

THUNDER BAY COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2008

Contents

Auditors' Report	1
Financial Statements	
Balance Sheet	2
Statement of Operations and Fund Balances	3
Notes to Financial Statements	4 - 10
Schedule 1 - Internally Restricted Funds	12
Schedule 2 - Externally Restricted Funds	13
Schedule 3 - Grants, Scholarships and Bursaries	14 - 15

AUDITORS' REPORT

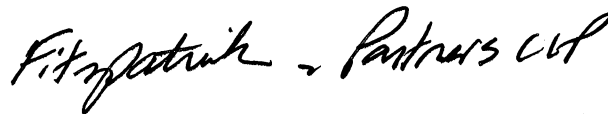
To the Board of Trustees of Thunder Bay Community Foundation -

We have audited the balance sheet of Thunder Bay Community Foundation (Foundation) as at December 31, 2008 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, 2008 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 1, 2009

Chartered Accountants
Licensed Public Accountants

210-1205 Amber Drive, Thunder Bay, ON P7B 6M4

(807) 623-2141

Fax (807) 622-1282

Email: info@fitzpatrickandpartners.com

THUNDER BAY COMMUNITY FOUNDATION
BALANCE SHEET

As at December 31

2008

2007

ASSETS**Current**

Cash and interest-bearing bank accounts	\$ 72,778	\$ 29,535
Accounts receivable	-	6,095
GST receivable	861	694
Prepaid expenses	2,171	2,511
Marketable securities (Note 4)	4,631,430	4,784,312
	<u>\$ 4,707,240</u>	<u>\$ 4,823,147</u>

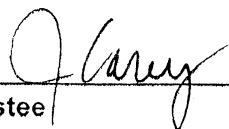
LIABILITIES**Current**

Accounts payable and accruals	\$ 7,543	\$ 8,250
Commitments for grants and scholarships	1,000	3,000
Deferred revenue	18,314	4,976
	<u>26,857</u>	<u>16,226</u>

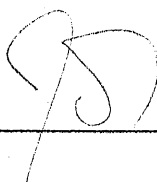
FUND BALANCES

Externally restricted	1,515,078	1,508,027
Internally restricted	200,500	207,980
Unrestricted	2,964,805	3,090,914
Special project restricted	-	-
	<u>4,680,383</u>	<u>4,806,921</u>
	<u>\$ 4,707,240</u>	<u>\$ 4,823,147</u>

Approved on behalf of the Board



 Trustee



 Trustee

THUNDER BAY COMMUNITY FOUNDATION

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended December 31	Unrestricted General Funds		Internally Restricted Funds (Schedule 1)		Externally Restricted Funds (Schedule 2)		Special Project Restricted Fund		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
REVENUE										
Capital losses on sale of securities	\$ (986)	\$ (13,815)	\$ (67)	\$ (913)	\$ (491)	\$ (6,686)	\$ -	\$ -	\$ (1,544)	\$ (21,414)
Dividend income	34,943	29,015	2,365	1,916	17,403	14,046	-	-	54,711	44,977
Interest income	98,881	109,709	6,692	7,244	49,248	53,104	-	-	154,821	170,057
Unrealized losses on investments	(150,373)	(15,756)	(10,176)	(1,040)	(74,894)	(7,626)	-	-	(235,443)	(24,422)
Donation revenue (Note 6)	23,054	26,600	-	-	-	-	-	-	23,054	26,600
Grant revenue (Note 6)	-	-	-	-	-	-	59,794	23,890	59,794	23,890
	5,519	135,753	(1,186)	7,207	(8,734)	52,838	59,794	23,890	55,393	219,688
EXPENSES										
Office and miscellaneous	12,884	8,029	862	517	5,609	3,478	4,973	2,988	24,328	15,012
Professional fees	4,153	5,245	278	338	1,809	2,274	-	-	6,240	7,857
Promotions and publications	7,995	4,068	534	262	3,480	1,762	12,500	1,202	24,509	7,294
Wages and employee benefits	22,735	21,530	1,520	1,386	9,898	9,327	45,266	19,700	79,419	51,943
	47,767	38,872	3,194	2,503	20,796	16,841	62,739	23,890	134,496	82,106
Earnings (loss) before the following	(42,248)	96,881	(4,380)	4,704	(29,530)	35,997	(2,945)	-	(79,103)	137,582
Deduct										
Grants (Schedule 3)	67,063	59,399	-	-	9,390	12,100	-	-	76,453	71,499
Scholarships and bursaries (Schedule 3)	12,000	34,000	6,900	15,000	29,400	22,000	-	-	48,300	71,000
Total grants, scholarships and bursaries	79,063	93,399	6,900	15,000	38,790	34,100	-	-	124,753	142,499
Excess (shortfall) of revenue over expenses, grants, scholarships and bursaries	(121,311)	3,482	(11,280)	(10,296)	(68,320)	1,897	(2,945)	-	(203,856)	(4,917)
Fund balances, beginning of year	3,090,914	3,090,047	207,980	202,063	1,508,027	1,506,500	-	-	4,806,921	4,798,610
Capital receipts (Note 6)	100	6,789	3,800	2,100	73,418	4,339	-	-	77,318	13,228
Transfer from (to) other funds	(4,898)	(9,404)	-	14,113	1,953	(4,709)	2,945	-	-	-
Fund balances, end of year	\$ 2,964,805	\$ 3,090,914	\$ 200,500	\$ 207,980	\$ 1,515,078	\$ 1,508,027	\$ -	\$ -	\$ 4,680,383	\$ 4,806,921

