

Financial Statements

**The Thunder Bay Foundation**  
December 31, 2001



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**The Thunder Bay Foundation**

**TABLE OF CONTENTS**

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December 31, 2001

	Page
Auditors' Report	1
Balance Sheet	2
Statement of Operations and Fund Balances	3
Notes to Financial Statements	4
Schedule 1 - Externally Restricted Funds	8
Schedule 2 - Grants, Scholarships and Bursaries	9



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## AUDITORS' REPORT

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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, 2001 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, 2001 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, Thunder Bay LLP*

Thunder Bay, Canada,  
February 14, 2002.

Chartered Accountants

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

**BALANCE SHEET**

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As at December 31

	2001 \$	2000 \$
<b>ASSETS</b>		
Cash and interest-bearing bank accounts	471,920	75,771
Accrued interest receivable	25,364	28,603
Accrued GST receivable	391	360
Prepaid expenses	1,610	1,926
Marketable securities, at cost [market value \$2,999,835; \$3,239,967 in 2000]	2,883,841	3,096,927
	<b>3,383,126</b>	<b>3,203,587</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	7,301	6,646
Commitments for grants and scholarships	24,000	24,000
<b>Total liabilities</b>	<b>31,301</b>	<b>30,646</b>
<b>Fund balances [note 2]</b>		
Externally restricted	516,455	370,545
Internally restricted	200,000	209,280
Unrestricted	2,635,370	2,593,116
<b>Total fund balances</b>	<b>3,351,825</b>	<b>3,172,941</b>
	<b>3,383,126</b>	<b>3,203,587</b>

*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		2000 Total \$
	General \$		Helen L. Dewar Scholarship Fund \$		2001 Total \$		
	2000 \$	2000 \$	2000 \$	2000 \$	2001 Total \$	2000 Total \$	
<b>REVENUE</b>							
Capital gains (losses) on sale of securities	32,485	52,943	2,125	4,196	3,675	6,066	63,205
Dividend income	19,846	16,086	1,298	1,275	2,245	1,843	23,389
Interest income	127,445	127,535	8,452	10,107	16,708	14,613	152,255
<b>Total revenue [note 3]</b>	<b>179,776</b>	<b>196,564</b>	<b>11,875</b>	<b>15,578</b>	<b>22,628</b>	<b>22,522</b>	<b>234,664</b>
<b>EXPENSES</b>							
Office and miscellaneous	8,143	7,793	625	704	1,208	932	9,429
Professional fees	5,273	4,463	404	403	783	533	5,399
Promotions and publications	523	785	40	71	63	94	950
Wages and benefits	12,183	12,602	934	1,139	1,846	1,507	15,248
<b>Total expenses [note 3]</b>	<b>26,122</b>	<b>25,643</b>	<b>2,003</b>	<b>2,317</b>	<b>3,900</b>	<b>3,066</b>	<b>31,026</b>
<b>Earnings before the following</b>	<b>153,654</b>	<b>170,921</b>	<b>9,872</b>	<b>13,261</b>	<b>18,728</b>	<b>19,456</b>	<b>203,638</b>
<b>Deduct: grants, scholarships and bursaries [schedule 2]</b>							
Children and Youth's Services	6,400	4,900	—	—	—	—	4,900
Alleviation of Human Suffering	42,500	39,200	—	—	—	—	39,200
Advancement of Social Work, Education and Cultural Purposes	11,100	18,900	—	—	—	—	18,900
Scholarships awarded	12,000	4,000	26,000	26,750	22,000	20,000	50,750
<b>Total grants, scholarships and bursaries</b>	<b>72,000</b>	<b>67,000</b>	<b>26,000</b>	<b>26,750</b>	<b>22,000</b>	<b>20,000</b>	<b>113,750</b>
<b>Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries before the following</b>	<b>81,654</b>	<b>103,921</b>	<b>(16,128)</b>	<b>(13,489)</b>	<b>(3,272)</b>	<b>(544)</b>	<b>89,888</b>
Write-down in value of marketable securities for non-temporary decline in market value	20,995	120,250	—	—	—	—	120,250
<b>Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries</b>	<b>60,659</b>	<b>(16,329)</b>	<b>(16,128)</b>	<b>(13,489)</b>	<b>(3,272)</b>	<b>(544)</b>	<b>(30,362)</b>
Fund balances, beginning of year	2,593,116	2,507,983	209,280	222,769	370,545	312,736	3,043,488
Capital receipts [note 4]	—	109,215	—	—	137,625	50,600	159,815
Transfer from (to) other funds	(18,405)	(7,753)	6,848	—	11,557	7,753	—
<b>Fund balances, end of year</b>	<b>2,635,370</b>	<b>2,593,116</b>	<b>200,000</b>	<b>209,280</b>	<b>516,455</b>	<b>370,545</b>	<b>3,172,941</b>

