

FINANCIAL STATEMENTS

**THE THUNDER BAY
FOUNDATION**

December 31, 1999

ideas
solutions
results

 **ERNST & YOUNG**

The Thunder Bay Foundation

December 31, 1999

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AUDITORS' REPORT

To the Board of Trustees of
The Thunder Bay Foundation

We have audited the balance sheet of **The Thunder Bay Foundation** as at December 31, 1999 and the statement of operations and fund balances for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Canada. 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 the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 1999 and the results of its operations and the changes in its capital for the year then ended in accordance with accounting principles generally accepted in Canada.

Ernst & Young LLP

Thunder Bay, Canada,
February 8, 2000.

Chartered Accountants

The Thunder Bay Foundation
(Incorporated by Specific Act of the Province of Ontario)

BALANCE SHEET

As at December 31

	1999 \$	1998 \$
ASSETS		
Cash and interest-bearing bank accounts	42,393	170,733
Accrued interest receivable	27,869	25,694
Accrued G.S.T. receivable	382	580
Prepaid expenses	1,926	—
Prepayment of scholarships	4,000	—
Marketable securities, at cost [market value \$2,975,899; \$2,959,634 in 1998]	2,995,623	2,848,014
	3,072,193	3,045,021
LIABILITIES AND FUND BALANCES		
Accounts payable	5,855	14,266
Commitments for grants and scholarships	22,850	30,250
Total liabilities	28,705	44,516
Fund balances [note 2]		
Externally restricted	312,736	278,628
Internally restricted	222,769	213,239
Unrestricted	2,507,983	2,508,638
Total fund balances	3,043,488	3,000,505
	3,072,193	3,045,021

See accompanying notes

On behalf of the Board:

Trustee

Trustee



The Thunder Bay Foundation

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended December 31

	Unrestricted Funds		Internally Restricted Funds		Externally Restricted Funds		
	General	1998	Helen L. Dewar Scholarship Fund	1998	Robert Kerr Dewar M.D., Scholarship Fund	Joshua Dyke Family Scholarship Fund	1998 Total
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Interest income	126,541	105,761	10,484	8,691	5,305	7,951	13,256
Dividend income	14,503	13,628	1,201	1,119	608	911	1,519
Capital gains (losses) on sale of securities	(271)	55,763	(22)	4,583	(11)	(17)	(28)
Total income [note 3]	140,773	175,152	11,663	14,393	5,902	8,845	14,747
Expenses							
Office and miscellaneous	6,473	7,541	558	815	282	400	682
Professional fees	4,690	5,373	404	581	205	290	495
Promotions and publications	714	772	62	83	31	44	75
Salaries and benefits	12,879	27,699	1,109	2,994	561	798	1,359
Total expense [note 3]	24,756	41,385	2,133	4,473	1,079	1,532	2,611
Net earnings before the following	116,017	133,767	9,530	9,920	4,823	7,313	12,136
Deduct							
Grants, scholarships and bursaries [schedule]							
Children's and youth services	3,400	2,550	—	—	—	—	—
Alleviation of human suffering	27,700	26,450	—	—	—	—	—
Advancement of social work, education and cultural purposes	8,900	11,000	—	—	—	—	—
Scholarships awarded	39,200	32,000	—	—	—	18,000	18,000
Total grants, scholarships and bursaries	79,200	72,000	—	—	—	18,000	18,000
Excess (shortfall) of revenue over expenses	36,817	61,767	9,530	9,920	4,823	(10,687)	(5,864)
Fund balance, beginning of year	2,508,638	2,359,371	213,239	203,319	107,913	170,715	278,628
Capital receipts [note 4]	2,500	87,500	—	—	—	—	—
Transfer from (to) other funds	(39,972)	—	—	—	—	39,972	39,972
Fund balance, end of year [note 2]	2,507,983	2,508,638	222,769	213,239	112,736	200,000	312,736
							278,628



The Thunder Bay Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

GENERAL

The Thunder Bay Foundation is incorporated by Specific Act of the Province of Ontario without share capital and is a registered charity under the Income Tax Act. The objects of the Foundation are to receive, maintain, manage, control and use donations for charitable purposes, to promote educational advancement and scientific and medical research for the increase of human knowledge in the alleviation of human suffering, and to provide for such other charitable purposes relating to welfare and cultural matters as may appear to contribute to the mental, moral, cultural and physical improvement of the inhabitants of the District of Thunder Bay.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada.

Revenue recognition

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

Restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable if the amount can be reasonably estimated and collection can be reasonably assured.

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.

Investment income earned is recognized in the appropriate fund when earned.

Fund accounting

In order to ensure observance of limitations and restrictions placed on funds administered by the Foundation, the accounts of the Foundation are maintained in accordance with the principle of "fund accounting". Under these principles, resources for various purposes are classified for accounting purposes into funds whose transactions are grouped together and treated in accordance with the particular activities or objectives specified.



