex Middle School	-	1,000
Sussex Public Library	-	1,543
Sussex Regional High School	-	1,200
Sussex Vale Transition House	-	1,725
The Learning Partnership	3,500	3,500
The Little Jackie Fund	<u>3,000</u>	<u>4,500</u>
Grants to Organizations	32,202	31,623
Forbes Family Scholarships	<u>12,500</u>	<u>12,500</u>
	<u>\$ 44,702</u>	<u>\$ 44,123</u>

8. Commitment

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 in the name of the Forbes family at the annual Sussex Regional High School commencement ceremonies.

In June 2008, the Foundation awarded Forbes Family Scholarships of \$2,500 each to five Sussex Regional High School graduates, totalling \$12,500. Payment of these scholarships is conditional on the graduate enrolling in an accredited educational institution.

