

**THUNDER BAY COMMUNITY FOUNDATION**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

**Contents**

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<b>Auditors' Report</b>	1
<b>Financial Statements</b>	
Balance Sheet	2
Statement of Operations and Fund Balances	3
Notes to Financial Statements	4 - 8
Schedule 1 - Internally Restricted Funds	9
Schedule 2 - Externally Restricted Funds	10
Schedule 3 - Grants, Scholarships and Bursaries	11 - 12

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**AUDITORS' REPORT**

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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, 2006 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 Thunder Bay Community Foundation as at December 31, 2006 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

April 18, 2007

Chartered Accountants  
Licensed Public Accountants

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**THUNDER BAY COMMUNITY FOUNDATION**

**BALANCE SHEET**

As at December 31

2006 2005

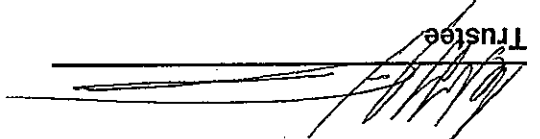
<b>ASSETS</b>	
<b>Current</b>	
Cash and interest-bearing bank accounts	\$ 57,649
Accrued interest receivable	-
GST receivable	508
Prepaid expenses	2,568
Marketable securities - (Note 2)	4,246,896
at market value (cost - \$3,378,398)	-
at cost (market value - \$4,150,628)	3,829,917
<b>\$ 560,298</b>	<b>\$ 4,810,270</b>
	\$ 3,914,858

<b>LIABILITIES</b>	
<b>Current</b>	
Accounts payable and accruals	\$ 9,472
Commitments for grants and scholarships	7,000
	11,660
<b>\$ 4,660</b>	<b>\$ 4,810,270</b>
	\$ 3,914,858

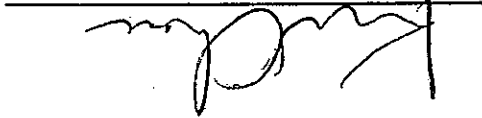
**FUND BALANCES**

Externally restricted	1,506,500
Internally restricted	202,063
Unrestricted	3,090,047
	2,764,030
<b>4,798,610</b>	<b>4,810,270</b>
	3,894,386

Approved on behalf of the Board



Trustee



THUNDER BAY COMMUNITY FOUNDATION

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended December 31	2006	2005	2006	2005	2006	2005	2006	2005
	Unrestricted	Restricted Funds	Internally Restricted Funds	Externally Restricted Funds	Total			
	2006	2005	2006	2005	2006	2005	2006	2005
REVENUE								
Capital gains on sale of securities	\$ 19,247	\$ 14,410	\$ 1,383	\$ 1,060	\$ 7,992	\$ 4,819	\$ 28,222	\$ 20,289
Dividend income	27,035	25,813	1,941	1,899	11,226	8,633	40,202	36,345
Interest income	91,524	112,276	6,573	8,258	38,005	37,554	136,102	158,088
Unrealized gains on investments	48,135	-	3,456	-	19,987	-	71,578	-
Donation revenue (Note 4)	20,250	-	-	-	-	-	20,250	-
EXPENSES								
Office and miscellaneous	8,957	11,417	622	794	2,460	3,069	12,039	15,280
Professional fees	3,080	4,461	214	310	846	1,200	4,140	5,971
Promotions and publications	2,816	4,463	196	310	772	1,200	3,784	5,973
Wages and benefits	24,029	24,488	1,670	1,703	6,599	6,584	32,298	32,775
Earnings before the following	167,309	107,670	10,651	8,100	66,533	38,953	244,493	154,723
Deduct								
Grants (Schedule 3)	83,594	57,521	-	-	19,607	15,029	103,201	72,550
Scholarships and bursaries (Schedule 3)	4,000	8,000	15,000	15,000	31,000	26,000	50,000	49,000
Total grants, scholarships and bursaries	87,594	65,521	15,000	15,000	50,607	41,029	153,201	121,550
Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries	79,715	42,149	(4,349)	(6,900)	15,926	(2,076)	91,292	33,173
Fund balances, beginning of year	2,764,030	2,735,637	200,000	200,000	930,356	918,476	3,894,386	3,854,113
Change in accounting policy (Note 2)	210,734	-	15,249	-	70,932	-	296,915	-
Fund balances, beginning of year as adjusted	2,974,764	2,735,637	215,249	200,000	1,001,288	918,476	4,191,301	3,854,113
Capital receipts (Note 4)	8,267	100	3,500	-	504,250	7,000	516,017	7,100
Transfer from (to) other funds	27,301	(13,856)	(12,337)	6,900	(14,964)	6,956	-	-
Fund balances, end of year	\$ 3,090,047	\$ 2,764,030	\$ 202,063	\$ 200,000	\$ 1,506,500	\$ 930,356	\$ 4,798,610	\$ 3,894,386

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

Year ended December 31, 2006

**General**

Thunder Bay Community Foundation (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. The 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 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.