THUNDER BAY COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****Year ended December 31, 2008**

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 in 1990 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 approximately \$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 in 1981 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 in 1981 from the Estate of Edyth Dyke. The intention of the Trustees is to maintain the Fund's capital account at approximately \$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, 2008**

1. Summary of significant accounting policies (continued)

- The Ontario Endowment for Children and Youth in Recreation Program was established in 2000 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 in 2001 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 in 2003 to be used to help the disabled in Thunder Bay.
- The Ross A. Wilson Education Fund was established in 2003 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 Named Grant and Scholarship Fund was established in 2006 upon receipt of the first amount of designated funds from a named donor. Named funds are combined for financial statement purposes. The use of individual Named Funds have been externally restricted by the donor.
- The Geraldine Ruth Rogers Scholarship Fund was established in 2006 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 in 2006 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 Agency Endowment Fund was established in 2008. Agency capital contributions are externally restricted and matched by the Foundation using unrestricted capital. The funds are to be maintained in a separate trust fund. The Fund is to be used to support the Donor Agencies.
- The Special Projects Restricted Fund was established to maintain a separate trust fund for specific operational endeavours by the Foundation for which the Foundation has received specific funding.

THUNDER BAY COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****Year ended December 31, 2008**

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 income 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. Special project funding is recorded as it is earned under the terms of the funding agreements.

Contributed materials and services -

The Foundation does not recognize the receipt of contributed materials and services in its financial statements.

Use of estimates -

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

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.

THUNDER BAY COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****Year ended December 31, 2008**

2. Change in accounting policy

Effective January 1, 2008, the Foundation adopted the provisions of the CICA Handbook Section 1535 - Capital Disclosure, which establishes standards for disclosing information about the Foundation's objectives, policies and processes for managing capital. These disclosures include a description of what the Foundation manages as capital, whether the Foundation has complied with any capital requirements, and if it has not complied, the consequences of such non-compliance. Adoption of this standard has increased the disclosures provided, but has not effected the Foundation's operations or financial position.

3. Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. The Foundation uses the settlement date for valuing investment purchases and sales, as opposed to the trade date.

Held for trading -

Financial assets and financial liabilities that are acquired or incurred principally for the purpose of generating profits in the near term are classified as held for trading. These instruments are accounted for at fair value based on market prices, with the change in fair value recognized in net income for the period. The Foundation has classified cash and interest bearing bank accounts and marketable securities as held for trading.

Receivables and liabilities -

The Foundation has classified accounts receivable, GST receivable, accounts payable and accruals and commitments for grants and scholarships as receivables and liabilities. These instruments are accounted for at cost.

The carrying value of accounts receivable, GST receivable, accounts payable and accruals and commitments for grants and scholarships approximates their fair values due to the immediate or short-term maturity of these financial instruments.

The Foundation is exposed to interest rate risk arising from fluctuations in interest rates on its marketable securities. The Foundation is not exposed to significant currency or credit risks arising from its financial instruments.

