

THUNDER BAY COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2005

Contents

Auditors' Report	1
Financial Statements	
Balance Sheet	2
Statement of Operations and Fund Balances	3
Notes to Financial Statements	4 - 7
Schedule 1 - Externally Restricted Funds	8
Schedule 2 - Grants, Scholarships and Bursaries	9 - 10

FITZPATRICK & PARTNERS LLP
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

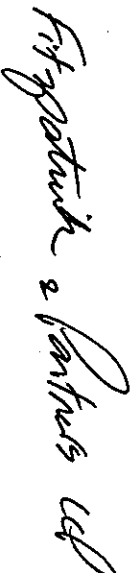
To the Board of Trustees of Thunder Bay Community Foundation -

We have audited the balance sheet of Thunder Bay Community Foundation as at December 31, 2005 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, 2005 and the results of its operations and changes in its fund balances for the year then ended in accordance with Canadian generally accepted accounting principles.

Thunder Bay, Ontario



March 10, 2006

Chartered Accountants

210-1205 Amber Drive, Thunder Bay, ON P7B 6M4
(807) 623-2141 Fax (807) 622-1282 Email: info@fitzpatrickandpartners.com

Paul Fitzpatrick CA* Rick Trochimbuk CA* Moe Siemieniuk CA CBV* Marcel Gagnon CA* Steve Blazino CA* Tamara Wylie CGA CA*
*Professional Corporation

THUNDER BAY COMMUNITY FOUNDATION
BALANCE SHEET

As at December 31	2005	2004
ASSETS		
Current		
Cash and interest-bearing bank accounts	\$ 57,649	\$ 67,137
Accrued interest receivable	23,793	26,407
GST receivable	847	575
Prepaid expenses	2,652	2,452
Marketable securities (market value - \$4,150,628; 2004 - \$4,002,538)	3,829,917	3,787,036
	\$ 3,914,858	\$ 3,883,607

LIABILITIES

Current		
Accounts payable and accruals	\$ 9,472	\$ 5,494
Commitments for grants and scholarships	11,000	24,000
	20,472	29,494

FUND BALANCES

Externally restricted	930,356	918,476
Internally restricted	200,000	200,000
Unrestricted	2,764,030	2,735,637
	3,894,386	3,854,113
	\$ 3,914,858	\$ 3,883,607

Approved on behalf of the Board

Trustee

Trustee

THUNL

Externally Identified Funds	Total		
	Year end: 2004	2005	2004
REVENUE			
Capital	\$ 1,293	\$ 20,289	\$ 5,831
Divid3	6,141	36,345	27,717
Inter4	37,005	158,088	166,869
5	44,439	214,722	200,417
EXPENS			
Office9	3,716	15,280	19,175
Profe0	1,013	5,971	5,226
Profo0	133	5,973	690
Wag4	5,494	32,775	28,360
3	10,356	59,999	53,451
Earnings3	34,083	154,723	146,966
Deduct			
Gran9	11,361	72,550	69,180
Schol0	23,000	49,000	55,000
Total gr9	34,361	121,550	124,180
Excess (
 grants6)	(278)	33,173	22,786
Fund bal6	874,374	3,854,113	3,790,777
Capital n0	31,500	7,100	40,550
Transfe6	12,880	-	-
Fund bal6	\$ 918,476	\$ 3,894,386	\$ 3,854,113

THUNDER BAY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2005

General

Thunder Bay Community Foundation is incorporated by a 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. Summary of significant accounting policies

Fund accounting -

Thunder Bay Community Foundation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. 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. Thunder Bay Community Foundation maintains the following Funds:

- The General Fund which reports donations received without external restrictions. Accumulated funds are to be expended for administrative and operational costs and for charitable purposes.
- The Helen L. Dewar Scholarship Fund which 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. The intention of the Trustees is 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.
- The Robert Kerr Dewar M.D. Research Fund which was established upon receipt of \$45,000. The intention of the receipt is to maintain the Fund's balance and award income generated from the Fund to medical research.
- The Joshua Dyke Family Scholarship Trust Fund which was established from the Estate of Edyth Dyke. The intention is to maintain the Fund's capital account 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.

THUNDER BAY COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS**

Year ended December 31, 2005

1. Summary of significant accounting policies (continued)

- 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.
- 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.
- The Dr. S. Penny Petrone Grant Fund was established to be used to help the disabled in Thunder Bay.
- 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 Hammar skjold High School who have excelled in science, and is conditional on attendance at a Canadian University.
- The General Scholarship Fund is to be used for awarding scholarships to high school students.

It is the discretion of the Board of Directors of the Thunder Bay Community Foundation to fund any shortfalls in selected restricted fund balances from surplus funds generated in the unrestricted fund on an annual basis.

Investments -

Investments are recorded at the lower of cost and market value on an aggregate basis. 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.

Revenue recognition -

The Foundation follows the restricted fund method for accounting for contributions. Restricted contributions are recognized as revenue in 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.

