

**Thunder Bay Community Foundation**  
**Financial Statements**  
*December 31, 2014*

**THUNDER BAY COMMUNITY FOUNDATION**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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## **Management's Responsibility**

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To the Board of Trustees of Thunder Bay Community Foundation:

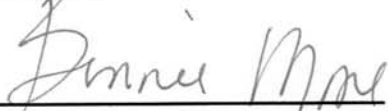
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Trustees is composed primarily of Trustees who are neither management nor employees of the Foundation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board of Trustees fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Foundation's external auditors.

MNP LLP is appointed by the Board of Trustees to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 14, 2015



Executive Director

## Independent Auditors' Report

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To the Board of Trustees of Thunder Bay Community Foundation:

We have audited the accompanying financial statements of Thunder Bay Community Foundation, which comprise the statement of financial position as at December 31, 2014 and the statement of operations and fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Basis for Qualified Opinion*

In common with many charitable organizations, the Thunder Bay Community Foundation derives revenue from donations and capital receipts, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenses, grants, scholarships and bursaries and capital receipts for the years ended December 31, 2014 and 2013, and current assets or fund balances as at December 31, 2014 and 2013.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects the financial position of Thunder Bay Community Foundation as at December 31, 2014 and the results of its operations and fund balances and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations

### *Other Matter*

The supplementary information contained in the schedules is presented for the purpose of additional analysis and is not a part of the basic audited financial statements. The information in the schedules was derived from the accounting records tested in forming an audit opinion on the financial statements as a whole.

Thunder Bay, Ontario

April 14, 2015



Chartered Professional Accountants


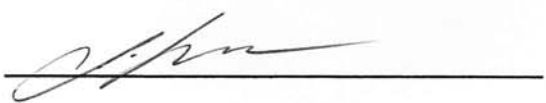
Licensed Public Accountants

# THUNDER BAY COMMUNITY FOUNDATION

## STATEMENT OF FINANCIAL POSITION

As at	Total December 31 2014	Total December 31 2013
<b>ASSETS</b>		
<b>Current</b>		
Cash and interest-bearing bank accounts	\$ 63,699	\$ 91,741
Accounts receivable	-	1,859
HST receivable	5,082	3,164
Prepaid expenses	4,505	2,212
Marketable securities (Note 5)	9,429,442	8,086,645
	<b>9,502,728</b>	<b>8,185,621</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accruals	9,026	8,133
<b>FUND BALANCES</b>		
Externally restricted (Note 6)	6,052,700	4,764,280
Internally restricted (Note 6)	246,924	234,265
Unrestricted (Note 6)	3,194,078	3,178,943
	<b>9,493,702</b>	<b>8,177,488</b>
	<b>\$ 9,502,728</b>	<b>\$ 8,185,621</b>

Approved on behalf of the Board of Directors

The accompanying notes are an integral part of these financial statements.

For the year ended December 31	Unrestricted General Funds	
	2014	2013
<b>REVENUE</b>		
Capital gains on sale of securities	\$ 47,036	\$ 39
Dividend income	45,352	45
Interest income	71,958	78
Unrealized gains on investments	114,622	57
Donation and other revenue (Note 7)	-	2
	<u>278,968</u>	<u>222</u>
<b>EXPENSES</b>		
Office and miscellaneous	16,726	14
Professional fees	5,066	4
Promotions and publications	8,575	4
Wages and employee benefits	37,632	44
	<u>67,999</u>	<u>67</u>
<b>Earnings before the following</b>	<b>210,969</b>	<b>155</b>
<b>Deduct</b>		
Grants (Schedule 1)	111,917	154
Scholarships and Bursaries (Schedule 2)	5,000	
Agency Endowment Fund distributions	-	
<b>Total grants, scholarships and bursaries</b>	<u><b>116,917</b></u>	<u><b>154</b></u>
<b>Excess (deficiency) of revenue over expenses, grants, scholarships and bursaries</b>	<b>94,052</b>	
<b>Fund balances, beginning of year</b>	<b>3,178,943</b>	<b>3,282</b>
<b>Capital receipts (Note 7)</b>	<b>25,369</b>	<b>2</b>
<b>Transfer from (to) other funds</b>	<u><b>(104,286)</b></u>	<u><b>(106)</b></u>
<b>Fund balances, end of year</b>	<b>\$ 3,194,078</b>	<b>\$ 3,178</b>

