

Financial Statements

**Thunder Bay Community Foundation**  
December 31, 2003



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**Thunder Bay Community Foundation**

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## AUDITORS' REPORT

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To the Board of Trustees of the  
**Thunder Bay Community Foundation**

We have audited the balance sheet of the **Thunder Bay Community Foundation** as at December 31, 2003, 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, 2003 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,  
February 17, 2004.

*Ernst & Young, Thunder Bay LLP*

Chartered Accountants

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

**BALANCE SHEET**

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As at December 31

	2003	2002
	\$	\$
<b>ASSETS</b>		
Cash and interest-bearing bank accounts	585,045	23,654
Accrued interest receivable	17,947	24,007
GST receivable	443	529
Prepaid expenses	2,387	1,662
Marketable securities, at cost [market value \$3,393,806; \$3,549,243 in 2002]	3,227,531	3,459,488
	<b>3,833,353</b>	<b>3,509,340</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	10,576	9,783
Commitments for grants and scholarships	32,000	26,000
<b>Total liabilities</b>	<b>42,576</b>	<b>35,783</b>
<b>Fund balances [note 2]</b>		
Externally restricted	874,374	610,492
Internally restricted	200,000	200,000
Unrestricted	2,716,403	2,663,065
<b>Total fund balances</b>	<b>3,790,777</b>	<b>3,473,557</b>
	<b>3,833,353</b>	<b>3,509,340</b>

*See accompanying notes*

On behalf of the Board:

Trustee

Trustee



Thunder Bay Community 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				
	2003	2002	2003	2002	2003	2002	
	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>							
Capital gains on sale of securities	31,960	20,439	1,799	1,257	3,659	40,081	25,355
Dividend income	18,536	18,904	1,044	1,163	3,384	23,246	23,451
Interest income	130,439	136,710	7,345	8,409	24,475	163,603	169,594
<b>Total revenue [note 3]</b>	<b>180,935</b>	<b>176,053</b>	<b>10,188</b>	<b>10,829</b>	<b>31,518</b>	<b>226,930</b>	<b>218,400</b>
<b>EXPENSES</b>							
Office and miscellaneous	11,441	8,473	638	572	1,736	13,777	10,781
Professional fees	3,781	4,318	211	291	885	4,553	5,494
Promotions and publications	595	791	33	53	161	717	1,005
Wages and benefits	17,816	16,207	994	1,094	3,320	21,455	20,621
<b>Total expenses [note 3]</b>	<b>33,633</b>	<b>29,789</b>	<b>1,876</b>	<b>2,010</b>	<b>6,102</b>	<b>40,502</b>	<b>37,901</b>
Earnings before the following	147,302	146,264	8,312	8,819	25,416	186,428	180,499
Deduct:							
Grants [schedule 2]	39,575	64,300	—	—	5,700	48,757	70,000
Scholarships and bursaries [schedule 2]	8,000	8,000	36,000	26,000	26,000	97,000	60,000
<b>Total grants, scholarships and bursaries</b>	<b>47,575</b>	<b>72,300</b>	<b>36,000</b>	<b>26,000</b>	<b>31,700</b>	<b>145,757</b>	<b>130,000</b>
Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries before the following	99,727	73,964	(27,688)	(17,181)	(6,284)	40,671	50,499
Write-down in value of marketable securities for non-temporary decline in market value	—	12,194	—	—	—	—	12,194
Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries	99,727	61,770	(27,688)	(17,181)	(6,284)	40,671	38,305
Fund balances, beginning of year	2,663,063	2,635,370	200,000	200,000	516,455	3,473,556	3,351,825
Capital receipts [note 4]	—	—	—	—	83,427	276,550	83,427
Transfer from (to) other funds	(46,387)	(34,075)	27,688	17,181	16,894	—	—
<b>Fund balances, end of year</b>	<b>2,716,403</b>	<b>2,663,065</b>	<b>200,000</b>	<b>200,000</b>	<b>610,492</b>	<b>3,790,777</b>	<b>3,473,557</b>

See accompanying notes



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**Thunder Bay Community Foundation**

**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2003

**GENERAL**

The Thunder Bay Community Foundation is incorporated by Special 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.