THUNDER BAY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2005

2. Fund balances

	2005		2004	
	Capital	Accumulated Surplus	Total	Total
Externally restricted				
Robert Kerr Dewar M.D. Research Fund	\$ 45,000	\$ 78,981	\$ 123,981	\$ 119,244
Joshua Dyke Family Scholarship Trust Fund	200,000	-	200,000	200,000
Ontario Endowment for Children and Youth in Recreation Program	222,202	6,096	228,298	226,217
J. A. McLean Scholarship Trust Fund	60,000	5,148	65,148	65,607
Dr. S. Penny Petrone Grant Fund	45,000	2,552	47,552	45,733
Ross A. Wilson Education Fund	250,000	11,377	261,377	259,175
General Scholarship Fund	4,000	-	4,000	2,500
	826,202	104,154	930,356	918,476
Internally restricted				
Helen L. Dewar Scholarship Fund	160,519	39,481	200,000	200,000
Unrestricted				
General	2,327,516	436,514	2,764,030	2,735,637
	\$ 3,314,237	\$ 580,149	\$ 3,894,386	\$ 3,854,113

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 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

Year ended December 31, 2005

4. Capital receipts

Donated capital receipts consist of the following:

	2005	2004
Dr. Ian Sewell	\$ 1,500	\$ 1,500
In memoriam for Dr. W. R. Lyon	50	-
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
United Way/Bearskin Golf Classic	5,000	5,000
United Way/Cliff Friesen	500	-
Parsons, Wilson & Milton Ltd.	-	50
William and Allison Parsons	50	-
	<u>\$ 7,100</u>	<u>\$ 40,550</u>

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.

6. Comparative figures

The financial statements of Thunder Bay Community Foundation as at December 31, 2004 and for the year then ended, were audited by other auditors who expressed an opinion without reservation on those statements, in their report dated February 11, 2005.

THUNI

Schedule 1

Year ended

	Ross A. Wilson Education Fund	General Scholarship Fund	Total
REVENUE			
Capitol	\$ 1,362	-	\$ 4,819
Divide	2,441	-	8,633
Intere	10,615	-	37,554
	14,418	-	51,006
EXPENSES			
Office	1,074	-	3,069
Profe	420	-	1,200
Prom	420	-	1,200
Wage	2,304	-	6,584
	4,218	-	12,053
Earnings	10,200	-	38,953
Deduct			
Grant	-	-	15,029
Schol	8,000	-	26,000
Total gra	8,000	-	41,029
Excess (2,200	-	(2,076)
grants,			
Fund bal	259,177	2,500	918,476
Capital r	-	1,500	7,000
Transfer	-	-	6,956
Fund bal	\$ 261,377	\$ 4,000	\$ 930,356

THUNDER BAY COMMUNITY FOUNDATION
GRANTS, SCHOLARSHIPS AND BURSARIES

Schedule 2

Year ended December 31, 2005

	GRANTS	
	2005	2004
Alzheimer Society	-	2,500
Arthritis Society	3,500	2,500
Camp Quality of Northwestern Ontario	-	2,000
Canadian Diabetes Association	2,500	2,000
Canadian Hearing Society (The)	2,000	-
Canadian Mental Health Association	2,700	1,500
Canadian National Institute for the Blind	1,000	-
Catholic Family Development Centre	-	3,392
Community Foundations of Canada	-	1,000
Drug Awareness Committee	-	2,300
Fair Start	1,000	1,000
Family Services Thunder Bay	-	2,200
George Jeffrey Children's Centre	5,000	-
Habitat for Humanity Thunder Bay	3,000	-
HAGI Community Service for Independence	2,000	-
Harbour Youth Services of Thunder Bay	-	1,200
Hospice Northwest	1,656	1,700
Independent Living Resource Centre	-	2,500
Kidney Foundation of Canada-Northwestern Chapter (The)	500	1,000
Lakehead Festival of Music and the Arts	-	1,600
Lakehead Search and Rescue Unit Inc.	5,000	-
Lakehead Social Planning Council	2,400	3,000
Little Lions Waldorf Daycare & Kindergarten	5,000	-
Lutheran Community Care Centre	2,000	-
Magnus Theatre	-	2,000
Northwestern Ontario Science Fair	-	2,000
Operation Hope	1,535	822
Our Kids Count	-	1,000
Salvation Army (The)	2,000	2,000
Teen Challenge Thunder Bay	5,000	-
Thunder Bay Big Brother - Big Sister Association	2,500	-
Thunder Bay Boys & Girls Club	-	5,000
Thunder Bay Historical Museum Society	5,000	-
Thunder Bay Military Museum	-	1,000
Thunder Bay Regional Health Sciences Centre	-	3,000
Thunder Bay Symphony Orchestra Association Inc.	-	1,600
Thunder Bay Therapeutic Riding	-	2,755
United Way of Thunder Bay	-	3,000
Wesway	2,230	2,250
	<u>57,521</u>	<u>57,819</u>

THUNDER BAY COMMUNITY FOUNDATION

Schedule 2

GRANTS, SCHOLARSHIPS AND BURSARIES (continued)
Year ended December 31, 2005

	2005	2004
GRANTS (continued)		
Ontario Endowment for Children and Youth in Recreation Program		
Canadian National Institute for the Blind	-	850
Easter Seal Society, Ontario	-	3,000
Finn Fling Festival	2,475	-
Lakehead Festival of Music and the Arts	1,600	-
Our Kids Count	2,000	-
PRO Kids Thunder Bay	3,165	3,511
Thunder Bay Art Gallery	-	4,000
Thunder Bay Boys & Girls Club	1,589	-
Thunder Bay District Health Unit - Drug Awareness	2,200	-
Thunder Bay Symphony Orchestra	2,000	-
	<u>15,029</u>	<u>11,361</u>
Total grants	\$ 72,550	\$ 69,180
SCHOLARSHIPS AND BURSARIES		
General Fund	8,000	8,000
Helen L. Dewar Scholarship Fund	15,000	24,000
J. A. McLean Scholarship Trust Fund	3,000	3,000
Joshua Dyke Family Scholarship Trust Fund	15,000	20,000
Ross A. Wilson Education Fund	8,000	-
	<u>49,000</u>	<u>55,000</u>
Total scholarships and bursaries	\$ 121,550	\$ 124,180