The accompanying notes

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Year ended December 31	Unrestricted General Funds		Internally Restricted Funds		Re
	2014	2013	2014	2013	
<b>REVENUE</b>					
Capital gains on sale of securities	\$ 47,036	\$ 39,650	\$ 3,486	\$ 2,742	\$ 75
Dividend income	45,352	45,262	3,361	3,131	72
Interest income	71,958	78,008	5,332	5,395	115
Realized gains on investments	114,622	57,642	8,493	3,987	183
Donation and other revenue (Note 7)	-	2,426	-	-	529
	<b>278,968</b>	<b>222,988</b>	<b>20,672</b>	<b>15,255</b>	<b>975</b>
<b>EXPENSES</b>					
Office and miscellaneous	16,726	14,251	1,233	986	23
Professional fees	5,066	4,381	373	303	7
Promotions and publications	8,575	4,360	632	301	11
Salaries and employee benefits	37,632	44,367	2,775	3,069	52
	<b>67,999</b>	<b>67,359</b>	<b>5,013</b>	<b>4,659</b>	<b>94</b>
<b>Surpluses before the following</b>	<b>210,969</b>	<b>155,629</b>	<b>15,659</b>	<b>10,596</b>	<b>881</b>
<b>Adjustments</b>					
Grants (Schedule 1)	111,917	154,688	-	10,000	155
Scholarships and Bursaries (Schedule 2)	5,000	-	7,500	5,000	67
Agency Endowment Fund distributions	-	-	-	-	2
<b>Grants, scholarships and bursaries</b>	<b>116,917</b>	<b>154,688</b>	<b>7,500</b>	<b>15,000</b>	<b>224</b>
<b>Surpluses (deficiency) of revenue over expenses, grants, scholarships and bursaries</b>	<b>94,052</b>	<b>941</b>	<b>8,159</b>	<b>(4,404)</b>	<b>657</b>
<b>Surpluses, beginning of year</b>	<b>3,178,943</b>	<b>3,282,856</b>	<b>234,265</b>	<b>227,058</b>	<b>4,764</b>
<b>Additional receipts (Note 7)</b>	<b>25,369</b>	<b>2,041</b>	<b>4,500</b>	<b>11,611</b>	<b>521</b>
<b>Transfer from (to) other funds</b>	<b>(104,286)</b>	<b>(106,895)</b>	<b>-</b>	<b>-</b>	<b>104</b>
<b>Surpluses, end of year</b>	<b>\$ 3,194,078</b>	<b>\$ 3,178,943</b>	<b>\$ 246,924</b>	<b>\$ 234,265</b>	<b>\$ 6,051</b>

The accompanying notes are an integral part of these financial statements.

## COMMUNITY FOUNDATION

### OF OPERATIONS AND FUND BALANCES

For the year ended December 31	2013	2014	Total 2013
<b>REVENUE</b>			
Capital gains on sale of securities	48,965	125,782	91,357
Dividend income	55,895	121,281	104,288
Interest income	96,334	192,429	179,737
Unrealized gains on investments	71,183	306,524	132,812
Donation and other revenue (Note 7)	455	529,157	2,881
	<u>272,832</u>	<u>1,275,173</u>	<u>511,075</u>
<b>EXPENSES</b>			
Office and miscellaneous	16,106	41,119	31,343
Professional fees	4,951	12,454	9,635
Promotions and publications	4,927	21,081	9,588
Wages and employee benefits	50,142	92,517	97,578
	<u>76,126</u>	<u>167,171</u>	<u>148,144</u>
<b>Earnings before the following</b>	<b>196,706</b>	<b>1,108,002</b>	<b>362,931</b>
<b>Deduct</b>			
Grants (Schedule 1)	118,824	267,233	283,512
Scholarships and Bursaries (Schedule 2)	35,750	80,000	40,750
Agency Endowment Fund distributions	8,705	2,902	8,705
<b>Total grants, scholarships and bursaries</b>	<u>163,279</u>	<u>350,135</u>	<u>332,967</u>
<b>Excess (deficiency) of revenue over expenses, grants, scholarships and bursaries</b>	<b>33,427</b>	<b>757,867</b>	<b>29,964</b>
<b>Fund balances, beginning of year</b>	<b>966,587</b>	<b>8,177,488</b>	<b>7,476,501</b>
<b>Capital receipts (Note 7)</b>	<b>657,371</b>	<b>558,347</b>	<b>671,023</b>
<b>Transfer from (to) other funds</b>	<u>106,895</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>764,280</u>	<u>9,493,702</u>	<u>8,177,488</u>