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

 Year ended December 31, 2006
 

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**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 Hammarskjold High School who have excelled in science, and is conditional on attendance at a Canadian University.
  - The Shirley H. and Meredith O. Nelson Fund was established upon receipt of \$2,500 from the Nelson family. The initial funds are to be maintained in a separate trust fund.
  - The Geraldine Ruth Rogers Scholarship Fund was established upon receipt of \$450,000 from Roy Seymour Rogers. The initial funds are to be maintained in a separate trust fund. The Fund is to be used to benefit students in the Districts of Thunder Bay, Rainy River and Kenora who are continuing their education at a University, with preference to applicants who are descendants of Mr. Rogers' paternal grandparents.
  - The President's Fund was established upon receipt of \$2,000 from various trustees. The initial funds are to be maintained in a separate trust fund. The Fund is to be used to support operational expenses of the Foundation.
  - The General Scholarship Fund is to be used for awarding scholarships to high school students.
- It is the discretion of the Board of Trustees 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 classified as held for trading and are recorded at market value.

1. Summary of significant accounting policies (continued)

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 includes dividends, interest and realized and unrealized investment gains and losses. Realized investment income is recognized when earned. Unrealized gains and losses on financial assets classified as held for trading are recorded to reflect changes in the Fair Market Value of these assets. Investment income is allocated proportionately amongst all Funds based on the average fund balance and capital contributions for the year. Donation revenue is recognized in the year received and is allocated to the Fund for which the donation was intended.

Financial instruments -

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from its financial instruments.

a) Interest rate risk -

The Organization is exposed to interest rate risk arising from fluctuations in interest rates on its marketable securities.

Expense allocations -

Expenses of the Foundation are allocated proportionately between all Funds with the exception of the Ontario Endowment for Children and Youth in Recreation Program (OECYR Program), based on average fund balance including investment income and scholarships, grants and bursaries for the year. Expenses of the OECYR Program are limited to 1.5% of the value of the Fund.

2. Change in accounting policy

The Foundation has adopted the provisions of the CICA Handbook Sections 3855 Financial Instruments - Recognition and Measurement and Section 3861 Financial Instruments - Disclosure and Presentation for the fiscal year ended December 31, 2006. As a result of adopting these new standards, the Foundation has recorded an adjustment to opening Fund balances in the amount of \$296,915. This amount represents the adjustment required to bring the opening balances of the financial assets classified as held for trading to Fair Market Value instead of cost in accordance with the new standards.

**THUNDER BAY COMMUNITY FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

Year ended December 31, 2006

**3. Fund balances**

	2006		2005	
	Accumulated Surplus	Capital	Accumulated Surplus	Capital
	Total	Total	Total	Total
<b>Externally restricted</b>				
Geraldine Ruth Rogers Scholarship Fund	\$ 450,000	\$ 14,017	\$ 464,017	\$ -
Shirley H. and Meredith O. Nelson Fund	2,500	78	2,578	-
Robert Kerr Dewar M.D. Research Fund	45,000	89,964	134,964	123,981
Joshua Dyke Family Scholarship Trust Fund	200,000	-	200,000	200,000
Ontario Endowment for Children and Youth	228,952	18,209	247,161	228,298
in Recreation Program	60,000	10,540	70,540	65,148
J. A. McLean Scholarship Trust Fund	90,000	10,118	100,118	47,552
Dr. S. Penny Petrone Grant Fund	250,000	37,122	287,122	261,377
Ross A. Wilson Education Fund	4,000	(4,000)	-	4,000
General Scholarship Fund	1,330,452	176,048	1,506,500	930,356
<b>Internally restricted</b>				
Helen L. Dewar Scholarship Fund	162,019	37,981	200,000	200,000
President's Fund	2,000	63	2,063	-
Unrestricted	164,019	38,044	202,063	200,000
General	2,335,783	754,264	3,090,047	2,764,030
	\$ 3,830,254	\$ 968,356	\$ 4,798,610	\$ 3,894,386



