

IVEY FOUNDATION

ANNUAL REPORT 2010



IVEY FOUNDATION

IVEY FOUNDATION is a private charitable foundation located in Toronto, Canada. It was incorporated as The Richard Ivey Foundation on 31 December 1947 by the late Richard G. Ivey, Q.C.,LL.D., and his son Richard M. Ivey, C.C.,Q.C.,LL.D. The mission of the Foundation is to improve the well-being of Canadians by focusing its resources on selected issues of significance. Throughout its long and rich history, the Foundation has maintained a focus on the pursuit and support of excellence, but has embraced change as a necessary element in its evolution. Today, more than three-quarters of the Foundation's grant dollars support environmental sustainability with a primary focus on forest conservation in Canada.

DIRECTORS AND OFFICERS

Rosamond Ivey	<i>Chair</i>
Suzanne Ivey Cook	<i>Vice-Chair</i>
Bruce Lourie	<i>President</i>
Richard W. Ivey	<i>Secretary/Treasurer</i>
David Fillier	<i>Director of Finance</i>
Jennifer Ivey Bannock	
Rocco Rossi	<i>2005–2010</i>

HONOURARY DIRECTOR

Richard M. Ivey

STAFF

Bruce Lourie	<i>President</i>
Tim Gray	<i>Program Director</i>
Riti Mandal	<i>Executive Assistant /Office Manager</i>
Lara Ellis	<i>Program Officer (Part-time)</i>

CONSERVING CANADA'S FORESTS PROGRAM COMMITTEE MEMBERS

Suzanne Ivey Cook	<i>Committee Chair and Director, Ivey Foundation</i>
Jennifer Ivey Bannock	<i>Director, Ivey Foundation</i>
Tim Gray	<i>Program Director, Ivey Foundation</i>
Bruce Lourie	<i>President, Ivey Foundation</i>
David Love	<i>Executive Director, The Conservation Foundation of Greater Toronto</i>
Don Roberts	<i>Vice-Chairman in Wholesale Banking, and Managing Director in Investment Banking, CIBC World Markets Inc.</i>

Ivey Foundation relies on peer reviews of proposals from a large list of anonymous experts across Canada. We thank them kindly for their outstanding contributions to our decision-making process.

Foundation's Auditors: Cowperthwaite Mehta, Chartered Accountants
187 Gerrard Street East, Toronto, Ontario M5A 2E5



CHAIR'S & PRESIDENT'S REPORT

MILESTONES ARE MOUNTING at the Ivey Foundation: we are nearing sixty-five years “in business,” Ivey family Directors have guided twenty years of environmentally-focused grant strategies, Ivey Staff are approaching twenty years in environmental grantmaking and policy development, the Foundation’s sum total of environmental grants are now valued at more than one third of all grants made since our founding in 1948, and our primary granting program—*Conserving Canada’s Forests*—is nearing the end of its ten year life. With these in mind, it seems like a good time for reflection.

How has the environment evolved as an issue to Canadians? How have the environmental sector and its philanthropic support changed over the past two decades?

Twenty years ago, the economy was in the midst of recession, oil prices were spiking, interest in the environment had fallen precipitously in opinion polls, and environmental organizations were mostly small players, run largely on the goodwill of a handful of dedicated environmentalists, with support from an even smaller number of philanthropists ahead of their time.

In the face of this negative landscape, and after what may be described as the heyday of Canadian environmentalism through the 1980s, foundations and NGOs were anxious to get environmental issues back on the political agenda for the 1993 Federal election. It was to be an election that, arguably, would redefine modern Canadian politics: Chretien won his first majority, the Conservatives were obliterated winning only two seats, the Bloc Québécois became official opposition, and the NDP had one of its weakest showings of the century.

In the following decade, as the recession faded from view, Canadians held their interest in the environment as an important problem (just prior to the recession of 1990, the environment was cited as being the most important problem facing Canada according to at least one public opinion poll), but it remained off the top priority list being bested by health care for more than ten years following. On the other hand, the environmental community stayed focused on the future, gradually gaining capacity and greater expertise in delivering its messages. And while the 1990s began with barely five percent of Canada’s philanthropic dollars supporting environmental NGOs, a significant change was brewing.

Fast forward to 2011. Today, we are narrowly recovering from recession, oil prices are spiking, and not surprisingly, the environment was nowhere to be seen in the 2011 Federal election. It was an election that, again, rather redefined Canada’s political landscape: a first majority for the Conservatives, the NDP as official opposition, an historic loss for the Liberals and the obliteration of the Bloc. Most interesting, however, may be the weight of concern that the environment continues to play out in Canadians’ minds despite the recession: for the past six years it has polled ahead of health care and education as the first or second most important issue of concern.