During the year, the Foundation applied for special legislation to change the Foundation's name to the Thunder Bay Community Foundation and amend the powers of the Board of Trustees.

**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.



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**Thunder Bay Community Foundation**

**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2003

- [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 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 to become a teacher.
- [g] The Dr. S. Penny Petrone Grant Fund was established upon receipt of \$20,000 from Dr. S. Penny Petrone. The income generated from the fund is to be used to help the disabled in Thunder Bay.
- [h] The Ross J. Wilson Education Fund was established upon receipt of \$250,000 from Ross Wilson. The initial funds are to be maintained in a separate trust fund. The fund is to be used for awarding scholarships to graduates of Hammarskjold High School who have excelled in science, and is conditional on attendance at a Canadian University.
- [i] The General Scholarship Fund is to be used for awarding scholarships to high school students.



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**Thunder Bay Community Foundation****NOTES TO FINANCIAL STATEMENTS**

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December 31, 2003

**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.

**2. FUND BALANCES**

	2003			2002
	Capital	Accumulated Surplus	Total	Total
	\$	\$	\$	\$
<b>Externally restricted</b>				
Robert Kerr Dewar M.D. Research Fund	45,000	70,022	115,022	133,910
Joshua Dyke Family Scholarship Trust Fund	200,000	—	200,000	200,000
Ontario Endowment for Children and Youth in Recreation Program	217,202	4,941	222,143	213,474
J. A. McLean Scholarship Trust Fund	60,000	6,209	66,209	63,108
Dr. S. Penny Petrone Grant Fund	20,000	—	20,000	—
Ross J. Wilson Education Fund	250,000	—	250,000	—
General Scholarship Fund	1,000	—	1,000	—
	<b>793,202</b>	<b>81,172</b>	<b>874,374</b>	<b>610,492</b>
<b>Internally restricted</b>				
Helen L. Dewar Scholarship Fund	160,519	39,481	200,000	200,000
<b>Unrestricted</b>				
General	2,278,394	438,009	2,716,403	2,663,065
	<b>3,232,115</b>	<b>558,662</b>	<b>3,790,777</b>	<b>3,473,557</b>

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**Thunder Bay Community Foundation**

**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2003

**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.



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Thunder Bay Community Foundation

NOTES TO FINANCIAL STATEMENTS

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December 31, 2003

4. CAPITAL RECEIPTS

Donated capital receipts consist of the following:

	2003	2002
	\$	\$
Elizabeth Maurer	—	100
Province of Ontario	—	44,957
Daniel Clara	—	500
Anonymous	—	5,000
Lenora Aedy	—	500
Dr. Ian Sewell	1,000	1,000
James Piper	—	70
Glenn Brassard	—	500
C-Cam 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
Sheila Campbell	—	50
Ellen Romano	—	1,000
Peggy Dromisky	—	200
Rotary Club of Fort William	—	5,000
Taylor Pyatt	—	1,000
Eugene Kotyk	—	5,000
HSBC Bank of Canada	—	1,000
Dr. S. Kennedy	—	500
Dr. and Mrs. J. Augustine	—	250
G. William Mork	—	200
Dr. G. Derbyshire	—	500
Elaine Lynch	50	50
Ross J. Wilson	250,000	—
Dr. S. Penny Petrone	20,000	—
United Way/Bearskin Golf Classic	5,000	—
United Way/Cliff Friesen	500	—
	<u>276,550</u>	<u>83,427</u>



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**Thunder Bay Community Foundation**

**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2003

**5. STATEMENT OF CASH FLOWS**

The statement of cash flows is not presented as the information is disclosed elsewhere in the financial statements and would not provide any additional useful information.