**THUNDER BAY COMMUNITY FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

Year ended December 31, 2006

**4. Capital receipts and donation revenue**

Donated capital receipts consist of the following:

	2006	2005
Dr. Ian Sewell	\$ 1,500	\$ 1,500
D. Kraft	500	-
Nelson Family	2,000	-
Miscellaneous General Fund Donations	8,267	-
D. Ferris	500	-
P. Wolfe	500	-
G. Morrison	500	-
Estate of Roy Rogers	450,000	-
Estate of Penny Petrone	45,000	-
United Way/Bearskin Golf Classic	-	5,000
United Way/Cliff Friesen	7,250	500
William and Allison Parsons	-	50
In memoriam for Dr. W. R. Lyon	-	50
<b>Total</b>	<b>\$516,017</b>	<b>\$ 7,100</b>

Donation revenue consists of the following:

	2006	2005
Dr. Stephen Morton family and friends	\$ 20,250	\$ -

**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.

INTERNALLY RESTRICTED FUNDS

Year ended December 31, 2006

	Helen L. Dewar Scholarship Fund	President's Fund	Total
<b>REVENUE</b>			
Capital gains on sale of securities	\$ 1,376	\$ 7	\$ 1,383
Dividend income	1,932	9	1,941
Interest income	6,542	31	6,573
Unrealized gains on investments	3,440	16	3,456
<b>EXPENSES</b>			
Office and miscellaneous	622	-	622
Professional fees	214	-	214
Promotions and publications	196	-	196
Wages and benefits	1,670	-	1,670
Earnings before the following	10,588	63	10,651
Deduct			
Scholarships and bursaries	15,000	-	15,000
Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries	(4,412)	63	(4,349)
Fund balances, beginning of year	200,000	-	200,000
Change in accounting policy (Note 2)	15,249	-	15,249
Fund balances, beginning of year as adjusted	215,249	-	215,249
Capital receipts	1,500	2,000	3,500
Transfer to other funds	(12,337)	-	(12,337)
Fund balances, end of year	\$ 200,000	\$ 2,063	\$ 202,063

EXTERNALLY RESTRICTED FUNDS

Year ended December 31, 2006

Ontario Endowment										
	Geraldine Ruth Rogers Scholarship Fund	Shirley H. and Meredith O. Nelson Fund	Robert Kerr Dewar M.D. Research Fund	Joshua Dyke Family Scholarship Trust Fund	and Youth in Recreation Program	J. A. McLean Scholarship Trust Fund	Dr. S. Penny Petrone Grant Fund	Ross A. Wilson Education Fund	General Scholarship Fund	Total
<b>REVENUE</b>										
Capital gains on sale of securities	\$ 1,469	\$ 8	\$ 855	\$ 1,357	\$ 1,563	\$ 448	\$ 481	\$ 1,811	\$ -	\$ 7,992
Dividend income	2,064	11	1,201	1,906	2,195	629	676	2,544	-	11,226
Interest income	6,987	39	4,066	6,451	7,431	2,131	2,288	8,612	-	38,005
Unrealized gains on investments	3,675	20	2,138	3,393	3,908	1,121	1,203	4,529	-	19,987
<b>EXPENSES</b>										
Office and miscellaneous	41	-	398	621	181	208	163	848	-	2,460
Professional fees	14	-	137	214	62	72	56	291	-	846
Promotions and publications	13	-	125	195	57	65	51	266	-	772
Wages and benefits	110	-	1,069	1,667	484	559	436	2,274	-	6,599
	178	-	1,729	2,697	784	904	706	3,679	-	10,677
Earnings before the following	14,017	78	6,531	10,410	14,313	3,425	3,942	13,817	-	66,533
Deduct										
Grants	-	-	-	-	19,607	-	-	-	-	19,607
Scholarships and bursaries	-	-	5,000	15,000	-	3,000	-	8,000	-	31,000
Total grants, scholarships and bursaries	-	-	5,000	15,000	19,607	3,000	-	8,000	-	50,607
Excess (shortfall) of revenue over expenses, grants scholarships and bursaries	14,017	78	1,531	(4,590)	(5,294)	425	3,942	5,817	-	15,926
Fund balances, beginning of year	-	-	123,981	200,000	228,299	65,148	47,551	261,377	4,000	930,356
Change in accounting policy (Note 2)	-	-	9,452	15,249	17,406	4,967	3,625	19,928	305	70,932
Fund balances, beginning of year as adjusted	-	-	133,433	215,249	245,705	70,115	51,176	281,305	4,305	1,001,288
Capital receipts	450,000	2,500	-	-	6,750	-	45,000	-	-	504,250
Transfer to other funds	-	-	-	(10,659)	-	-	-	-	(4,305)	(14,964)
Fund balances, end of year	\$ 464,017	\$ 2,578	\$ 134,964	\$ 200,000	\$ 247,161	\$ 70,540	\$ 100,118	\$ 287,122	\$ -	\$ 1,506,500