And how is the environmental sector faring twenty years on? The answer is both simple, in that Canada has developed a significant group of well-seasoned environmental NGOs carrying out a wide variety of sophisticated, focused programs that are meeting targets and achieving goals, but also a bit cloudy in that the sector’s funding support is not where it needs to be.

To get behind that proposition, we need to examine the philanthropic scene. Environmental funding from foundations has grown meaningfully over the past decade. This is a function of both new foundations with environmental interests as well as growth in environmental

grants as a percent of total grants in a number of long-established foundations, including the Ivey Foundation. While environmental granting remains below the “top three” sector recipients of social services, education and health, data collected from Philanthropic Foundations Canada members suggest it to be consistently in a range of 11%–16% of all grant dollars, with aberrant years (such as 2008, when the proportion of environmental granting dollars leaped to 27%) collecting much larger amounts. The range clearly refutes a somewhat persistent notion that the environment represents only five percent of all grants.

On the other hand, philanthropic dollars in general are not keeping pace with charitable sector needs. The past ten years have seen only modest growth in the average assets of a typical foundation, while salaries, rents and other expenses have risen substantially for all organizations. More significantly, the Liberal government in 2004 decreased the minimum required disbursement quota of foundations by more than 20 percent (from 4.5 to 3.5 percent of average assets). While it would be difficult to calculate with any precision the net effect of these factors, it is safe to say that foundation grants in real dollars have fallen behind relative economic activity.

The irrefutable vigour of today’s environmental sector can be gleaned in part from the success of the Canadian Environmental Grantmakers’ Network [CEGN], which celebrates ten years of incorporation in 2011. When CEGN was first conceived, there were no more than a handful of funders present. Today there are sixty member foundations representing all but a few provinces and territories, as well as foundations from five U.S. states and one international member. Total assets of the membership exceed \$10 billion, with the U.S. and international members making up half that amount. On another front, interesting trends have appeared in environmental granting such as the move to fewer “general” grants, indicative of the increasingly focused and issue-based approach of foundations.

What does this mean for Canadians? Since polling shows that the environment continues to be a leading issue of concern among the public, economic downturn notwithstanding, we can interpret this modest shift toward environmental granting as a narrowing of the gap between philanthropy and public opinion. The past two decades of environmental grants have helped build capacity and sophistication in many of our ENGOS, and the response suggests that today’s philanthropy is a better reflection of the environmental concerns expressed by Canadians.

The bottom line is that we have seen important change in the environmental sector and its financial support in the past twenty years, and most of the change is positive. Despite the fact that the economy has had its ups and downs and foundation grant budgets are lower, environmental granting has experienced a major uptick. The health of the environment seems to have deeply rooted itself as a core value of Canadians, giving fuel to a robust group of environmental grantmakers. And while there are still major discrepancies between public concerns and foundation priorities, as the sector continues to professionalize and new foundations enter the scene, we can expect ongoing evolution of the field.

As we write this, record-breaking tornadoes are tearing up towns in the American south while forest fires burn through northern Alberta and flood waters drown Manitoba. Ultimately, it will take all the philanthropic dollars we have and more, together with ingenuity, innovation and unswerving commitment to solve the urgent challenges we face.

— Rosamond Ivey & Bruce Lourie



CONSERVING CANADA'S FORESTS

APPLIED SCIENCE GRANTS

BEACONS: Sharing Credible Scientific Concepts & Tools to Support Boreal Conservation

University of Alberta, Edmonton, \$25,000

Partnering with the Conservation Biology Institute on an internet ecosystem planning platform.

Incorporating BEACONS into Data Basin

Federation of Alberta Naturalists (Conservation Biology Institute), Edmonton, \$25,000

Assessing the feasibility of using ecosystem planning tools developed by the University of Alberta's BEACONS project within the Data Basin Project of the Conservation Biology Institute.

Development of Pan-boreal Indicators of Environmental Diversity for Assessing Current Protected Areas Representativeness & Future Protection Initiatives

University of British Columbia, Vancouver, \$50,000

Creating scientifically sound information about which boreal forest areas are unique and unrepresented in the existing protected area system.

Potential Effects of Biofuel Harvesting

University of Toronto, Faculty of Forestry, Toronto, \$90,000 (over three years)

Developing a more thorough understanding of the impact of biomass harvesting on forest ecosystems.

