

Financial Statements of

**LIMESTONE LEARNING  
FOUNDATION**

Year ended December 31, 2009

# LIMESTONE LEARNING FOUNDATION

Financial Statements

Year ended December 31, 2009

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## AUDITORS' REPORT

To the Members

We have audited the statement of financial position of the Limestone Learning Foundation as at December 31, 2009 and the statements of operations and changes in net assets 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 the Limestone Learning Foundation, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Limestone Learning Foundation derives part of its revenue from donations, gifts in kind and non-receipted revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our examination of revenue from these sources was limited to accounting for the amounts recorded in the accounts of the Limestone Learning Foundation, and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses and grants, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue from donations, gifts in kind and non-receipted revenue referred to in the previous paragraph, these financial statements present fairly, in all material respects, the financial position of the Limestone Learning Foundation as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Kingston, Canada

January 29, 2010

# LIMESTONE LEARNING FOUNDATION

## Statement of Financial Position

December 31, 2009, with comparative figures for 2008

	2009	2008
<b>Assets</b>		
Cash	\$ 287,217	\$ 174,694
Investments (note 7)	718,478	535,740
Accounts receivable	26,710	26,957
Prepaid expenses	3,457	4,367
	<hr/>	<hr/>
	\$ 1,035,862	\$ 741,758
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 31,569	\$ 31,580
Deferred contributions (note 3)	87,636	26,321
Net assets:		
Endowments (note 4)	764,729	623,428
Unrestricted	151,928	60,429
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	916,657	683,857
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	\$ 1,035,862	\$ 741,758

See accompanying notes to financial statements.

On behalf of the Board:

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# LIMESTONE LEARNING FOUNDATION

## Statement of Operations

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
Revenue:		
Donations:		
Special events (note 5)	\$ 220,561	\$ 151,448
Direct mail	30,628	23,630
Churchill Grant	25,000	—
Other	89,350	81,213
	<u>365,539</u>	<u>256,291</u>
Contributions (deferred) recognized	(61,315)	39,875
Investment income	31,692	16,943
	<u>335,916</u>	<u>-313,109</u>
Expenses:		
Direct program expenses:		
Planned giving and year end campaign	1,877	2,456
Special events (note 5)	62,239	30,173
	<u>64,116</u>	
Administrative expenses:		
Salary and benefits	72,249	72,217
Professional fees	4,550	5,200
Office	13,683	20,267
	<u>90,482</u>	
Unrealized loss on investments designated as held for trading	—	49,777
	<u>154,598</u>	<u>180,090</u>
Excess of revenue over expenses	<u>181,318</u>	<u>133,019</u>
Grant disbursements:		
Literacy and numeracy, innovative practices, technology and arts	70,956	48,471
Churchill grant	5,887	25,360
Other grants	12,976	31,291
	<u>89,819</u>	<u>105,122</u>
Excess of revenue over expenses and grants	<u>\$ 91,499</u>	<u>\$ 27,897</u>

See accompanying notes to financial statements.

# LIMESTONE LEARNING FOUNDATION

## Statement of Changes in Net Assets

Year ended December 31, 2009, with comparative figures for 2008

	Endowment	Unrestricted	Total 2009	Total 2008
Net assets, beginning of year	\$ 623,428	\$ 60,429	\$ 683,857	\$ 546,284
Excess of revenue over expenses	–	91,499	91,499	27,897
Externally endowed contributions (note 4)	141,301	–	141,301	109,676
Net assets, end of year	\$ 764,729	\$ 151,928	\$ 916,657	\$ 683,857

See accompanying notes to financial statements.

# LIMESTONE LEARNING FOUNDATION

## Notes to Financial Statements

Year ended December 31, 2009

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The Foundation was incorporated under the applicable provisions of the Corporations Act (Ontario) on November 4, 1999 and received tax exempt status as a registered charity effective January 1, 2000. The Foundation's purpose is to receive and maintain funds and to apply these funds to promote the advancement of education within the geographic regions of the County of Frontenac and County of Lennox & Addington, in the Province of Ontario, by providing programs in literacy and numeracy, technology and innovative practices to maximize the learning potential and skill development of students.

### 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

#### (a) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions, which includes donations. Unrestricted contributions are recognized as revenue in the year when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which the related expenses are recognized. Pledges are recorded as revenue on a cash basis and accordingly not set up as assets in the financial statements.

Endowment contributions are recognized as direct increases in net assets in the year in which they are received.

Unrestricted investment income is recognized as revenue when earned.

#### (b) Investments:

Investments are designated as held for trading and are measured at fair value. Fair value is determined at quoted market prices. Purchases and sales of investments are recorded on the settlement date. Unrealized gains and losses on these held for trading investments are recorded in the statement of operations.

#### (c) 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

# LIMESTONE LEARNING FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2009

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## 2. Adoption of new accounting standards:

Effective January 1, 2009, the Foundation adopted the following Canadian Institute of Chartered Accountants ("CICA") amendments to the 4400 Section of the CICA Handbook:

### (a) Amendments to Accounting Standards that Apply Only to Not-For-Profit Organizations:

These amendments revised the financial statement presentation and disclosure requirements for not-for-profit organizations. Adoption of these recommendations had no significant impact on the financial statements for the year ended December 31, 2009.

### (b) Amendments to Section 1000, *Financial Statement Concepts*:

These amendments revised the definitions of assets and liabilities and removed the recognition of items as assets and liabilities solely on the basis of matching revenues and expenses. Adoption of these recommendations had no effect on the financial statements for the year ended December 31, 2009.

## 3. Deferred contributions:

Deferred contributions represent unspent resources externally restricted for various grant purposes specified by the donors.

## 4. Endowments:

Contributions restricted for endowments consist of restricted donations received by the Foundation and donations internally restricted by the board of directors, in the exercise of its discretion. The board of directors approved a motion to preserve the capital of the externally endowed funds in charging the current year earnings with an inflation factor.

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	Externally endowed	Internally endowed	2009 Total endowment	2008 Total endowment
Endowments, beginning of year	\$ 513,752	\$ 109,676	\$ 623,428	\$ 513,752
Contributions	124,651	–	124,651	109,676
Interest income	16,650	–	16,650	–
Endowments, end of year	\$ 655,053	\$ 109,676	\$ 764,729	\$ 623,428

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# LIMESTONE LEARNING FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2009

## 5. Special events:

During the year, the following special events were held to raise funds for general operations. Gross revenue and expenses related to these events are as follows:

	Gala Event		Golf Tournament		Other		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenue	\$ 141,028	\$ -	\$ 77,670	\$ 83,470	\$ 1,863	\$ 67,978	\$ 220,561	\$ 151,448
Expenses	46,867	34	15,372	17,806	-	12,333	62,239	30,173
	\$ 94,161	\$ (34)	\$ 62,298	\$ 65,664	\$ 1,863	\$ 55,645	\$ 158,322	\$ 121,275

## 6. Statement of cash flows:

The changes in cash flows are readily apparent from the financial statements and as such a statement of cash flows would not provide additional information.

## 7. Fair value of financial assets and financial liabilities:

The carrying value of the Foundation's cash, accounts receivable and accounts payable approximates their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand. Investments are recorded at fair value.