# THUNDER BAY COMMUNITY FOUNDATION

## STATEMENT OF CASH FLOWS

For the year ended December 31	Total 2014	Total 2013
<b>Cash provided by (used in) operating activities</b>		
Investment income received	\$ 313,710	\$ 284,025
Donor and other revenues received	529,157	2,881
Donor capital contributions received	558,347	671,023
Agency Endowment Fund distributions	(2,902)	(8,705)
Cash paid to suppliers and employees	(168,630)	(149,576)
Cash paid to grant and scholarship recipients	(347,233)	(324,262)
	882,449	475,386
<b>Cash provided by (used in) investment activities</b>		
Proceeds on disposal of investments	1,413,072	326,541
Purchase of investments	(2,323,563)	(860,046)
	(910,491)	(533,505)
<b>Net cash decrease during the year</b>	(28,042)	(58,119)
<b>Cash position, beginning of year</b>	91,741	149,860
<b>Cash position, end of year</b>	\$ 63,699	\$ 91,741

The accompanying notes are an integral part of these financial statements.

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# THUNDER BAY COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2014

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### General

Thunder Bay Community Foundation (the 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

The financial statements of the Foundation have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The more significant of the accounting policies are summarized below:

#### 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:

#### Unrestricted

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.

#### Internally Restricted

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 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 Trustees fund was established in 2013 upon receipt of the initial capital contributions. The initial funds are to be maintained in a separate trust fund. The fund was established to recognize contributions of Board Trustees. The Fund is to be used to support charitable activities of the Foundation.

#### Externally Restricted

The Agency Endowment Fund was established in 2008. Agency capital contributions are externally restricted and were matched by the Foundation using unrestricted capital until 2014. The funds are to be maintained in a separate trust fund. The fund is to be used to support the donor agencies.

The Named Grant and Scholarship Fund was established in 2006 upon the receipt of the first amount of designated funds from a named donor.

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# THUNDER BAY COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2014

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### 1. Significant accounting policies (continued...)

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.

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 Roy Seymour & 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 Shirley H. and Meredith O. Nelson Fund was established in 2006 by Deborah H. Kraft, the daughter of Mr. and Mrs. Nelson with a \$2,500 investment. The initial funds are to be maintained in a separate trust fund. The fund is to be used to support a scholarship in nursing/health care and donor directed grants.

The Margaret & Arnold Westlake Endowment for the Arts Fund was established in 2009 by Margaret and Arnold Westlake. The initial funds are to be maintained in a separate trust fund to be used to help foster new and innovative arts programs and organizations in Thunder Bay.

The Victor Stevenson Aviation Heritage Fund was established in 2010 upon receipt of \$200,000 from the Estate of Victor Stevenson. The initial funds are to be maintained in a separate trust fund. The fund is to be used to benefit the Northwestern Ontario Aviation Heritage Centre Inc.

The Hannah and Victor Stevenson Fund was established in 2010 upon receipt of \$800,000 from the Estate of Victor Stevenson. The initial funds are to be maintained in a separate trust fund. The fund is to be used to support arts and arts education.

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**THUNDER BAY COMMUNITY FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS****Year ended December 31, 2014**

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**1. Significant accounting policies (continued...)**

The Christopher Jean Memorial Fund was established in 2011 upon receipt of \$25,000 from Marcel Jean in memory of his son Christopher Jean. The initial funds are to be maintained in a separate trust fund. The fund is to be used to promote athletic activities and to relieve poverty in the City of Thunder Bay.

The Trevor Jonasson "Let Others Take Flight" Memorial Fund was established in 2012 to be used to assist individuals who are students or low time (250 hours) experience commercial pilots working toward a commercial pilot license and desire to work in the North of Canada.

The Donny Ritza Skills Development Endowment Fund was established in 2012 upon receipt of funds from the Estate of Lucy Ritza in memory of her son Donald Ritza to assist in the skills development of people who are mentally challenged.