POLICY & LAW GRANTS

Advancing Large Scale Boreal Protection

Canadian Parks and Wilderness Society, Ottawa, \$150,000

Working with partners to implement the Canadian Boreal Forest Agreement.

Supporting Four First Nations in Northwestern Ontario

Centre for Indigenous Environmental Resources, Winnipeg, \$180,000

Providing expertise to First Nations regarding proposed land-use planning initiatives.

Wilderness Program

Ecology Action Centre, Halifax, \$60,000

Protecting forests through improved forest policy and working with a multi-stakeholder forum designed to reach consensus on protected areas.

Better Forest Management through a Renewed Approach to Forest Administration & Tenure

Muskoka Heritage (Westwind Forest Stewardship), Bracebridge, \$50,000

Improving public forest tenure through a new market-based model.

Important Bird Areas in the Boreal: Exploring Partnerships with the Hudson/James Bay Cree

Nature Canada, Ottawa, \$30,000

Assessing the feasibility of initiating an Important Bird Area (IBA) Caretakers program for the sixteen IBAs located in the James Bay and Hudson Bay Lowlands.

Upholding the Boreal Promise

Ontario Nature, Toronto, \$70,000

Supporting the implementation of new and existing legislation.

Building Conservation Momentum in Québec: 12%, 50% and Beyond

SNAP: La Société pour la nature et les parcs du Canada, Montréal, \$80,000

Increasing Québec's protected areas network.

Northern Development Forum: Planning at a Local & Regional Level

Sustainability Network, Toronto, \$52,000

Bringing together a diverse group of boreal community members to work together on economic and conservation projects.

Boreal Learning Network 2010–2011

Sustainability Network, Toronto, \$80,000

Capacity-building for Canadian ENGOS and First Nations communities working on boreal conservation.

Forestry with Caribou & Carbon in Mind

Wildlands League, Toronto, \$80,000

Working with conservation and industry allies to protect woodland caribou in Ontario.

Best Practices in Forest Carbon Management

World Wildlife Fund Canada, Toronto, \$58,000

Studying different forest management scenarios to determine their impact on carbon sequestration and storage, biodiversity, and operational costs.

MARKETS GRANTS

Realizing the Potential of Boreal Conservation

Tides Canada Foundation (Canopy), Vancouver, \$100,000

Promoting FSC-certified products and the Canadian Boreal Forest Agreement.

ForestEthics: Boreal Campaign

Tides Canada Foundation (ForestEthics), Vancouver, \$70,000

Collaborating with conservation and industry allies to implement the Canadian Boreal Forest Agreement.

STRATEGIC OPPORTUNITIES

Sustaining Member & Grantmakers Meeting

Canadian Environmental Grantmakers' Network, Toronto, \$10,000

Regional Land-use Planning Workshop

Ecology Action Centre, Halifax, \$8,000

Important Bird Areas in the Boreal: Exploring Partnerships with the Hudson/James Bay Cree

Nature Canada, Ottawa, \$49,000

Canadian Boreal Forest Agreement Secretariat

Tides Canada Foundation, Vancouver, \$100,000

Far North Act Aboriginal Outreach

Wildlands League, Toronto, \$25,000

International Congress for Conservation Biology 2010

University of Alberta, Edmonton, \$10,500

DIRECTOR-INITIATED

Earth System Evolution

Canadian Institute for Advanced Research, Toronto, \$300,000 (over three years)

Chase McEachern Tribute Fund

Heart and Stroke Foundation of Ontario, Toronto, \$15,000

Lightbox Building Campaign

Toronto International Film Festival, Toronto, \$25,000

PAYMENTS ON PREVIOUS GRANT COMMITMENTS

CONSERVING CANADA'S FORESTS

Federation of Alberta Naturalists (Global Forest Watch), Edmonton, \$150,000

Wildlife Conservation Society, Toronto, \$80,000

DIRECTOR-INITIATED

Royal Ontario Museum Foundation, Toronto, \$50,000



TREASURER'S REPORT

THE FOUNDATION'S INVESTMENT PORTFOLIO earned 8.2% in 2010, fuelled largely by the second half rally in Canadian stocks. With two very strong years for Canadian equities, which have been the best performing asset class in the Foundation's much diversified portfolio, the cumulative investment return for the past three years is now 5.4%, an amount which recoups the severe losses experienced in 2008.

Total assets grew 4% after all grants, charitable activities and expenses. We are pleased to report that we will continue to make grants in 2011 at the level of 4% of trailing assets. This amount is above the legal requirement in the interests of continued progression towards our conservation goals.

