

**THE HASTINGS AND PRINCE EDWARD  
LEARNING FOUNDATION  
FINANCIAL STATEMENTS  
AS AT AUGUST 31, 2011**

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
TABLE OF CONTENTS  
AS AT AUGUST 31, 2011**

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1-2
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	3
Statement of Operations and Changes in Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6-10

## INDEPENDENT AUDITORS' REPORT

To the Directors of  
The Hastings and Prince Edward Learning Foundation

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Hastings and Prince Edward Learning Foundation, which comprise the statement of financial position as at August 31, 2011 and the statements of operations and changes in 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 generally accepted accounting principles 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these assessments, the auditor considers internal control relevant to the Foundation'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 Foundation'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 Hastings and Prince Edward Learning Foundation derives revenue from donations and fund raising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenditures for the year, assets and net fund balances.

### **Qualified Opinion**

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Foundation as at August 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Wilkinson & Company LLP*

TRENTON, Canada  
December 15, 2011

Chartered Accountants  
Licensed Public Accountants

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT AUGUST 31, 2011**

**ASSETS**

	2011	2010
	\$	\$
<b>CURRENT</b>		
Cash and short-term investments	955,979	820,288
Accounts receivable	12,845	11,691
HST receivable	10,322	978
Prepaid expenses	-	283
	979,146	833,240
<b>ASSETS HELD IN TRUST - Note 7</b>	<b>76,069</b>	<b>-</b>
	<b>1,055,215</b>	<b>833,240</b>

**LIABILITIES**

**CURRENT**

Accounts payable	3,502	5,508
Accounts payable - SNP partners	183,569	189,384
Due to HPEDSB	187,242	120,968
Deferred revenue	-	4,150
	374,313	320,010
<b>TRUST LIABILITY - Note 7</b>	<b>76,069</b>	<b>-</b>
	450,382	320,010
<b>FUND BALANCES</b>	<b>604,833</b>	<b>513,230</b>
	<b>1,055,215</b>	<b>833,240</b>

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_ President  
\_\_\_\_\_ Treasurer

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED AUGUST 31, 2011**

	August 31 2011 \$	August 31 2010 \$
<b>REVENUES</b>		
Donations	133,825	149,389
Donations to school fundraisers	140,855	18,616
Fundraising	89,116	73,469
Gifts-in-kind	47,827	42,984
Interest	8,893	2,676
SNP - MCYS - lead agency funds	777,303	762,943
SNP - BCC - lead agency funds	58,825	-
Other	21,471	24,077
Sales	65,962	77,735
	<b>1,344,077</b>	<b>1,151,889</b>
<b>EXPENDITURES</b>		
Bank charges and interest	1,356	894
Fundraising	26,202	27,654
Gifts-in-kind	47,827	42,984
Memberships, insurance and professional development	2,814	4,929
Office - Note 6	22,490	5,373
Other	6,699	13,580
Professional fees	4,138	3,383
SNP lead agency and enhanced programs	556,657	435,436
Support to students and enhanced programs		
Food for Learning program	187,250	176,473
Restricted donations to schools	249,118	93,364
Kirk businesses	30,658	35,126
Quinte Regional Science & Technology Fair	9,415	18,939
Wages and Salaries	107,850	119,255
	<b>1,252,474</b>	<b>977,390</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>91,603</b>	<b>174,499</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>513,230</b>	<b>338,731</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>604,833</b>	<b>513,230</b>

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2011**

	<b>August 31 2011 \$</b>	<b>August 31 2010 \$</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	91,603	174,499
Adjustment for:		
(Increase) decrease in accounts receivable	(10,498)	(7,438)
(Increase) decrease in prepaid expenses	283	2,604
Increase (decrease) in accounts payable	64,268	73,013
Increase (decrease) in accounts payable - SNP partners	(5,815)	(6,788)
Increase (decrease) in deferred revenue	(4,150)	4,150
<b>CASH PROVIDED FROM OPERATING ACTIVITIES</b>	<b>135,691</b>	<b>240,040</b>
<b>CASH AND EQUIVALENTS - BEGINNING OF YEAR</b>	<b>820,288</b>	<b>580,248</b>
<b>CASH AND EQUIVALENTS - END OF YEAR</b>	<b>955,979</b>	<b>820,288</b>
<b>REPRESENTED BY:</b>		
Cash	838,035	768,213
GIC	117,944	52,075
	<b>955,979</b>	<b>820,288</b>

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**

**1. PURPOSE OF THE ORGANIZATION**

The Hastings and Prince Edward Learning Foundation is the registered charitable foundation established by The Hastings and Prince Edward District School Board to enhance public education by raising money for services and initiatives that could not otherwise be offered by the Board. The Hastings and Prince Edward Learning Foundation is a registered charity under the Income Tax Act.

The Hastings and Prince Edward Learning Foundation continues a partnership with the Hastings and Prince Edward District School Board to promote the education and development of students through three program opportunities: 1) The Kirk Café, 2) Kirk Catering and 3) Kirk Laminating. The Learning Foundation has the role of the business partner.

The Student Emergency Fund and Project Enhancement Fund have remained the means through which the Kirk Business profits are reinvested to support H.P.E.D.S.B. students.

The objective of the Student Emergency Fund is to provide immediate assistance to students and perhaps their families by providing financial aid and/or gifts in kind support. This funding could be used to purchase items such as eyeglasses, EpiPens, medical supplies, food and clothing, transportation, field trip subsidies and for other financial needs that result from family crises (fire, flood, layoffs, illness, etc).

