

Financial Statements

Thunder Bay Community Foundation

December 31, 2004

Thunder Bay Community Foundation

TABLE OF CONTENTS

December 31, 2004

	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



AUDITORS' REPORT

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, 2004 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, 2004 and the results of its operations and the changes in its fund balances for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young, Thunder Bay LLP

Thunder Bay, Canada,
February 11, 2005.

Chartered Accountants

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

BALANCE SHEET

As at December 31

	2004	2003
	\$	\$
ASSETS		
Cash and interest-bearing bank accounts	67,137	585,045
Accrued interest receivable	26,407	17,947
GST receivable	575	443
Prepaid expenses	2,452	2,387
Marketable securities, at cost [market value - \$4,002,538; 2003 - \$3,393,806]	3,787,036	3,227,531
	3,883,607	3,833,353
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	5,494	10,576
Commitments for grants and scholarships	24,000	32,000
Total liabilities	29,494	42,576
Fund balances [note 2]		
Externally restricted	918,476	874,374
Internally restricted	200,000	200,000
Unrestricted	2,735,637	2,716,403
Total fund balances	3,854,113	3,790,777
	3,883,607	3,833,353

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				
	2004	2003	2004	2003	2004	2003	
	\$	\$	\$	\$	\$	\$	\$
REVENUE							
Capital gains on sale of securities	4,254	31,960	284	1,799	1,293	6,322	40,081
Dividend income	20,227	18,536	1,349	1,044	6,141	3,666	23,246
Interest income	121,738	130,439	8,126	7,345	37,005	25,819	166,869
Total revenue [note 3]	146,219	180,935	9,759	10,188	44,439	35,807	226,930
							<i>[schedule 1]</i>
EXPENSES							
Office and miscellaneous	14,496	11,441	963	638	3,716	1,698	13,777
Professional fees	3,951	3,781	262	211	1,013	561	4,553
Promotions and publications	522	595	35	33	133	89	717
Wages and benefits	21,442	17,816	1,424	994	5,494	2,645	21,455
Total expenses [note 3]	40,411	33,633	2,684	1,876	10,356	4,993	40,502
Earnings before the following	105,808	147,302	7,075	8,312	34,083	30,814	186,428
Deduct:							
Grants [schedule 2]	57,819	39,575	—	—	11,361	9,182	48,757
Scholarships and bursaries [schedule 2]	8,000	8,000	24,000	36,000	23,000	53,000	97,000
Total grants, scholarships and bursaries	65,819	47,575	24,000	36,000	34,361	62,182	145,757
Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries	39,989	99,727	(16,925)	(27,688)	(78)	(31,368)	40,671
Fund balances, beginning of year	2,716,403	2,663,063	200,000	200,000	874,374	610,493	3,473,556
Capital receipts [note 4]	9,050	—	—	—	31,500	276,550	276,550
Transfer from (to) other funds	(29,805)	(46,387)	16,925	27,688	12,880	18,699	—
Fund balances, end of year	2,735,637	2,716,403	200,000	200,000	918,476	874,374	3,854,113
							3,790,777

See accompanying notes



Thunder Bay Community Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

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 objectives 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 Community Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

- [b] The Helen L. Dewar Scholarship Fund was established by the Board of Trustees of the Thunder Bay Community 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 to be used to help the disabled in Thunder Bay.
- [h] The Ross A. Wilson Education Fund was established upon receipt of \$250,000 from Ross A. 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.

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 Community Foundation**NOTES TO FINANCIAL STATEMENTS**

December 31, 2004**2. FUND BALANCES**

	<u>2004</u>			<u>2003</u>
	<u>Capital</u> \$	<u>Accumulated</u> <u>Surplus</u> \$	<u>Total</u> \$	<u>Total</u> \$
Externally restricted				
Robert Kerr Dewar M.D. Research Fund	45,000	74,244	119,244	115,022
Joshua Dyke Family Scholarship Trust Fund	200,000	—	200,000	200,000
Ontario Endowment for Children and Youth in Recreation Program	222,202	4,015	226,217	222,143
J. A. McLean Scholarship Trust Fund	60,000	5,607	65,607	66,209
Dr. S. Penny Petrone Grant Fund	45,000	733	45,733	20,000
Ross A. Wilson Education Fund	250,000	9,175	259,175	250,000
General Scholarship Fund	2,500	—	2,500	1,000
	<u>824,702</u>	<u>93,774</u>	<u>918,476</u>	<u>874,374</u>
Internally restricted				
Helen L. Dewar Scholarship Fund	160,519	39,481	200,000	200,000
Unrestricted				
General	2,327,416	408,221	2,735,637	2,716,403
	<u>3,312,637</u>	<u>541,476</u>	<u>3,854,113</u>	<u>3,790,777</u>

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, Ontario Endowment for Children and Youth in Recreation ("OECYR") Program, Dr. S. Penny Petrone Grant Fund and Ross A. Wilson Education Fund 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, J. A. McLean Scholarship Trust Fund, Dr. S. Penny Petrone Grant Fund and Ross A. Wilson Education 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.