## EXTERNALLY RESTRICTED FUNDS

Year ended December 31

2003

	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 \$	Dr. S. Penny Petronie Grant Fund \$	Ross J. Wilson Education Fund \$	General Scholarship Fund \$	Total \$
<b>REVENUE</b>								
Capital gains on sale of securities	1,325	2,029	2,279	689	—	—	—	6,322
Dividend income	768	1,177	1,322	399	—	—	—	3,666
Interest income	5,410	8,289	9,308	2,812	—	—	—	25,819
<b>Total revenue [note 3]</b>	<b>7,503</b>	<b>11,495</b>	<b>12,909</b>	<b>3,900</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>35,807</b>
<b>EXPENSES</b>								
Office and miscellaneous	473	746	207	272	—	—	—	1,698
Professional fees	156	247	68	90	—	—	—	561
Promotions and publications	25	39	11	14	—	—	—	89
Wages and benefits	737	1,162	322	424	—	—	—	2,645
<b>Total expenses [note 3]</b>	<b>1,391</b>	<b>2,194</b>	<b>608</b>	<b>800</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,993</b>
<b>Earnings before the following</b>	<b>6,112</b>	<b>9,301</b>	<b>12,301</b>	<b>3,100</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>30,814</b>
<b>Deduct</b>								
Grants [schedule 2]	—	—	9,182	—	—	—	—	9,182
Scholarships and bursaries [schedule 2]	25,000	28,000	—	—	—	—	—	53,000
<b>Total grants, scholarships and bursaries</b>	<b>25,000</b>	<b>28,000</b>	<b>9,182</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>62,182</b>
<b>Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries</b>	<b>(18,888)</b>	<b>(18,699)</b>	<b>3,119</b>	<b>3,100</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(31,368)</b>
Fund balances, beginning of year	133,910	200,000	213,474	63,109	—	—	—	610,493
Capital receipts [note 4]	—	—	5,550	—	20,000	250,000	1,000	276,550
Transfer from other funds	—	18,699	—	—	—	—	—	18,699
<b>Fund balances, end of year</b>	<b>115,022</b>	<b>200,000</b>	<b>222,143</b>	<b>66,209</b>	<b>20,000</b>	<b>250,000</b>	<b>1,000</b>	<b>874,374</b>

## GRANTS, SCHOLARSHIPS AND BURSARIES

Year ended December 31

	2003
	\$
<b>GRANTS</b>	
<b>General Fund</b>	
Arthritis Society	2,000
Canadian Diabetes Association	2,275
Canadian Hearing Society	5,000
Children's Aid Society	1,000
Drug Awareness Committee	1,000
Eleanor Drury Children's Theatre	1,000
Fair Start	1,000
Habitat for Humanity	6,000
Kidney Foundation	2,000
Lakehead Festival of Music and the Arts	1,000
Lakehead Social Planning Council	2,000
MS Society - Thunder Bay Chapter	1,500
Northwestern Ontario Science Fair	2,000
Operation Hope	1,800
Rural Cupboard Food Bank	1,650
Salvation Army	2,000
Thunder Bay Symphony Orchestra	1,600
Thunder Bay Therapeutic Riding Association	3,000
Thunder Bay Youth Symphony Orchestra	1,750
	39,575
<b>Ontario Endowment for Children and Youth in Recreation Program</b>	
Canadian National Institute for the Blind	907
Canadian Red Cross	2,000
Easter Seal Society, Ontario	2,000
PRO Kids	2,595
Thunder Bay Public Library	1,680
	9,182
<b>Total grants</b>	48,757
<b>SCHOLARSHIPS AND BURSARIES</b>	
General Fund	8,000
Helen L. Dewar Scholarship Fund	36,000
Robert Kerr Dewar M.D. Research Fund	25,000
Joshua Dyke Family Scholarship Trust Fund	28,000
<b>Total scholarships and bursaries</b>	97,000
<b>Total grants, scholarships and bursaries</b>	145,757