The purpose of the Project Enhancement Fund is to encourage school staff to submit an application for funding of projects that provide innovative, unique and exciting enhancements to curriculum requirements. Projects must:

- 1) Enhance education opportunities for students
- 2) Support an initiative in Healthy Active Living, the Arts or Innovative Practices
- 3) Have a signature indicating review by a Principal and Superintendent
- 4) Indicate a specific purpose and period of time for the project
- 5) Lend itself to the completion of a project summary and to being publicly promoted.

The Student Emergency and the Project Enhancement Funds will receive a portion of their annual funding from the Kirk Student Program opportunities. Donations will also be sought for the two funds.

Food for Learning assists schools with the organization and funding of nutrition programs. There were 155 (2010 - 155) programs in Hastings and Prince Edward counties that served 691,588 (2010 - 577,572) meals and snacks to 11,624 (2010 - 10,498) students in the year ended August 31, 2011.

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**

**1. PURPOSE OF THE ORGANIZATION - (Cont'd)**

The Science and Technology Enhancement Fund provides monetary support for activities that encourage and promote the development of students' technological, science, and leadership skills. This includes the annual Quinte Regional Science and Technology Fair event which is open to all students in Hastings and Prince Edward Counties from Grade 4 to Grade 12 and is now funded through the Science and Technology Enhancement Fund.

The Learning Foundation is the Lead Agency for the Ministry of Child and Youth Services in South East Ontario. In this role, The Learning Foundation has the responsibility for the administration and the co-ordination of fundraising for school nutrition programs in a six-county area (Hastings and Prince Edward, Lennox and Addington, Frontenac, Lanark, Leeds and Grenville). In the year ended August 31, 2011, there were 623 (2010 - 620) programs that provided 2,808,404 (2010 - 2,393,763) meals and snacks to 45,658 (2010 - 40,126) students in South East Ontario.

The Learning Foundation has subcontracted services with four flow-through agencies and the community partnership groups they represent:

The Upper Canada Leger Centre (*Food for Thought*)  
The Food Sharing Project  
The Upper Canada Leger Centre (*Nutrition 4 Kids*)  
The Hastings and Prince Edward Learning Foundation (*Food for Learning*)

**2. ACCOUNTING POLICIES**

The financial statements of the Foundation have been prepared in accordance with Canadian generally accepted accounting principles. The following summary of significant account policies is set forth to facilitate the understanding of these financial statements:

**(a) Fund Accounting**

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board. Transfers between the funds are made when it is considered appropriate and authorized by the Board.

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**

**2. ACCOUNTING POLICIES - (Cont'd)**

**(a) Fund Accounting - (Cont'd)**

To meet the objectives of financial reporting and stewardship over assets, certain inter-fund transfers are necessary to ensure appropriate allocation of assets and liabilities to the respective funds. These inter-fund transfers are reported on the Statement of Operations and Changes in Fund Balances.

**(b) Capital Assets**

Capital expenditures are recorded at cost and are expensed in the same fiscal year.

**(c) Donations**

The Foundation follows the restricted fund method of accounting for contributions. Donations are recognized as revenue in the year received.

**(d) Income Taxes**

The Foundation has been registered with the Canada Revenue Agency as a charitable public foundation, and accordingly, is exempt from income taxes, provided it disburses its available funds as set out under the requirements of The Income Tax Act.

**(e) Pledges**

The amount of any pledges to donate funds to the Foundation is not included in revenue until such time as the funds are received.

**(f) Contributed Goods and Services**

A number of volunteers contribute a significant amount of their time each year to the Foundation. In addition, donations of food and supplies are received. Because of the difficulty of determining the fair value of contributed goods and services, they are not recognized in these financial statements. Where the fair value of contributed goods is readily determinable, the fair value of the contributed goods is recognized in the financial statements as a gift in kind.

**(g) Cash and Equivalents**

Cash and equivalents consist of cash on deposit and bank term deposits in money market instruments and GICs.

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**

**3. RELATED PARTY TRANSACTIONS**

The Hastings and Prince Edward District School Board provides the use of its premises to the Foundation without receiving consideration in exchange.

The Hastings and Prince Edward District School Board pays the remuneration of the Executive Director of the Foundation. The amount of remuneration paid by the Hastings and Prince Edward District School Board is not reflected in the financial statements of the Foundation.

The Hastings and Prince Edward District School Board also provides accounting services without receiving consideration in exchange.

**4. PLEDGES**

To August 31, 2011, the Foundation has outstanding pledges from corporate and municipal donors of \$150,000 to be flowed to specified schools.

**5. FINANCIAL INSTRUMENTS**

Financial instruments consist of accounts receivable, accounts payable, due to/from the Hastings and Prince Edward District School Board, and HST receivable. The carrying amounts approximate their fair market value due to the short-term maturity of these financial instruments. It is management's opinion that the company is not exposed to significant interest, currency or credit risks from these financial instruments.

**6. CONTRACTUAL OBLIGATION**

During the year, the Foundation entered into a contract with Digital Ideas Inc. to provide software development and support services for the WebTracker software, for a term expiring in 2013. Under the provisions of the agreement, the Foundation is committed to pay an initial fee of \$15,000 for the software and an annual maintenance fee of \$3,600 to the service provider for the duration of the agreement. The initial \$15,000 fee was paid during the year, and the balance is payable as follows:

April 2012	\$3,600
April 2013	\$3,600

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**

**7. ASSETS HELD IN TRUST**

The Foundation invests certain schools' funds on their behalf. The principal and interest accrued on these funds have been reflected in the financial statements and are payable to the school that advanced the funds.

**8. COMPARATIVE FIGURES**

Certain accounts in the prior year financial statements have been reclassified for comparison purposes to conform with the presentation adopted in the current year.