The Thunder Bay Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

- [a] The general fund is used to account for donation revenues received without external restrictions. Accumulated funds are to be expended for administrative and operational costs and for charitable purposes.
- [b] The Helen L. Dewar Scholarship Fund was established by the Board of Trustees of The Thunder Bay Foundation as recognition of funds received from the Estate of Helen L. Dewar. It is the intention of the Trustees to maintain the fund's capital account at \$200,000. The fund is to be used for awarding seven scholarships annually to any high school graduates of Thunder Bay, formerly known as the City of Port Arthur, Geraldton, Nipigon-Red Rock, Manitouwadge, Marathon or Terrace Bay, conditional on attendance at a Canadian university.
- [c] The Robert Kerr Dewar M. D., Scholarship Fund was established upon receipt of \$45,000. The initial funds are to be maintained as a separate trust fund. The income generated from the fund is to be used to award medical scholarships.
- [d] The Joshua Dyke Family Scholarship Trust Fund was established from the Estate of Edyth Dyke. The capital is to be maintained at \$200,000. The fund is to be used for awarding five scholarships annually to any high school or collegiate graduates of Thunder Bay, formerly known as Fort William, and is conditional on attendance at a Canadian university.

Investment valuation

Investments are valued at the lower of cost and market determined on an aggregate basis. Cost includes any discounts or premiums arising on the purchase of investments.

When there has been an other than temporary decline in the value of a security, the investment is written down to recognize the loss. Any losses in value of prior years are not reversed if there is a subsequent increase in value.



The Thunder Bay Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

2. FUND BALANCES

	General \$	Helen L. Dewar Scholarship Fund \$	Robert Kerr Dewar M. D., Scholarship Fund \$	Joshua Dyke Family Scholarship Fund \$	1999 \$	1998 \$
Externally restricted						
Capital	—	—	45,000	200,000	245,000	245,000
Surplus	—	—	67,736	—	67,736	33,628
	—	—	112,736	200,000	312,736	278,628
Internally restricted						
Capital	—	160,519	—	—	160,519	160,519
Surplus	—	62,250	—	—	62,250	52,720
	—	222,769	—	—	222,769	213,239
Unrestricted						
Capital	2,169,179	—	—	—	2,169,179	2,206,651
Surplus	338,804	—	—	—	338,804	301,987
	2,507,983	—	—	—	2,507,983	2,508,638
	2,507,983	222,769	112,736	200,000	3,043,488	3,000,505

3. INCOME AND EXPENSE ALLOCATIONS

Income and expenses of the Foundation are allocated between the General Fund, Helen L. Dewar Scholarship Fund, Robert Kerr Dewar, M. D. Scholarship Fund and Joshua Dyke Family Scholarship Trust Fund based on proportionate capital and surplus of each fund at the year-end.



The Thunder Bay Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

4. CAPITAL RECEIPTS

Donated capital receipts consist of the following:

	1999 \$	1998 \$
Mr. Joseph Vezeau	2,500	2,500
Estate of Mrs. Ruth Black	—	85,000
	<u>2,500</u>	<u>87,500</u>

5. CONTINGENCY

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date to the year 2000 has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.



**SCHEDULE OF GRANTS, SCHOLARSHIPS
AND BURSARIES**

Year ended December 31

	1999 \$
CHILDREN AND YOUTH'S SERVICES	
Hagi's Kids' Connection	900
Harbour Youth Services of Thunder Bay	800
Thunder Bay Big Brother - Big Sister Association	500
Thunder Bay Boys and Girls Club	1,200
	3,400
ALLEVIATION OF HUMAN SUFFERING	
Persons United for Self-Help	700
Canadian Hearing Society	600
St. Andrew's Dew Drop Inn	2,000
Salvation Army	1,500
Via Vitae Community Palliative Care	1,900
Wesway	1,400
Aids Society of Thunder Bay	1,000
Thunder Bay Christmas Cheer Fund	1,000
Canadian National Institute for the Blind	400
George Jeffrey Treatment Centre	800
Thunder Bay Regional Hospital Foundation	5,000
St. Joseph's Foundation	5,000
Alzheimer's Society of Thunder Bay	1,000
Canadian Mental Health Association	1,100
Easter Seal Society	1,000
Northern Cancer Research Foundation	1,800
St. John Ambulance	1,500
	27,700
Total grants (carried forward)	31,100

**SCHEDULE OF GRANTS, SCHOLARSHIPS
AND BURSARIES**

Year ended December 31

	1999 \$
Total grants (brought forward)	31,100
ADVANCEMENT OF SOCIAL WORK, EDUCATION AND CULTURAL PURPOSES	
United Way of Thunder Bay	2,000
Thunder Bay Symphony Orchestra	1,400
Thunder Bay Literacy Group	700
Thunder Bay Drug Awareness	800
Thunder Bay Public Library	900
Thunder Bay Art Gallery	1,000
N. W. Ontario Regional Science Fair	1,000
Lakehead Social Planning Council	1,100
	8,900
Total grants	40,000
Scholarships and bursaries paid from General Fund	39,200
Scholarships paid from Joshua Dyke Family Scholarship Trust Fund	18,000
Total scholarships and bursaries	57,200
Total grants, scholarships and bursaries	97,200