FUNDY COMMUNITY FOUNDATION

Financial Statements

Year Ended December 31, 2025

SAN SPACEK ARMSTRONG & NORRAD
Chartered Professional Accountants

FUNDY COMMUNITY FOUNDATION
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Year Ended December 31, 2025

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SPACEK ARMSTRONG & NORRAD
Chartered Professional Accountants

Peter Spacek - CPA, CA (506) 459-3113
Dave Armstrong - CPA, CA (506) 474-1626
Nick Norrad - CPA, CA (506) 457-2275
www.sancpa.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of Fundy Community Foundation

Opinion

We have audited the financial statements of Fundy Community Foundation (the "organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Fredericton, New Brunswick
May 13, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

FUNDY COMMUNITY FOUNDATION
Statement of Financial Position
December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	**$ 92,919**	$ 96,722
Marketable securities *(Note 4)*	**10,863,881**	9,773,795
HST receivable	**4,583**	5,926
Prepaid expenses	**4,107**	3,555
	$ 10,965,490	$ 9,879,998
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities *(Note 5)*	**$ 15,551**	$ 15,120
Funds held on behalf of other parties *(Note 6)*	**843,946**	762,552
Deferred income	**6,000**	-
	865,497	777,672
NET ASSETS	**10,099,993**	9,102,326
	$ 10,965,490	$ 9,879,998

LEASE COMMITMENTS *(Note 9)*

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

FUNDY COMMUNITY FOUNDATION

Statement of Revenues and Expenditures

Year Ended December 31, 2025

	General Fund 2025	Restricted Funds 2025	Endowment Funds 2025	**Total 2025**	Total 2024
REVENUES					
Donations	$ 17,671	$ 143,252	$ 269,848	**$ 430,771**	$ 288,669
Flow through donations	-	153,890	-	**153,890**	150,839
Management fees	11,866	-	-	**11,866**	10,605
Interest income	27,813	52,374	-	**80,187**	78,782
Dividend income	69,799	131,641	-	**201,440**	183,652
Realized capital gain (loss)	172,061	327,709	-	**499,770**	216,448
Change in unrealized capital gain	126,200	235,309	-	**361,509**	629,026
	425,410	1,044,175	269,848	**1,739,433**	1,558,021
EXPENSES					
Restricted disbursements	-	222,476	-	**222,476**	193,341
Community grants	104,050	-	-	**104,050**	95,600
Flow through grants	-	153,811	-	**153,811**	147,839
Operating expenses (Schedule 1)	86,255	136,839	-	**223,094**	220,904
Investment management fees	13,287	25,048	-	**38,335**	36,004
	203,592	538,174	-	**741,766**	693,688
EXCESS OF REVENUES OVER EXPENSES	$ 221,818	$ 506,001	$ 269,848	**$ 997,667**	$ 864,333

See notes to financial statements

FUNDY COMMUNITY FOUNDATION
Statement of Changes in Net Assets
Year Ended December 31, 2025

	General Fund	Restricted Funds	Endowment Funds	**2025**	2024
NET ASSETS - BEGINNING OF YEAR	$ 3,204,883	$ 659,913	$ 5,237,530	**$ 9,102,326**	$ 8,237,993
Excess of revenues over expenses	221,818	506,001	269,848	**997,667**	864,333
Transfers during the year	1,650	(1,650)	-	**-**	-
NET ASSETS - END OF YEAR	$ 3,428,351	$ 1,164,264	$ 5,507,378	**$ 10,099,993**	$ 9,102,326

See notes to financial statements

FUNDY COMMUNITY FOUNDATION
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	**$ 997,667**	$ 864,333
Items not affecting cash:		
Amortization of equipment	**-**	848
Realized capital (gain) loss	**(499,769)**	(216,448)
Change in unrealized capital gain	**(361,509)**	(629,026)
	136,389	19,707
Changes in non-cash working capital:		
HST receivable	**1,343**	(1,782)
Accounts payable and accrued liabilities	**431**	(6,755)
Prepaid expenses	**(552)**	(295)
Deferred income	**6,000**	-
	7,222	(8,832)
Cash flow from operating activities	**143,611**	10,875
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	**1,409,208**	1,232,034
Purchase of investments	**(1,638,015)**	(1,374,127)
Allocation of income to funds held on behalf of other parties	**81,393**	130,723
Cash flow used by investing activities	**(147,414)**	(11,370)
DECREASE IN CASH FLOW	**(3,803)**	(495)
Cash - beginning of year	**96,722**	97,217
CASH - END OF YEAR	**$ 92,919**	$ 96,722

See notes to financial statements

1. NATURE OF OPERATIONS

Fundy Community Foundation (the "Foundation") is a registered charity under the Income Tax Act (Canada) and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes, provided certain requirements of the Income Tax Act continue to be met. The Foundation is classified as a public foundation, and was incorporated federally under the Canada Not-for-Profit Corporations Act.

The Foundation is also exempt from tax in the United States under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)3.

The Foundation was created to improve the quality of life for Southwestern New Brunswick through the development of endowment funds, making responsible grants and fostering community leadership.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions where the donor has stipulated that the contributed funds remain unspent in perpetuity are recognized as revenue in the Endowment Fund.