The Ron & Diane Watson Donor Directed Fund was established in 2013 upon receipt of \$28,000. The initial funds are to be maintained in a separate trust fund. The fund is to be used for various grants to charities as directed.

The June Morgan MacDonald Bursary Fund was established in 2013 upon receipt of \$20,000. The initial funds are to be maintained in a separate trust fund. The fund is to be used to provide a bursary to a student in the District of Thunder Bay furthering their education and pursuing a career in applied arts and design.

The Keri Chase Memorial Animal Welfare Fund was established in 2013 upon receipt of \$145,000. The initial funds are to be maintained in a separate trust fund. The fund is to be used to provide grants to animal welfare charities in the District of Thunder Bay.

The Arthur Widnall Bursary Fund was established in 2013 upon receipt of \$110,000. The initial funds are to be maintained in a separate trust fund. The fund is to be used to provide bursaries to First Nation students pursuing studies at Confederation College or Lakehead University.

The Justice Ronald B. Lester Memorial Youth Fund was established in 2013 upon receipt of \$212,000. The initial funds are to be maintained in a separate trust fund. The fund is to be used to provide bursaries to students who demonstrate financial need and outstanding community service.

The Kelly and George Badanai Family Endowed Bursary Fund was established in 2014 upon receipt of \$50,000. The initial funds are to be maintained in a separate trust fund. The fund is to be used to provide support to charities as determined by the donors.

The JP Hudolin Endowed Family Fund was established in 2014 upon receipt of \$20,000. The initial funds are to be maintained in a separate trust fund. The fund is to be used to provide grants for community programs and services with a focus on accessibility and inclusivity for those living with a disability or limited mobility.

The Veena Lamba Scholarship for the Arts Fund was established in 2014 upon receipt of \$30,000. The initial funds are to be maintained in a separate trust fund. The fund is to be used to provide scholarships to students graduating from highschool in Thunder Bay and entering the Faculty of Arts with a major in painting at Lakehead University.

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# THUNDER BAY COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2014

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### 1. Significant accounting policies (continued...)

The James and Shirley Symington Family Fund was established in 2014 upon receipt of \$213,480. The initial funds are to be maintained in a separate trust fund. The fund is to be used to provide support to charities as determined by the donors.

The Carolyn and Jack Verhoeven Donor Advised Pass Through Fund was established in 2014 upon receipt of \$478,698. The initial funds are to be maintained in a separate trust fund. The fund is to be used to provide support to charities as determined by the donors.

The JSTS Fund was established in 2014 upon receipt of \$1,000. The initial funds are to be maintained in a separate trust fund. The fund is to be used to for the purpose of alleviating poverty among youth in the city of Thunder Bay and District of Thunder Bay.

#### *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.

#### *Contributed materials and services*

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

#### *Financial instruments*

##### **Measurement of financial instruments**

The Foundation initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for investments quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations and fund balances.

Financial assets measured at amortized cost include cash and interest-bearing bank accounts, accounts receivable, HST receivable and fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accruals.

#### **Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations and fund balance.

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# THUNDER BAY COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2014

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### 1. Significant accounting policies (continued...)

#### *Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accounts payable and accruals are estimated based on historical changes for unbilled goods and services at year end.

Deferred revenue is estimated based on management's review of revenue received, but unspent at year end.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses, grants, scholarships and bursaries in the periods 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) and the Agency Endowment Fund, 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. Expenses of the Agency Endowment Fund are limited to 1% of the value of the fund.

### 2. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

#### *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. To manage these risks, the Foundation has established a target mix of investment types designed to achieve the optimal return with reasonable risk tolerances.

The Foundation is exposed to interest rate risk with respect to marketable securities, which have interest rates ranging from 2.20% to 4.87% maturing March 2015 to May 2022.

#### *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation enters into transactions to purchase stocks in publicly traded companies, for which the market price fluctuates.

# THUNDER BAY COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2014

### 3. Commitments

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, 2014, the Foundation has allocated \$308,652 (2013 - \$202,367) of this commitment to the fund. As of December 31, 2014 the Foundation has ceased its matching program for the Agency Endowment Fund.

