

Financial Statements

Thunder Bay Foundation

December 31, 2002



Thunder Bay Foundation

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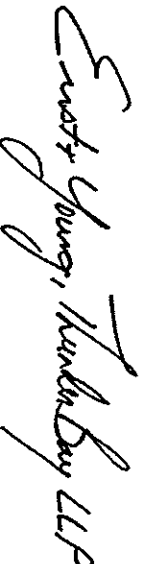
AUDITORS' REPORT

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, 2002 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 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 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, 2002 and the results of its operations and the changes in its capital for the year then ended in accordance with Canadian generally accepted accounting principles.



Thunder Bay, Canada,
March 14, 2003.

Chartered Accountants

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

BALANCE SHEET

As at December 31

| | 2002 | 2001 |
|---|------------------|------------------|
| | \$ | \$ |
| ASSETS | | |
| Cash and interest-bearing bank accounts | 23,654 | 471,920 |
| Accrued interest receivable | 24,007 | 25,364 |
| Accrued GST receivable | 529 | 391 |
| Prepaid expenses | 1,662 | 1,610 |
| Marketable securities, at cost [market value \$3,549,243; \$2,999,835 in 2001] | 3,459,488 | 2,883,841 |
| | 3,509,340 | 3,383,126 |

LIABILITIES AND FUND BALANCES

| | | |
|---|---------------|---------------|
| Liabilities | | |
| Accounts payable | 9,783 | 7,301 |
| Commitments for grants and scholarships | 26,000 | 24,000 |
| Total liabilities | 35,783 | 31,301 |

| | | |
|-------------------------------|------------------|------------------|
| Fund balances [note 2] | | |
| Externally restricted | 610,492 | 516,455 |
| Internally restricted | 200,000 | 200,000 |
| Unrestricted | 2,663,065 | 2,635,370 |
| Total fund balances | 3,473,557 | 3,351,825 |
| | 3,509,340 | 3,383,126 |

See accompanying notes

On behalf of the Board:

Trustee

Trustee



Thunder Bay Foundation

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended December 31

| | Unrestricted Funds | | Internally Restricted Funds | | Externally Restricted Funds | | Total | |
|---|--------------------|------------------|---------------------------------|-----------------|-----------------------------|----------------|------------------|------------------|
| | General | | Helen L. Dewar Scholarship Fund | | | | | |
| | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| REVENUE | | | | | | | | |
| Capital gains on sale of securities | 20,439 | 32,485 | 1,257 | 2,125 | [schedule 1] 3,659 | 3,675 | 25,355 | 38,285 |
| Dividend income | 18,904 | 19,846 | 1,163 | 1,298 | 3,384 | 2,245 | 23,451 | 23,389 |
| Interest income | 136,710 | 127,445 | 8,409 | 8,452 | 24,475 | 16,708 | 169,594 | 152,605 |
| Total revenue [note 3] | 176,053 | 179,776 | 10,829 | 11,875 | 31,518 | 22,628 | 218,400 | 214,279 |
| EXPENSES | | | | | | | | |
| Office and miscellaneous | 8,473 | 8,143 | 572 | 625 | 1,736 | 1,208 | 10,781 | 9,976 |
| Professional fees | 4,318 | 5,273 | 291 | 404 | 885 | 783 | 5,494 | 6,460 |
| Promotions and publications | 791 | 523 | 53 | 40 | 161 | 63 | 1,005 | 626 |
| Wages and benefits | 16,207 | 12,183 | 1,094 | 934 | 3,320 | 1,846 | 20,621 | 14,963 |
| Total expenses [note 3] | 29,789 | 26,122 | 2,010 | 2,003 | 6,102 | 3,900 | 37,901 | 32,025 |
| Earnings before the following | 146,264 | 153,654 | 8,819 | 9,872 | 25,416 | 18,728 | 180,499 | 182,254 |
| Deduct: grants, scholarships and bursaries [schedule 2] | | | | | | | | |
| Children and Youth's Services | 6,300 | 6,400 | — | — | 5,700 | — | 12,000 | 6,400 |
| Alleviation of Human Suffering | 42,500 | 42,500 | — | — | — | — | 42,500 | 42,500 |
| Advancement of Social Work, Education and Cultural Purposes | 15,500 | 11,100 | — | — | — | — | 15,500 | 11,100 |
| Scholarships awarded | 8,000 | 12,000 | 26,000 | 26,000 | 26,000 | 22,000 | 60,000 | 60,000 |
| Total grants, scholarships and bursaries | 72,300 | 72,000 | 26,000 | 26,000 | 31,700 | 22,000 | 130,000 | 120,000 |
| Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries before the following | 73,964 | 81,654 | (17,181) | (16,128) | (6,284) | (3,272) | 50,499 | 62,254 |
| Write-down in value of marketable securities for non-temporary decline in market value | 12,194 | 20,995 | — | — | — | — | 12,194 | 20,995 |
| Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries | 61,770 | 60,659 | (17,181) | (16,128) | (6,284) | (3,272) | 38,305 | 41,259 |
| Fund balances, beginning of year | 2,635,370 | 2,593,116 | 200,000 | 209,280 | 516,455 | 370,545 | 3,351,825 | 3,172,941 |
| Capital receipts [note 4] | — | — | — | — | 83,427 | 137,625 | 83,427 | 137,625 |
| Transfer from (to) other funds | (34,075) | (18,405) | 17,181 | 6,848 | 16,894 | 11,557 | — | — |
| Fund balances, end of year | 2,663,065 | 2,635,370 | 200,000 | 200,000 | 610,492 | 516,455 | 3,473,557 | 3,351,825 |