Cash and cash equivalents

Cash per the statement of financial position may include cash and/or cash equivalents. Cash equivalents are investments in fixed-income, highly liquid securities and are valued at cost plus accrued interest.

At year-end, there were no cash equivalents.

Cash and cash equivalents held in investment brokers' accounts is classified as marketable securities.

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2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized as follows:

Furniture and fixtures	5 years	straight-line method
Computer equipment and software	3 years	straight-line method

The Foundation regularly reviews its capital assets to eliminate obsolete items.

Investments

Investments are reported at fair value based on quoted market prices. Investment income includes interest, dividends, realized gains (losses) and the net change in unrealized gains (losses) for the year.

The fair value of investments denominated in foreign currencies are translated to Canadian dollars at the exchange rate prevailing at year-end.

Purchases and sales of investments and investment income (loss) denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the respective dates of the transactions.

Investment income is allocated to the Foundation's various funds based on the respective funds' average quarterly balance and is reported in the financial statements as follows:

Endowment and Restricted Funds:
-Investment income is recognized either in the General or Restricted Funds, depending on the wishes of the donor.
-The Foundation does not maintain any Endowment funds whereby the donor has stipulated that a portion of the allocated investment income be permanently maintained.

General Fund:
-Investment income allocated to general purpose funds is recorded as income in the General Fund.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed services

The operations of the Foundation depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

3. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of December 31, 2025.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Foundation is mainly exposed to risks related to fluctuations in the market prices of its marketable securities.

(b) Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation is exposed to foreign currency exchange risk on investments held in U.S. dollars in the Canadian dollar amount of $4,270,839.

It is management’s opinion that the Foundation is not exposed to significant other price risks arising from these financial instruments.

The Foundation has adopted investment policies which are designed to avoid undue risk of loss, along with providing for a reasonable rate of return on the investments. The investment policy includes provisions to mitigate certain risks by providing limits on the amount of exposure on bond holdings, individual equity holdings, and geographic holdings of the portfolio. The risk management practices are primarily carried out by the Foundation's Investment Committee. This includes adherence to the investment guidelines and the oversight of a qualified professional portfolio manager. The portfolio manager actively manages the portfolio to offset these risks.

4. MARKETABLE SECURITIES

	2025	2024
Cash and cash equivalents	**$ 55,633**	$ 7,973
Canadian fixed income	**3,830,069**	3,439,538
Canadian equity	**2,707,340**	2,433,392
Foreign equity	**4,270,839**	3,892,892
	$ 10,863,881	$ 9,773,795

Investments are recorded at fair market value based on year-end quoted market prices.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade payables	**$ 1,458**	$ 1,704
Accruals	**10,885**	10,227
Employee deductions payable	**3,208**	3,189
	$ 15,551	$ 15,120

6. FUNDS HELD ON BEHALF OF OTHER PARTIES

Asset balances held for other parties are included as investment assets of the Foundation, with an offsetting current liability amount as these funds may be withdrawn at any time.

	2025	2024
Due to Sunbury Shores Arts and Nature, Inc.	**$ 667,974**	$ 603,552
Due to St. Croix Estuary Project Inc.	**175,972**	159,000
	$ 843,946	$ 762,552

7. RESTRICTED FUNDS

The Foundation's restricted funds are comprised of both internally and externally restricted funds as follows:

	2025	2024
Internally restricted	**$ 1,113,199**	$ 593,683
Externally restricted	**51,065**	66,230
	$ 1,164,264	$ 659,913

Administrative expenses and investment management fees are allocated between the Foundation's general and restricted funds based on the respective funds' average quarterly balance during the year.

During the year, net investment income (loss) (dividends, interest, realized/unrealized gain (loss), less allocation of investment management fees and administrative expenses) earned (loss) on the Foundation's Endowment Funds of $741,056 (2024: $727,777) was allocated $253,035 (2024: $257,594) to the General Fund, and $488,020 (2024: $470,183) to the Restricted Funds.

8. INTERFUND TRANSFERS

Interfund transfers recognizes Board decisions to move amounts from one fund to another based on the Board's direction for use. The Foundation consults and, where necessary, receives consent from original donors when moving funds from one classification to another.

An interfund transfer of $1,650 to the general fund from the restricted fund was made in 2025 to account for sustainability funds.

9. LEASE COMMITMENTS

The Foundation is party to a lease with respect to its premises, with payments of $246 per month. The lease terminates May 31, 2026.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

FUNDY COMMUNITY FOUNDATION

Operating expenses **(Schedule 1)**

Year Ended December 31, 2025

		2025		2024
OPERATING EXPENSES				
Wages and benefits	**$**	**169,842**	$	166,163
Amortization expense		**-**		848
Professional fees		**11,253**		11,067
Office		**2,906**		3,811
Software		**18,478**		14,928
Insurance		**2,159**		2,107
Travel and meetings		**997**		1,214
Telephone		**2,939**		3,203
Advertising		**2,351**		4,389
Office rent		**2,956**		2,897
Training, net of reimbursements		**1,456**		1,813
Annual report		**3,414**		3,925
Dues and memberships		**2,781**		2,747
Bank charges		**1,562**		1,792
	$	**223,094**	$	220,904

See notes to financial statements