THUNDER BAY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2008

4. Marketable securities

	<u>2008</u>	<u>2007</u>
Federal bond, paying interest at 5.5%, maturing June 2010. (cost - \$205,358; 2007 - \$205,358)	\$ 213,520	\$ 208,704
Provincial bonds, paying interest at rates ranging from 4% to 5.4%, maturing June 2009 to December 2011. (cost - \$988,906; 2007 - \$1,680,003)	1,028,931	1,293,035
Municipal bonds, paying interest at rates ranging from 4.5% to 4.55%, maturing September 2009 to May 2015. (cost - \$433,608; 2007 - \$530,000)	439,753	531,861
Corporate bonds, paying interest at rates ranging from 4% to 6.15%, maturing April 2009 to June 2014. (cost - \$1,977,228; 2007 - \$1,104,042)	1,979,154	1,464,764
Stocks in publicly traded companies (cost - \$887,000; 2007 - \$861,457)	939,375	1,226,571
Mutual funds (cost - \$30,697; 2007 - \$59,377)	30,697	59,377
Total (cost - \$4,522,797; 2007 - \$4,440,237)	\$ 4,631,430	\$ 4,784,312

THUNDER BAY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2008

5. Fund balances

	2008		2007	
	Capital Contributions	Accumulated Surplus (Deficit)	Total	Total
Externally restricted				
Agency Endowment Fund	\$ 23,906	\$ (22)	\$ 23,884	\$ -
Named Grant and Scholarship Fund	19,309	23	19,332	7,053
Geraldine Ruth Rogers Scholarship Fund	488,341	2,939	491,280	474,593
Robert Kerr Dewar M.D. Research Fund	45,000	90,057	135,057	138,039
Joshua Dyke Family Scholarship Trust Fund	200,000	(13,559)	186,441	197,479
Ontario Endowment for Children and Youth in Recreation Program	234,965	(11,147)	223,818	233,201
J. A. McLean Scholarship Trust Fund	60,000	4,692	64,692	69,134
Dr. S. Penny Petrone Grant Fund	90,140	4,891	95,031	98,880
Ross A. Wilson Education Fund	250,000	25,543	275,543	289,648
	1,411,661	103,417	1,515,078	1,508,027
Internally restricted				
Helen L. Dewar Scholarship Fund	172,632	24,411	197,043	205,771
President's Fund	3,400	57	3,457	2,209
	176,032	24,468	200,500	207,980
Unrestricted				
General	2,351,315	613,490	2,964,805	3,090,914
	\$ 3,939,008	\$ 741,375	\$ 4,680,383	\$ 4,806,921

THUNDER BAY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2008

6. Grant revenue, capital receipts and donation revenue

Grant revenue consists of the following:

	<u>2008</u>	<u>2007</u>
Industry Canada - FedNor	\$ 14,133	\$ 13,365
The Ontario Trillium Foundation	30,661	10,525
Other	15,000	
	<u>\$ 59,794</u>	<u>\$ 23,890</u>

Donated capital receipts consist of the following:

	<u>2008</u>	<u>2007</u>
Estates	\$ 48,341	\$ 5,939
Foundations	20,000	-
Individuals	6,367	7,289
Organizations	2,610	-
	<u>\$ 77,318</u>	<u>\$ 13,228</u>

Donation revenue consists of the following:

	<u>2008</u>	<u>2007</u>
Foundations	\$ 13,962	\$ -
Individuals	2,298	-
Organizations	6,794	26,600
	<u>\$ 23,054</u>	<u>\$ 26,600</u>

7. 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.

THUNDER BAY COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****Year ended December 31, 2008**

8. Commitment

The Foundation has committed to allocate up to \$500,000 of unrestricted general funds towards a matching program known as the Agency Endowment Fund, where the Foundation will match specific contributions received from other charitable organizations. The income earned from the contributions and matched portions will be allocated to the charitable organization. At December 31, 2008, the Foundation has allocated \$1,953 (2007 - \$Nil) of this commitment to the Fund. In addition, a contribution of \$20,000 was received at the end of the fiscal year which will be matched by the Foundation in the 2009 fiscal year.