See accompanying notes

Thunder Bay Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

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 Canadian generally accepted accounting principles.

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.



Thunder Bay Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

[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, North, 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, South, 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 has matched dollar-for-dollar eligible donations provided by the Foundation.

[f] The J. A. 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.



Thunder Bay Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

3. REVENUE AND EXPENSE ALLOCATIONS

Revenue of the Foundation is allocated between the General Fund, Helen L. Dewar Scholarship Fund, Robert Kerr Dewar M.D. Research Fund, Joshua Dyke Family Scholarship Trust Fund, J. A. McLean Scholarship Trust Fund and Ontario Endowment for Children and Youth in Recreation (OECYR) Program based on proportionate capital and surplus of each fund at year-end.

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. A. McLean Scholarship Trust Fund based on proportionate capital and surplus of each fund at year-end.

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:

| | 2002 | 2001 |
|--------------------------|---------------|----------------|
| | \$ | \$ |
| Estate of Jean E. McLean | — | 60,000 |
| Walter Ross Rogers | — | 10,000 |
| Marguerite Neelands | — | 100 |
| Dr. George Morrison | — | 100 |
| Dr. James Colquhoun | — | 1,000 |
| Elizabeth Maurer | 100 | 100 |
| John McCartney | — | 500 |
| G. Gasparotto | — | 5,000 |
| Kenneth Morrison | — | 25 |
| Deborah DeBakker | — | 100 |
| Kraft Marketing | — | 100 |
| Province of Ontario | 44,957 | 60,600 |
| Daniel Clara | 500 | — |
| Anonymous | 5,000 | — |
| Lenora Aedy | 500 | — |
| Dr. Ian Sewell | 1,000 | — |
| Carried forward | 52,057 | 137,625 |



Thunder Bay Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

| | 2002 \$ | 2001 \$ |
|-----------------------------|---------------|----------------|
| Brought forward | 52,057 | 137,625 |
| James Piper | 70 | — |
| Glenn Brassard | 500 | — |
| C-Cann Investments Ltd. | 500 | — |
| Elizabeth Dougall | 100 | — |
| CIBC | 2,500 | — |
| Toronto Dominion Bank | 750 | — |
| Scotiabank | 1,000 | — |
| Richard Sanderson | 100 | — |
| H. F. Dougall | 100 | — |
| Paterson Foundation | 5,000 | — |
| RBC Foundation | 1,000 | — |
| John Andrews Foundation | 5,000 | — |
| Shella Campbell | 50 | — |
| Ellen Romano | 1,000 | — |
| Peggy Dromisky | 200 | — |
| Rotary Club of Fort William | 5,000 | — |
| Taylor Pyatt | 1,000 | — |
| Bugene Kozyk | 5,000 | — |
| HSBC Bank of Canada | 1,000 | — |
| Dr. S. Kennedy | 500 | — |
| Dr. and Mrs. J. Augustine | 250 | — |
| G. William Mork | 200 | — |
| Dr. G. Derbysire | 500 | — |
| Elaine Lynch | 50 | — |
| | 83,427 | 137,625 |