### 4. 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.

### 5. Marketable securities

	2014	2013
Provincial bonds, paying interest at rates ranging from 3.15% to 4.5%, maturing September 2015 to June 2020. (cost - \$1,069,875; 2013 - \$1,369,459)	\$ 1,118,711	\$ 1,434,637
Municipal bonds, paying interest at rates ranging from 2.5% to 4.55%, maturing May 2015 to June 2020. (cost - \$537,177; 2013 - \$537,177)	562,139	563,132
Corporate bonds and guaranteed investment certificates, paying interest at rates ranging from 2.20% to 4.87%, maturing March 2015 to May 2022. (cost - \$3,270,642; 2013 - \$3,050,735)	3,326,458	3,105,550
Stocks in publicly traded companies (cost - \$2,822,183; 2013 - \$2,099,654)	3,950,168	2,905,235
Mutual funds (cost - \$471,966; 2013 - \$78,091)	471,966	78,091
Total (cost - \$8,171,843; 2013 - \$7,135,116)	\$ 9,429,442	\$ 8,086,645

# THUNDER BAY COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2014

### 6. Fund Balances

			2014	2013
	Capital Contributions	Accumulated Surplus (Deficit)	Total	Total
<b>Externally Restricted</b>				
Agency Endowment Fund	\$ 601,475	\$ 73,031	674,506	\$ 424,675
Arthur Widnall Bursary Fund	110,000	3,546	113,546	106,514
Carolyn and Jack Verhoeven Donor Advised Pass Through Fund	-	423,330	423,330	-
Christopher Jean Memorial Fund	109,194	9,601	118,795	111,681
Donny Ritza Skills Development Endowment Fund	115,116	8,189	123,305	119,616
Dr. S. Penny Petrone Grant Fund	90,204	18,215	108,419	105,157
Hannah and Victor Stevenson Fund	951,885	193,207	1,145,092	1,100,439
J.A. McLean Scholarship Trust Fund	60,000	19,472	79,472	76,895
James and Shirley Symington Family Fund	213,480	9,146	222,626	-
Joshua Dyke Family Scholarship Trust Fund	201,000	16,737	217,737	209,880
JP Hudolin Endowed Family Fund	20,000	857	20,857	-
JSTS Fund	1,000	43	1,043	-
June Morgan MacDonald Bursary Fund	39,300	2,147	41,447	20,000
Justice Ronald B. Lester Memorial Youth Fund	212,103	32,310	244,413	212,103
Kelly and George Badanai Family Fund Endowed Bursary	50,200	2,151	52,351	-
Keri Chase Memorial Animal Welfare Fund	145,020	6,667	151,687	149,777
Margaret and Arnold Westlake Endowment for the Arts Fund	203,239	30,516	233,755	224,578
Named Grant and Scholarship Fund	32,895	(3,242)	29,653	19,998
Ontario Endowment for Children and Youth in Recreation Program	234,965	47,395	282,360	271,166
Robert Kerr Dewar M.D. Research Fund	45,000	121,879	166,879	158,889
Ron and Diane Watson Donor Directed Fund	28,080	17,158	45,238	28,080
Ross A. Wilson Education Fund	250,000	69,349	319,349	308,951
Roy Seymour & Geraldine Ruth Rogers Scholarship Fund	488,341	102,744	591,085	571,362
Shirley H. and Meredith O. Nelson Fund	397,500	42,284	439,784	353,449
Trevor Jonasson "Let Others Take Flight" Memorial Fund	27,305	4,171	31,476	29,526
Veena Lamba Scholarship for the Arts	30,000	1,285	31,285	-
Victor Stevenson Aviation Heritage Fund	205,000	(61,790)	143,210	161,544
	4,862,302	1,190,398	6,052,700	4,764,280
<b>Internally Restricted</b>				
Helen L. Dewar Scholarship Fund	175,632	58,282	233,914	226,463
President's Fund	5,250	1,776	7,026	6,592
Trustee's Fund	15,711	(9,727)	5,984	1,211
	196,593	50,331	246,924	234,265
<b>Unrestricted</b>				
General	2,164,900	1,029,178	3,194,078	3,178,943
	\$ 7,223,795	\$ 2,269,907	\$ 9,493,702	\$ 8,177,488



# THUNDER BAY COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2014

### 7. Grant revenue, capital receipts and donation revenue

	2014	2013
Donated capital receipts consist of the following:		
Estates	\$ -	\$ 59,805
Individuals	520,062	91,385
Organizations and corporations	38,285	519,833
	\$ 558,347	\$ 671,023
Donation revenue consists of the following:		
Individuals	\$ 529,157	\$ 777
Organizations and corporations	-	2,104
Government of Canada	-	-
	\$ 529,157	\$ 2,881