9. Capital disclosure

The Foundation defines capital as the Foundation's Fund balances. The Foundation seeks to maintain sufficient capital to enable it to manage its on-going operations and obligations. In order to facilitate the management of capital, the Foundation continuously monitors its marketable securities, returns on investments and actual cash flows against annual budgets approved by the Board of Directors. Requirements on the level or use of the Foundation's capital are both internally and externally restricted as outlined in the significant accounting policies note. The Foundation has complied with all restrictions imposed on its capital.

THUNDER BAY COMMUNITY FOUNDATION

Schedule 1

INTERNALLY RESTRICTED FUNDS

Year ended December 31, 2008

	Helen L. Dewar Scholarship Fund	President's Fund	Total
REVENUE			
Capital losses on sale of securities	\$ (66)	\$ (1)	\$ (67)
Dividend income	2,332	33	2,365
Interest income	6,599	93	6,692
Unrealized losses on investments	(10,035)	(141)	(10,176)
	(1,170)	(16)	(1,186)
EXPENSES			
Office and miscellaneous	852	10	862
Professional fees	275	3	278
Promotions and publications	528	6	534
Wages and employee benefits	1,503	17	1,520
	3,158	36	3,194
Loss before the following	(4,328)	(52)	(4,380)
Deduct			
Scholarships and bursaries	6,900	-	6,900
Shortfall of revenue over expenses, grants, scholarships and bursaries	(11,228)	(52)	(11,280)
Fund balances, beginning of year	205,771	2,209	207,980
Capital receipts	2,500	1,300	3,800
Fund balances, end of year	\$ 197,043	\$ 3,457	\$ 200,500

THUNDER BAY COMMUNITY FOUNDATION

Schedule 2

EXTERNALLY RESTRICTED FUNDS

Year ended December 31, 2008

	Agency Endowment Fund	Named Grant and Scholarship Fund	Geraldine Ruth Rogers Scholarship Fund	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 Petronne Grant Fund	Ross A. Wilson Education Fund	Total
REVENUE										
Capital losses on sale of securities	\$ (1)	\$ (4)	\$ (158)	\$ (45)	\$ (63)	\$ (74)	\$ (22)	\$ (32)	\$ (92)	\$ (491)
Dividend income	45	152	5,590	1,581	2,223	2,631	786	1,123	3,272	17,403
Interest income	127	431	15,819	4,475	6,289	7,446	2,225	3,177	9,259	49,248
Unrealized losses on investments	(193)	(655)	(24,057)	(6,805)	(9,565)	(11,324)	(3,383)	(4,831)	(14,081)	(74,894)
	(22)	(76)	(2,806)	(794)	(1,116)	(1,321)	(394)	(563)	(1,642)	(8,734)
EXPENSES										
Office and miscellaneous	-	31	1,982	590	815	290	283	414	1,204	5,609
Professional fees	-	10	639	190	263	94	91	134	388	1,809
Promotions and publications	-	19	1,230	366	506	180	175	257	747	3,480
Wages and employee benefits	-	55	3,497	1,042	1,438	512	499	731	2,124	9,898
	-	115	7,348	2,188	3,022	1,076	1,048	1,536	4,463	20,796
Loss before the following	(22)	(191)	(10,154)	(2,982)	(4,138)	(2,397)	(1,442)	(2,099)	(6,105)	(29,530)
Deduct										
Grants	-	-	-	-	-	7,500	-	1,890	-	9,390
Scholarships and bursaries	-	-	11,500	-	6,900	-	3,000	-	8,000	29,400
Total grants, scholarships and bursaries	-	-	11,500	-	6,900	7,500	3,000	1,890	8,000	38,790
Shortfall of revenue over expenses, grants scholarships and bursaries	(22)	(191)	(21,654)	(2,982)	(11,038)	(9,897)	(4,442)	(3,989)	(14,105)	(68,320)
Fund balances, beginning of year	-	7,053	474,593	138,039	197,479	233,201	69,134	98,880	289,648	1,508,027
Capital receipts	21,953	12,470	38,341	-	-	514	-	140	-	73,418
Transfer from other funds	1,953	-	-	-	-	-	-	-	-	1,953
Fund balances, end of year	\$ 23,884	\$ 19,332	\$ 491,280	\$ 135,057	\$ 186,441	\$ 223,818	\$ 64,692	\$ 95,031	\$ 275,543	\$ 1,515,078