See accompanying notes

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**The Thunder Bay Foundation**

**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2001

**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 in human knowledge in 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 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 this principle, 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.

[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.

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**The Thunder Bay Foundation**

**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2001

- [b] The Helen L. Dewar Scholarship Fund was established by the Board of Trustees of The Thunder Bay Foundation as recognition of the 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 used for awarding 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. Research 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 research.
- [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.
- [e] The Ontario Endowment for Children and Youth in Recreation Program was established by the Government of Ontario to support projects for children and youth. The program will match dollar-for-dollar eligible donations provided by the Foundation.
- [f] The J. E. McLean Scholarship Trust Fund was established upon receipt of \$60,000 from the Estate of Jean E. Alexander McLean. The initial funds are to be maintained as a separate trust fund. The fund is to be used for awarding a scholarship annually to any secondary school graduate of Thunder Bay who will be qualifying themselves to become a teacher.

**Investment valuation**

Investments are valued at the lower of cost or 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, 2001

**2. FUND BALANCES**

	<b>Robert Kerr Dewar M.D. Research Fund \$</b>	<b>Joshua Dyke Family Scholarship Trust Fund \$</b>	<b>Ontario Endowment for Children and Youth in Recreation Program \$</b>	<b>J. E. McLean Scholarship Trust Fund \$</b>	<b>2001 \$</b>	<b>2000 \$</b>
<b>Eternally restricted</b>						
Capital	45,000	200,000	128,225	60,000	433,225	295,600
Surplus	81,899	—	1,331	—	83,230	74,945
	<b>126,899</b>	<b>200,000</b>	<b>129,556</b>	<b>60,000</b>	<b>516,455</b>	<b>370,545</b>
				<b>Helen L. Dewar Scholarship Fund \$</b>	<b>2001 \$</b>	<b>2000 \$</b>
<b>Internally restricted</b>						
Capital				160,519	160,519	160,519
Surplus				39,481	39,481	48,761
				<b>200,000</b>	<b>200,000</b>	<b>209,280</b>
				<b>General \$</b>	<b>2001 \$</b>	<b>2000 \$</b>
<b>Unrestricted</b>						
Capital				2,278,394	2,278,394	2,278,394
Surplus				356,976	356,976	314,722
				<b>2,635,370</b>	<b>2,635,370</b>	<b>2,593,116</b>



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**The Thunder Bay Foundation**

**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2001

**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. Research Fund, Joshua Dyke Family Scholarship Trust Fund and J. E. McLean Scholarship Trust Fund based on proportionate capital and surplus of each fund at the year-end.

Income of the Ontario Endowment for Children and Youth in Recreation (OECYR) Program is the actual earnings of the fund's investment account. Expenses of the OECYR Program are limited to 1.5% of the market value of the fund at the beginning of the fiscal year.

**4. CAPITAL RECEIPTS**

Donated capital receipts consist of the following:

	2001	2000
	\$	\$
Estate of John E. McLean	60,000	—
Walter Ross Rogers	10,000	—
Marguerite Neelands	100	—
Dr. George Morrison	100	—
Dr. James Colquhoun	1,000	—
Elizabeth Maurer	100	—
John McCartney	500	—
G. Gasparotto	5,000	—
Kenneth Morrison	25	—
Deborah DeBakker	100	—
Kraft Marketing	100	—
Toronto Community Foundation	60,600	—
Mr. Joseph Vezeau	—	2,500
Anonymous	—	157,315
	<b>137,625</b>	<b>159,815</b>

