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**THE HASTINGS AND PRINCE EDWARD  
LEARNING FOUNDATION  
FINANCIAL STATEMENTS  
AS AT AUGUST 31, 2010**

**WILKINSON & COMPANY LLP**  
**Chartered Accountants & Tax Specialists Since 1964**

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**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
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## AUDITORS' REPORT

To the Members of  
The Hastings and Prince Edward Learning Foundation

We have audited the statement of financial position of The Hastings and Prince Edward Learning Foundation as at August 31, 2010 and the statements of operations and changes in fund balances and cash flows 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.

Except as explained in the following paragraph, 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 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.

In our opinion, except for the effect of adjustments, if any, which might have been determined to be necessary, had we been able to satisfy ourselves concerning the completeness of donations and fund raising events, as explained in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of The Hastings and Prince Edward Learning Foundation as at August 31, 2010 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  
October 25, 2010

Chartered Accountants  
Licensed Public Accountants

**WILKINSON & COMPANY LLP**  
Chartered Accountants & Tax Specialists Since 1964

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT AUGUST 31, 2010**

**ASSETS**

	2010	2009
	\$	\$
<b>CURRENT</b>		
Cash and short-term investments	820,288	580,248
Accounts receivable	11,691	3,695
GST receivable	978	1,536
Prepaid expenses	283	2,887
	833,240	588,366

**LIABILITIES**

<b>CURRENT</b>		
Accounts payable	5,508	17,139
Accounts payable - SNP partners	189,384	196,172
Due to HPEDSB	120,968	36,324
Deferred revenue	4,150	-
	320,010	249,635

<b>FUND BALANCES</b>	513,230	338,731
	833,240	588,366

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_ President

\_\_\_\_\_ Treasurer

The accompanying notes form an integral part of these financial statements

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED AUGUST 31, 2010**

	2010	2009
	\$	\$
<b>REVENUES</b>		
Donations	168,005	205,373
Fundraising	73,469	57,135
Gifts-in-kind	42,984	57,701
Interest	2,676	9,584
SNP - MCYS - lead agency funds	762,943	927,751
Other	24,077	20,269
Sales	77,735	79,658
	<b>1,151,889</b>	<b>1,357,471</b>
<b>EXPENDITURES</b>		
Bank charges and interest	894	720
Fundraising	27,654	24,045
Gifts-in-kind	42,984	57,701
Memberships, insurance and professional development	4,929	2,636
Office	7,258	6,945
Other	14,841	5,982
Professional fees	3,383	3,331
SNP lead agency flow through funds	435,436	633,836
Support to students and enhanced programs		
Food for Learning program	176,473	237,118
Restricted donations to schools	92,104	202,915
Kirk businesses	33,681	42,212
Quinte Regional Science & Technology Fair	18,498	17,952
Wages and salaries	119,255	110,836
	<b>977,390</b>	<b>1,346,229</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>174,499</b>	<b>11,242</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>338,731</b>	<b>327,489</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>513,230</b>	<b>338,731</b>

The accompanying notes form an integral part of these financial statements

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2010**

	<b>August 31 2010 \$</b>	<b>August 31 2009 \$</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	174,499	11,242
Adjustment for:		
(Increase) decrease in accounts receivable	(7,438)	1,374
(Increase) decrease in prepaid expenses	2,604	(2,887)
Increase (decrease) in accounts payable	73,013	(28,538)
Increase (decrease) in accounts payable – SNP partners	(6,788)	52,174
Increase in deferred revenue	4,150	-
<b>CASH PROVIDED FROM OPERATING ACTIVITIES</b>	<b>240,040</b>	<b>33,365</b>
<b>CASH AND EQUIVALENTS - BEGINNING OF YEAR</b>	<b>580,248</b>	<b>546,883</b>
<b>CASH AND EQUIVALENTS - END OF YEAR</b>	<b>820,288</b>	<b>580,248</b>
<b>REPRESENTED BY:</b>		
Cash	768,213	526,490
GIC	52,075	53,758
	<b>820,288</b>	<b>580,248</b>

The accompanying notes form an integral part of these financial statements

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**

**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 (2009 - 149) programs in Hastings and Prince Edward counties that served 577,572 (2009 - 685,900) meals and snacks to 10,498 students in the year ended August 31, 2010.

**THE HASTINGS AND PRINCE EDWARD LEARNING FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**

**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, 2010, there were 620 (2009 - 605) programs that provided 2,393,763 meals and snacks to 40,126 (2009 - 37,828) 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, 2010**

**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, 2010**

**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, 2010, the Foundation has outstanding pledges of \$500.

**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 above fees are payable as follows:

September 2010	\$7,500
April 2011	\$7,500
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, 2010**

**7. 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.