EXTERNALLY RESTRICTED FUNDS

Year ended December 31

| | 2002 | | | | Total \$ |
|--|--|--|--|---|----------------|
| | Robert Kerr Dewar M. D. Research Fund \$ | Joshua Dyke Family Scholarship Trust Fund \$ | Ontario Endowment for Children and Youth in Recreation Program \$ | J. A. McLean Scholarship Trust Fund \$ | |
| REVENUE | | | | | |
| Capital gains on sale of securities | 985 | 1,291 | 942 | 441 | 3,659 |
| Dividend income | 911 | 1,194 | 871 | 408 | 3,384 |
| Interest income | 6,587 | 8,634 | 6,301 | 2,953 | 24,475 |
| Total revenue [note 3] | 8,483 | 11,119 | 8,114 | 3,802 | 31,518 |
| EXPENSES | | | | | |
| Office and miscellaneous | 419 | 573 | 547 | 197 | 1,736 |
| Professional fees | 213 | 292 | 279 | 101 | 885 |
| Promotions and publications | 39 | 53 | 51 | 18 | 161 |
| Wages and benefits | 801 | 1,095 | 1,046 | 378 | 3,320 |
| Total expenses [note 3] | 1,472 | 2,013 | 1,923 | 694 | 6,102 |
| Earnings before the following | 7,011 | 9,106 | 6,191 | 3,108 | 25,416 |
| Deduct [schedule 2] | | | | | |
| Children and Youth Services grants awarded | — | — | 5,700 | — | 5,700 |
| Scholarships awarded | — | 26,000 | — | — | 26,000 |
| Total grants, scholarships and bursaries | — | 26,000 | 5,700 | — | 31,700 |
| Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries | 7,011 | (16,894) | 491 | 3,108 | (6,284) |
| Fund balances, beginning of year | 126,899 | 200,000 | 129,556 | 60,000 | 516,455 |
| Capital receipts [note 4] | — | — | 83,427 | — | 83,427 |
| Transfer from other funds | — | 16,894 | — | — | 16,894 |
| Fund balances, end of year | 133,910 | 200,000 | 213,474 | 63,108 | 610,492 |

Thunder Bay Foundation

Schedule 2

GRANTS, SCHOLARSHIPS AND BURSARIES

Year ended December 31

| | |
|--|---------------|
| | 2002 |
| | \$ |
| CHILDREN AND YOUTH'S SERVICES | |
| General Fund | |
| Childrens Museum of Thunder Bay | 600 |
| Communities Together for Children | 1,400 |
| Navy League of Canada, Thunder Bay Branch | 1,300 |
| Northwestern Ontario Science Fair | 900 |
| Thunder Bay Big Brother Big Sister Association | 2,100 |
| Ontario Endowment for Children and Youth Fund | |
| Easter Seal Society, Ontario | 2,000 |
| Harbour Youth Services | 2,200 |
| Thunder Bay Boys & Girls Club | 1,500 |
| | 12,000 |

| | |
|---|---------------|
| ALLEVIATION OF HUMAN SUFFERING | |
| AIDS Committee of Thunder Bay | 1,200 |
| Alzheimer Society of Thunder Bay | 2,200 |
| Arthritis Society | 500 |
| Camp Quality of Northwestern Ontario | 1,900 |
| Canadian Diabetes Association | 1,200 |
| Canadian Hearing Society | 900 |
| Canadian National Institute for the Blind | 500 |
| D.A.R.E. Program | 2,300 |
| George Jeffrey Children's Centre | 1,600 |
| HAGI | 1,200 |
| Hospice Northwest | 4,100 |
| Northwest Community Health Centre | 2,000 |
| Operation Hope | 1,800 |
| Our Kids Count | 1,700 |
| Salvation Army | 1,800 |
| St. Andrew's Catholic Church | 3,500 |
| St. John Ambulance | 900 |
| St. Joseph's Foundation | 5,000 |
| Thunder Bay Christmas Cheer Fund | 700 |
| Thunder Bay District Health Unit | 700 |
| Thunder Bay Regional Hospital Foundation | 5,000 |
| Wesway | 1,800 |
| | 42,500 |
| Carried forward | 54,500 |



Thunder Bay Foundation

Schedule 2 (continued)

GRANTS, SCHOLARSHIPS AND BURSARIES

Year ended December 31

| | |
|--|----------------|
| | 2002 |
| | \$ |
| Brought forward | 54,500 |
| ADVANCEMENT OF SOCIAL WORK, EDUCATION AND CULTURAL PURPOSES | |
| Lakehead Festival of Music Arts | 1,300 |
| Lakehead Social Planning Council | 1,000 |
| Lakehead University | 2,700 |
| Thunder Bay Christian Community | 800 |
| Thunder Bay Fringe Festival | 500 |
| Thunder Bay Military Museum | 800 |
| Thunder Bay Symphony Orchestra | 1,000 |
| Thunder Bay Symphony Youth Orchestra Association | 2,300 |
| United Way of Thunder Bay | 5,100 |
| | 15,500 |
| Total grants | 70,000 |
| Scholarships and bursaries paid from General Fund | 8,000 |
| Scholarships paid from Joshua Dyke Family Scholarship Trust Fund | 26,000 |
| Scholarships paid from Helen L. Dewar Scholarship Fund | 26,000 |
| Total scholarships and bursaries | 60,000 |
| Total grants, scholarships and bursaries | 130,000 |