Thunder Bay Community Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

4. CAPITAL RECEIPTS

Donated capital receipts consist of the following:

	2004	2003
	\$	\$
Dr. Ian Sewell	1,500	1,000
Elaine Lynch	—	50
Ross A. Wilson	—	250,000
United Way/Cliff Friesen	—	500
Estate of Walter Rogers:		
Ms. Margaret E. Smith	4,500	—
Mr. Mark Christiansen	2,250	—
F. William Riches	2,250	—
Dr. S. Penny Petrone	25,000	20,000
United Way/Bearskin Golf Classic	5,000	5,000
Parsons, Wilson & Milton Ltd.	50	—
	40,550	276,550

5. STATEMENT OF CASH FLOWS

A 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

2004

	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 A. Wilson Education Fund \$	General Scholarship Fund \$	Total \$
REVENUE								
Capital gains on sale of securities	174	287	327	98	30	377	—	1,293
Dividend income	825	1,363	1,553	464	143	1,793	—	6,141
Interest income	4,971	8,212	9,356	2,797	864	10,805	—	37,005
Total revenue [note 3]	5,970	9,862	11,236	3,359	1,037	12,975	—	44,439
EXPENSES								
Office and miscellaneous	627	984	288	345	109	1,363	—	3,716
Professional fees	171	268	78	94	30	372	—	1,013
Promotions and publications	23	35	10	12	4	49	—	133
Wages and benefits	927	1,455	425	510	161	2,016	—	5,494
Total expenses [note 3]	1,748	2,742	801	961	304	3,800	—	10,356
Earnings before the following	4,222	7,120	10,435	2,398	733	9,175	—	34,083
Deduct								
Grants [schedule 2]	—	—	11,361	—	—	—	—	11,361
Scholarships and bursaries [schedule 2]	—	20,000	—	3,000	—	—	—	23,000
Total grants, scholarships and bursaries	—	20,000	11,361	3,000	—	—	—	34,361
Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries	4,222	(12,880)	(926)	(602)	733	9,175	—	(278)
Fund balances, beginning of year	115,022	200,000	222,143	66,209	20,000	250,000	1,000	874,374
Capital receipts [note 4]	—	—	5,000	—	25,000	—	1,500	31,500
Transfer from other funds	—	12,880	—	—	—	—	—	12,880
Fund balances, end of year	119,244	200,000	226,217	65,607	45,733	259,175	2,500	918,476

GRANTS, SCHOLARSHIPS AND BURSARIES

Year ended December 31

	2004 \$
GRANTS	
General Fund	
Alzheimer Society	2,500
Arthritis Society	2,500
Camp Quality of NWO	2,000
Canadian Diabetes Association	2,000
Canadian Mental Health Association	1,500
Catholic Family Development Centre	3,392
Community Foundations of Canada	1,000
Drug Awareness Committee	2,300
Fair Start	1,000
Family Services of Thunder Bay	2,200
Harbour Youth Services	1,200
Hospice Northwest	1,700
Independent Living Resource Centre	2,500
Kidney Foundation	1,000
Lakehead Festival of Music and the Arts	1,600
Lakehead Social Planning Council	3,000
Magnus Theatre	2,000
Northwestern Ontario Science Fair	2,000
Operation Hope	822
Our Kids Count	1,000
Salvation Army	2,000
Thunder Bay Boys & Girls Club	5,000
Thunder Bay Military Museum	1,000
Thunder Bay Regional Health Sciences Centre	3,000
Thunder Bay Symphony Orchestra	1,600
Thunder Bay Therapeutic Riding Association	2,755
United Way	3,000
Wesway	2,250
	57,819
Ontario Endowment for Children and Youth in Recreation Program	
Canadian National Institute for the Blind	850
Easter Seal Society, Ontario	3,000
PRO Kids	3,511
Thunder Bay Art Gallery	4,000
	11,361
Total grants	69,180
SCHOLARSHIPS AND BURSARIES	
General Fund	8,000
Helen L. Dewar Scholarship Fund	24,000
Joshua Dyke Family Scholarship Trust Fund	20,000
J. A. McLean Scholarship Trust Fund	3,000
Total scholarships and bursaries	55,000
Total grants, scholarships and bursaries	124,180