## THUNDER BAY COMMUNITY FOUNDATION

### SCHEDULE 1 - GRANTS

Year ended December 31, 2014

#### GRANTS

	2014 <i>(unaudited)</i>	2013 <i>(unaudited)</i>
Alzheimer Society of Thunder Bay	\$ 2,500	\$ 16,540
Avila Music School	10,000	
Boys & Girls Clubs of Thunder Bay		20,610
Canadian National Institute for the Blind (The)	5,000	
Canadian Red Cross	10,000	15,000
Children's Centre Thunder Bay		9,418
Community Arts and Heritage Education Project	5,000	5,000
Confederation College		3,000
Conservatory Canada	5,650	5,000
Drug Awareness Committee of Thunder Bay		16,995
Grace Ministries of Thunder Bay	6,437	3,873
Habitat for Humanity	55,368	11,000
Harbour Youth Services of Thunder Bay	3,000	3,000
Hearing Foundation of Canada (The)	5,000	
Hope Air	10,000	4,000
Hospice Northwest	2,500	5,600
Independent Living Resource Centre		7,900
John Howard Society (The)	22,815	4,800
Kitty Kare Thunder Bay	3,000	5,000
Lakehead Social Planning Council	2,500	3,590
Lakehead University	15,500	5,000
Little Lions Waldorf Daycare		750
Magnus Theatre		5,000
Marathon Highschool	5,000	
Multiple Sclerosis Society of Canada (The)	15,000	
New Hope Dog Rescue	1,000	
New Hope Youth Centre		1,200
Northern Hearts Thunder Bay		3,500
Northwestern Ontario Aviation Heritage Centre, Inc.	25,000	50,000
Northwestern Ontario Regional Science Fair		1,200
Our Kids Count		7,300
Precious Bundles Children's Clothing Assistance Program	2,615	1,638
Regional Food Distribution Association		8,812
Salvation Army (The)	6,758	
St. John's Ambulance		2,500
St. John Council for Ontario	5,000	
St. Thomas Anglican Church	6,500	3,500
Thunder Bay & District Humane Society	14,681	5,000
Thunder Bay Art Gallery		6,000
Thunder Bay Christmas Cheer Fund	1,000	
Thunder Bay Community Auditorium Foundation	3,000	
Thunder Bay Counselling Centre		5,000
Thunder Bay District Crime Stoppers		3,500
Thunder Bay Emergency Shelter	8,409	18,474
Thunder Bay Historical Museum Society		5,712
Thunder Bay Symphony Orchestra	5,000	4,000
Thunder Bay Symphony Youth Orchestra Association		600
Underground Gym and Youth Centre (The)	1,000	2,000
Wesway	3,000	2,500
<b>Total grants</b>	<b>\$ 267,233</b>	<b>\$ 283,512</b>

# THUNDER BAY COMMUNITY FOUNDATION

## SCHEDULE 2 - SCHOLARSHIPS AND BURSARIES

Year ended December 31, 2014

### SCHOLARSHIPS AND BURSARIES

	2014 <i>(unaudited)</i>	2013 <i>(unaudited)</i>
Aileen and Gertrude Lahti Scholarship Fund	\$ 2,500	\$ -
Roy Seymour and Geraldine Ruth Rogers Scholarship Fund	18,000	10,000
Helen L. Dewar Scholarship Fund	7,500	5,000
J.A. McLean Scholarship Trust Fund	2,500	2,250
Joshua Dyke Family Scholarship Trust Fund	6,000	5,000
Justice Ronald B. Lester Memorial Bursary Fund	10,000	-
Ross A. Wilson Education Fund	10,000	8,000
Shirley H. and Meredith O. Nelson Fund	5,000	4,500
The Superior North EMS Leslie Vance Bursary Fund	2,000	-
Thunder Bay Community Foundation Scholarship Fund	2,500	-
Victor Stevenson Aviation Scholarship Fund	4,000	-
Victor Stevenson Engineering Scholarship Fund	10,000	6,000
<b>Total scholarships and bursaries</b>	<b>\$ 80,000</b>	<b>\$ 40,750</b>