**THUNDER BAY COMMUNITY FOUNDATION**

**GRANTS, SCHOLARSHIPS AND BURSARIES**

Year ended December 31, 2006

GRANTS	2006	2005
AIDS Thunder Bay	2,500	-
Alzheimer Society	4,000	-
Arthritis Society	-	3,500
Canadian Diabetes Association	-	2,500
Canadian Hearing Society (The)	-	2,000
Canadian Mental Health Association	-	2,700
Canadian National Institute for the Blind	1,850	1,000
Canadian Red Cross	600	-
Community Arts and Heritage Education	2,000	-
Drug Awareness Committee	2,400	-
Fair Start	1,000	1,000
George Jeffrey Children's Centre	5,000	5,000
Habitat for Humanity Thunder Bay	-	3,000
HAGI Community Service for Independence	6,152	2,000
Hospice Northwest	1,717	1,656
Independent Living Resource Centre	1,800	-
John Howard Society (The)	5,000	-
Kidney Foundation of Canada - Northwestern Chapter (The)	-	500
Lakehead Search and Rescue Unit Inc.	-	5,000
Lakehead Social Planning Council	-	2,400
Little Lions Waldorf Daycare and Kindergarten	-	5,000
Lutheran Community Care Centre	-	2,000
Operation Hope	1,600	1,535
Our Kids Count	4,500	-
Salvation Army (The)	1,900	2,000
St. Joseph's Foundation of Thunder Bay	4,000	-
Teen Challenge Thunder Bay	-	5,000
Thunder Bay Big Brother - Big Sister Association	-	2,500
Thunder Bay Breast Feeding Coalition	1,050	-
Thunder Bay Historical Museum Society	-	5,000
Volunteer Thunder Bay	3,500	-
Wesway	2,775	2,230
Lakehead University - Dr. Stephen Morton	30,250	-
	<b>83,594</b>	<b>57,521</b>

**THUNDER BAY COMMUNITY FOUNDATION**

**GRANTS, SCHOLARSHIPS AND BURSARIES (continued)**

Year ended December 31, 2006

GRANTS (continued)

	2006	2005
Ontario Endowment for Children and Youth in Recreation Program Canadian Mental Health Association Finn Fling Festival Harbour Youth Services Kiwans Playcare Centre Lakehead Festival of Music and the Arts Little Lions Waldorf Daycare and Kindergarten Northwestern Ontario Regional Science Fair Our Kids Count PRO Kids Thunder Bay Thunder Bay Boys & Girls Club Thunder Bay District Health Unit - Drug Awareness Thunder Bay Symphony Orchestra Wesway	1,100 - 1,075 5,000 - 1,600 2,000 2,000 - 4,322 2,000 - 2,110	- 2,475 - - - 2,000 3,165 1,589 2,200 - 2,000 - 19,607
<b>Total grants</b>	<b>103,201</b>	<b>72,550</b>
SCHOLARSHIPS AND BURSARIES General Fund Helen L. Dewar Scholarship Fund J. A. McLean Scholarship Trust Fund Joshua Dyke Family Scholarship Trust Fund Ross A. Wilson Education Fund Robert Kerr Dewar M.D. Research Fund	4,000 15,000 3,000 15,000 8,000 5,000	8,000 15,000 3,000 15,000 8,000 -
<b>Total scholarships and bursaries</b>	<b>50,000</b>	<b>49,000</b>
<b>Total grants, scholarships and bursaries</b>	<b>\$ 153,201</b>	<b>\$ 121,550</b>