

Sussex Area Community Foundation Incorporated

Financial Statements

Year ended July 31, 2009



SUSSEX AREA COMMUNITY FOUNDATION INCORPORATED

JULY 31, 2009

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AUDITORS' REPORT

To the Board of Directors of
Sussex Area Community Foundation Incorporated

We have audited the Statement of Financial Position of Sussex Area Community Foundation Incorporated as at July 31, 2009 and the Statements of Operations and Changes in Net Assets, and of Cash Flow, for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian 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.

In our opinion, these financial statements present fairly the financial position of Sussex Area Community Foundation Incorporated as at July 31, 2009, and the results of its operations, changes in fund balances, and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Sussex, NB
November 23, 2009

Turnbull and Kindred
TURNBULL AND KINDRED, CGA
PROFESSIONAL CORPORATION



Sussex Area Community Foundation Incorporated

Statement of Financial Position

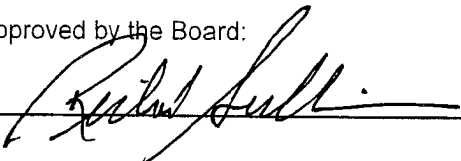
As at July 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Cash	\$ 3,485	\$ 2,567
Accounts receivable	925	1,099
Prepaid expenses	<u>601</u>	<u>604</u>
	5,011	4,270
Investments at Market Value (Notes 2 & 3)	1,263,936	1,388,256
Property, Plant and Equipment (Note 4)	<u>836</u>	<u>1,064</u>
	<u>\$ 1,269,783</u>	<u>\$ 1,393,590</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,753	\$ 1,378
Scholarships payable (Note 5)	<u>13,500</u>	<u>-</u>
Total Liabilities	<u>16,253</u>	<u>1,378</u>
Net Assets		
Unrestricted Distributable income fund (Note 6)	16,620	23,983
Restricted Earl J. Cunningham Scholarship Fund	25,493	27,891
Unrestricted Community fund	<u>1,211,417</u>	<u>1,340,338</u>
	<u>1,253,530</u>	<u>1,392,212</u>
	<u>\$ 1,269,783</u>	<u>\$ 1,393,590</u>

Commitment (Note 10)

The accompanying notes are an integral part of these 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, 2009 and 2008

	<u>Distributable Income Fund</u>	<u>Community Fund</u>	<u>Cunningham Fund</u>	<u>Total 2009</u>	<u>Total 2008</u>
Revenue					
Donations and bequests (Note 7)	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ 30,326
Interest and dividends	53,830	-	1,109	54,939	55,462
Distributed capital gains	-	-	-	-	13,674
Realized gain (loss) on sale of investments	-	-17,253	-272	-17,525	-2,873
	<u>53,830</u>	<u>-15,753</u>	<u>837</u>	<u>38,914</u>	<u>96,589</u>
Expenses					
Investment management fees (Note 8)	-	8,559	129	8,688	10,186
Rent	2,556	-	-	2,556	2,561
Telephone	1,066	-	-	1,066	689
Website	212	-	-	212	213
Advertising	12	-	-	12	89
Postage	52	-	-	52	14
Supplies	61	-	-	61	66
Audit and legal	1,278	-	-	1,278	1,616
Insurance	373	-	-	373	442
Membership dues	450	-	-	450	449
Conference and meeting	2,546	-	-	2,546	-
Bank charges and interest	59	-	-	59	58
Amortization	228	-	-	228	76
Miscellaneous	170	-	-	170	218
	<u>9,063</u>	<u>8,559</u>	<u>129</u>	<u>17,751</u>	<u>16,677</u>
Excess (Deficiency) revenue over expenses before other items	44,767	-24,312	708	21,163	79,912
Grant distributions (Note 9)	<u>52,130</u>	<u>-</u>	<u>1,000</u>	<u>53,130</u>	<u>44,702</u>
Excess (Deficiency) revenue over expenses before unrealized gain (loss) on investments	-7,363	-24,312	-292	-31,967	35,210
Unrealized gain (loss) on investments	<u>-</u>	<u>-104,609</u>	<u>-2,106</u>	<u>-106,715</u>	<u>-95,444</u>
(Deficiency) revenue over expenses for the year	-7,363	-128,921	-2,398	-138,682	-60,234
Net Assets, beginning 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>
Net Assets, end of year	<u>\$ 16,620</u>	<u>\$ 1,211,417</u>	<u>\$ 25,493</u>	<u>\$ 1,253,530</u>	<u>\$ 1,392,212</u>

The accompanying notes are an integral part of these financial statements.



Sussex Area Community Foundation Incorporated

Statement of Cash Flow

Years ended July 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating Activities		
(Deficiency) revenue over expenses	\$ -138,682	\$ -60,234
Adjustments for		
Amortization	<u>228</u>	<u>76</u>
	-138,454	-60,158
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	175	-613
Decrease in prepaid expenses	3	67
Increase in accounts payable	<u>14,874</u>	<u>330</u>
	<u>-123,402</u>	<u>-60,374</u>
Investing activities		
Decrease in investments	124,320	62,251
(Purchase) of property, plant and equipment	<u>-</u>	<u>-1,140</u>
	<u>124,320</u>	<u>61,111</u>
Increase in bank	918	737
Bank, beginning of year	<u>2,567</u>	<u>1,830</u>
Bank, end of year	\$ <u><u>3,485</u></u>	\$ <u><u>2,567</u></u>

The accompanying notes are an integral part of these financial statements.



Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

Years ended July 31, 2009 and 2008

1. Purpose of the Organization

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 restricted 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 Earl J. 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, 2009 and 2008

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.

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%	straight-line
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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

Years ended July 31, 2009 and 2008

3. Investments at Market Value

	<u>2009</u>		<u>2008</u>	
		<u>%</u>		<u>%</u>
Marketable Investments				
Short Term	\$ 18,820	1.5	\$ 62,994	4.5
Bond	33,789	2.7	31,231	2.2
Fixed Income	554,484	43.9	525,765	37.9
Income Trust	138,525	11.0	181,536	13.1
Equities				
Canada	195,681	15.5	181,405	13.1
United States	186,158	14.7	256,091	18.4
International	<u>135,184</u>	<u>10.7</u>	<u>149,234</u>	<u>10.7</u>
	1,262,641	100	\$ 1,388,256	100
Approved for transfer	<u>1,295</u>			
	<u>\$ 1,263,936</u>			

4. Property, plant and equipment

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer Equipment	\$ <u>1,140</u>	<u>304</u>	\$ <u>836</u>	\$ <u>1,064</u>

5. Scholarships Payable

	<u>2009</u>
Forbes Family Scholarships	\$ 12,500
Earl J. Cunningham Scholarships	<u>1,000</u>
	<u>\$ 13,500</u>

6. Unrestricted Net Assets

	<u>2009</u>	<u>2008</u>
Unrestricted	\$ 15,784	\$ 22,919
Invested in Property, plant and equipment	<u>836</u>	<u>1,064</u>
	<u>\$ 16,620</u>	<u>\$ 23,983</u>



Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

Years ended July 31, 2009 and 2008

7. Donations and Bequests During the Year

	<u>2009</u>	<u>2008</u>
Earl J. Cunningham Memorial Scholarship	\$	\$ 29,326
Memorial Donations		
In memory of Ivan McGuire	715	-
In memory of Velma Earle	295	-
In memory of Mabel Roxborough	25	-
In memory of Bernice Warren	10	-
In memory of Frank Duke	25	-
In memory of Dawn Goodine	25	-
In memory of Cindy Hunt	50	-
In memory of Marilyn Page	40	-
In memory of Clara Monahan	30	-
In memory of Ted Keating	20	-
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
Unspecified	<u>265</u>	<u>750</u>
	<u>\$ 1,500</u>	<u>\$ 30,326</u>

8. Investment Management Fees

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



Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

Years ended July 31, 2009 and 2008

9. Grant Distributions

	<u>2009</u>	<u>2008</u>
Agricultural Museum of NB	\$ 1,560	\$ -
Apohaqui Elementary School	1,000	-
Belleisle Community Pool Association	-	1,500
Canadian Paraplegic Association	2,600	-
CNIB Vision Health	1,000	-
Crosswinds Occupational Activity Center	-	1,822
Danny & Jessica Angel Foundation Inc.	1,000	2,000
Fundy Civic Centre	1,000	5,000
John Howard Society	-	1,000
Kings County Family Resource Centre	-	1,760
Kings County Soccer Association	1,500	-
Kiwanis Nursing Home Inc.	-	1,200
NB Association of Community Living	2,250	-
Southfield United Church	-	1,000
Sussex & Area Early Intervention	2,460	600
Sussex & Area Seniors' Centre Inc.	-	1,000
Sussex Area RCMP Victim Services	1,500	-
Sussex Corner Elementary School	-	1,320
Sussex Elementary School	1,000	2,500
Sussex Health Services Inc.	1,000	5,000
Sussex Public Library	1,000	-
Sussex Vale Transition House	1,960	-
The Learning Partnership	3,500	3,500
The Little Jackie Fund	<u>2,800</u>	<u>3,000</u>
Grants to Organizations	27,130	32,202
Forbes Family Scholarships (awarded 2008)	12,500	-
Forbes Family Scholarships (awarded 2009)	<u>12,500</u>	<u>12,500</u>
	<u>\$ 52,130</u>	<u>\$ 44,702</u>
Designated Fund:		
Earl J. Cunningham Scholarship Fund	<u>\$ 1,000</u>	



Sussex Area Community Foundation Incorporated

Notes to the Financial Statements

Years ended July 31, 2009 and 2008

10. 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 2009, the Foundation awarded Forbes Family Scholarships of \$2,500 each to five Sussex Regional High School graduates, totaling \$12,500. Payment of these scholarships is conditional on the graduate enrolling in an accredited educational institution.

For the 2009 fiscal year, the Board made the decision to accrue the expense for these scholarships. In past years, the expense related to the scholarships was recorded when paid.

11. Financial Instruments

The financial instruments consist of receivables, marketable investments and payables. Unless otherwise noted, it is managements' opinion that the organization is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