— Richard W. Ivey

COMPARATIVE MARKET VALUES AND ASSET MIX PERCENTAGES

31 DECEMBER 2010		31 DECEMBER 2009		
\$ 2,556,129	3.6%	\$ 2,118,632	3.1%	Cash, Receivables and Short-term Investments
\$ 19,347,134	26.9%	\$ 17,996,196	26%	Bonds and Debentures
\$ 23,208,074	32.3%	\$ 21,627,821	31.2%	Canadian Equities
\$ 13,176,259	18.3%	\$ 12,957,544	18.7%	US Equities
\$ 6,013,500	8.4%	\$ 6,894,260	10%	Non-North American Equities
\$ 7,568,156	10.5%	\$ 7,690,619	11.1%	Other Investments and Assets
\$ 71,869,315	100.0%	\$ 69,285,073	100.0%	Total

SUMMARY OF GRANTS

1948–2010

	Environment & Conservation	General/Director- Initiated	Total Grants Approved	Total Grants Paid
1948–2007	\$ 19,991,618	\$ 47,824,713	\$ 67,816,331	\$ 66,950,331
2008	\$ 1,398,043	\$ 215,000	\$ 1,613,043	\$ 2,241,543
2009	\$ 1,658,100 *	\$ 102,500	\$ 1,760,600	\$ 1,916,895
2010	\$ 1,452,500 *	\$ 340,000	\$ 1,792,500	\$ 1,812,500
	\$ 24,500,261	\$ 48,482,213	\$ 72,982,474	\$ 72,921,269

* Excluding grant-related expenses

AUDITORS' REPORT

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members,
Ivey Foundation

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2010, and the summary statement of operations and net assets for the year then ended, are derived from the audited financial statements of Ivey Foundation for the year ended December 31, 2010. We expressed an unmodified audit opinion on those financial statements in our report dated May 4, 2011. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Ivey Foundation.

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian generally accepted accounting principles.

AUDITOR'S RESPONSIBILITY Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

OPINION In our opinion, the summary financial statements derived from the audited financial statements of Ivey Foundation for the year ended December 31, 2010 are a fair summary of those financial statements, in accordance with Canadian generally accepted accounting principles.

Cowperthwaite Mehta

Chartered Accountants
Licensed Public Accountants
May 4, 2011
Toronto, Ontario

IVEY FOUNDATION
SUMMARIZED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	2010	2009
ASSETS		
Cash and cash equivalents	\$ 2,028,680	\$ 1,605,779
Accrued interest and amounts receivable	527,512	512,853
Marketable securities investments	61,744,967	59,475,822
Other investments and sundry assets	7,568,157	7,690,621
	71,869,316	69,285,075
LIABILITIES		
Accounts payable and accrued liabilities	188,294	106,235
Unpaid grants	260,000	280,000
	448,294	386,235
NET ASSETS		
Restricted	2,660,634	2,510,559
Unrestricted	68,760,388	66,388,281
	71,421,022	68,898,840
	71,869,316	69,285,075

**SUMMARIZED STATEMENT OF UNRESTRICTED
FUND REVENUE, EXPENDITURES AND GRANTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
REVENUE		
Investment income	\$ 2,816,150	\$ 2,867,809
Donations	5,211	403,637
	2,821,361	3,271,446
Realized gain (loss) on sale of investments	1,088,335	(634,486)
Change in market value of investments	1,592,544	7,396,482
	5,502,240	10,033,442
EXPENDITURES		
Operating Expenses	638,051	617,440
Investment management, custodial and audit fees	508,398	441,847
Grant related expenses	191,184	198,795
	1,337,633	1,258,082
	4,164,607	8,775,360
APPROVED PROGRAM GRANTS		
Conserving Canada's Forests	1,250,000	1,477,000
Strategic Opportunities	202,500	181,100
Director-Initiated	340,000	102,500
	1,792,500	1,760,600
EXCESS OF REVENUE OVER EXPENDITURES AND GRANTS	2,372,107	7,014,760

Copyright © 2011
Ivey Foundation
Photo Copyrights © 2011
Peter Sibbald Brown

ALL RIGHTS RESERVED

IVEY FOUNDATION
11 Church Street, Suite 400
Toronto, Ontario
M5E 1W1
Canada

Tel 416.867.9229
Fax 416.601.1689
www.ivey.org

Design & Photography
Peter Sibbald Brown

Old-growth Canadian
trees appear as follows:
Eastern White Pine
Eastern White Cedar
Honey-locust
White Ash

ISBN 978-0-9738182-6-0