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EXTERNALLY RESTRICTED FUNDS

Year ended December 31

	2001				Total \$
	Robert Kerr Dewar M. D. Research Fund \$	Joshua Dyke Family Scholarship Trust Fund \$	Ontario Endowment for Children and Youth in Recreation Program \$	J. E. McLean Scholarship Trust Fund \$	
<b>REVENUE</b>					
Capital gains (losses) on sale of securities	1,478	2,197	—	—	3,675
Dividend income	903	1,342	—	—	2,245
Interest income	5,879	8,739	2,090	—	16,708
<b>Total revenue [note 3]</b>	<b>8,260</b>	<b>12,278</b>	<b>2,090</b>	<b>—</b>	<b>22,628</b>
<b>EXPENSES</b>					
Office and miscellaneous	407	572	229	—	1,208
Professional fees	264	370	149	—	783
Promotions and publications	26	37	—	—	63
Wages and benefits	609	856	381	—	1,846
<b>Total expenses [note 3]</b>	<b>1,306</b>	<b>1,835</b>	<b>759</b>	<b>—</b>	<b>3,900</b>
Earnings before the following	6,954	10,443	1,331	—	18,728
<b>Deduct [schedule 2]</b>					
Scholarships awarded	—	22,000	—	—	22,000
Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries	6,954	(11,557)	1,331	—	(3,272)
Fund balances, beginning of year	119,945	200,000	50,600	—	370,545
Capital receipts [note 4]	—	—	77,625	60,000	137,625
Transfer from other funds	—	11,557	—	—	11,557
<b>Fund balances, end of year</b>	<b>126,899</b>	<b>200,000</b>	<b>129,556</b>	<b>60,000</b>	<b>516,455</b>



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**GRANTS, SCHOLARSHIPS AND BURSARIES**


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Year ended December 31

	2001 \$
<b>CHILDREN AND YOUTH'S SERVICES</b>	
Hagi's Kids' Connection	2,800
Northwestern Ontario Science Fair	1,000
Thunder Bay Big Brother Big Sister	1,600
Thunder Bay Boys and Girls Club	1,000
	<u>6,400</u>
<b>ALLEVIATION OF HUMAN SUFFERING</b>	
AIDS Committee of Thunder Bay	1,200
Alzheimer Society of Thunder Bay	1,800
Camp Quality of Northwestern Ontario	1,800
Canadian Diabetes Association	1,400
Canadian Hearing Society	1,900
Canadian Mental Health Association	1,300
Canadian National Institute for the Blind	1,800
Canadian Red Cross	2,000
Catholic Family Development Centre	2,200
Drug Awareness Committee	2,300
Easter Seals Society, Ontario	2,500
George Jeffrey Children's Centre	1,800
Kidney Foundation	1,900
Lakehead Regional Family Centre	1,800
Northwest Community Health Centre	1,300
St. John Ambulance	1,200
St. Joseph's Foundation	1,200
Thunder Bay Christmas Cheer Fund	1,000
Thunder Bay Regional Hospital Foundation	9,100
Via Vitae Community Palliative Care	1,600
Wrap around Thunder Bay	1,400
	<u>42,500</u>
<b>Carried forward</b>	<u>48,900</u>

## GRANTS, SCHOLARSHIPS AND BURSARIES

Year ended December 31

	2001 \$
<b>Brought forward</b>	<b>48,900</b>
<b>ADVANCEMENT OF SOCIAL WORK, EDUCATION AND CULTURAL PURPOSES</b>	
Lakehead Music/Arts Festival	1,800
Lakehead Social Planning Council	2,000
Thunder Bay Literacy Group	1,500
Thunder Bay Military Museum	1,000
Thunder Bay Public Library	1,000
United Way of Thunder Bay	3,800
	<b>11,100</b>
<b>Total grants</b>	<b>60,000</b>
Scholarships and bursaries paid from General Fund	12,000
Scholarships paid from Joshua Dyke Family Scholarship Trust Fund	22,000
Scholarships paid from Helen L. Dewar Scholarship Fund	26,000
<b>Total scholarships and bursaries</b>	<b>60,000</b>
<b>Total grants, scholarships and bursaries</b>	<b>120,000</b>