

Financial Statements of

**LIMESTONE LEARNING  
FOUNDATION**

Year ended December 31, 2023

# LIMESTONE LEARNING FOUNDATION

Financial Statements

Year ended December 31, 2023

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Limestone Learning Foundation

***Qualified Opinion***

We have audited the financial statements of Limestone Learning Foundation (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- that statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "***Basis for Qualified Opinion***" section of our auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

***Basis for Qualified Opinion***

In common with many not-for-profit organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at December 31, 2023 and December 31, 2022
- the donations revenue and excess (deficiency) of revenue over expenses reported in the statements of operations for the years ended December 31, 2023 and December 31, 2022
- the net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended December 31, 2023 and December 31, 2022



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- the excess (deficiency) of revenue over expenses reported in the statements of cash flows for the years ended December 31, 2023 and December 31, 2022

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **“Auditor’s Responsibilities for the Audit of the Financial Statements”** section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

### ***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our qualified opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



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We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our qualified opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

March 25, 2024

# LIMESTONE LEARNING FOUNDATION

## Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash	\$ 152,082	\$ 266,558
Accounts receivable (note 3)	13,897	29,064
Prepaid expenses	6,157	5,582
	<u>172,136</u>	<u>301,204</u>
Investments (note 2)	2,044,593	2,042,766
	<u>\$ 2,216,729</u>	<u>\$ 2,343,970</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 12,199	\$ 8,140
Deferred revenue	12,100	23,995
	<u>24,299</u>	<u>32,135</u>
Net assets:		
Endowments (note 5)	1,672,195	1,880,203
Unrestricted	520,235	431,632
	<u>2,192,430</u>	<u>2,311,835</u>
	<u>\$ 2,216,729</u>	<u>\$ 2,343,970</u>

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, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Donations:		
Special events (note 7)	\$ 71,633	\$ 68,610
Direct mail	—	650
Churchill Grant	20,000	2,791
Other	47,161	37,063
	<u>138,794</u>	<u>109,114</u>
Investment income (loss) (note 6):		
Investment income	65,894	108,941
Unrealized gain (loss) on investments	48,811	(157,496)
	<u>114,705</u>	<u>(48,555)</u>
	<u>253,499</u>	<u>60,559</u>
Expenses:		
Direct program expenses:		
Special events (note 7)	30,740	22,617
Administrative expenses:		
Salary and benefits	20,133	—
Professional fees	14,870	9,557
Office	20,437	23,411
	<u>55,440</u>	<u>32,968</u>
Total expenses	<u>86,180</u>	<u>55,585</u>
Excess of revenue over expenses before grant disbursements	167,319	4,974
Grant disbursements:		
Literacy and numeracy, innovative practices, technology and arts	52,141	83,678
Churchill Grant	20,000	2,791
Other grants	6,575	7,175
	<u>78,716</u>	<u>93,644</u>
Excess (deficiency) of revenue over expenses	<u>\$ 88,603</u>	<u>\$ (88,670)</u>

See accompanying notes to financial statements.

# LIMESTONE LEARNING FOUNDATION

## Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

	Endowment	Unrestricted	Total 2023	Total 2022
Net assets, beginning of year	\$ 1,880,203	\$ 431,632	\$ 2,311,835	\$ 2,400,280
Excess (deficiency) of revenue over expenses	–	88,603	88,603	(88,670)
Externally endowed contributions (note 5)	–	–	–	225
Distribution of endowments	(208,008)	–	(208,008)	–
<b>Net assets, end of year</b>	<b>\$ 1,672,195</b>	<b>\$ 520,235</b>	<b>\$ 2,192,430</b>	<b>\$ 2,311,835</b>

See accompanying notes to financial statements.

# LIMESTONE LEARNING FOUNDATION

## Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 88,603	\$ (88,670)
Item not involving cash:		
Change in fair value of investments	(48,811)	157,496
Change in non-cash operating working capital:		
Accounts receivable	15,167	(887)
Prepaid expenses	(575)	(1,121)
Accounts payable and accrued liabilities	4,059	1,410
Deferred revenue	(11,895)	(2,690)
	46,548	65,538
Investing activities:		
Redemption (purchase) of investments	46,984	(84,412)
Endowment contributions reported as direct increase in net assets	—	225
Distribution of endowments	(208,008)	—
	(161,024)	(84,187)
Decrease in cash	(114,476)	(18,649)
Cash, beginning of year	266,558	285,207
Cash, end of year	\$ 152,082	\$ 266,558

See accompanying notes to financial statements.

# LIMESTONE LEARNING FOUNDATION

Notes to Financial Statements

Year ended December 31, 2023

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The Limestone Learning Foundation (“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 Corporation of the City of Kingston, 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 accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

### (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.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

### (b) Financial instruments:

Financial instruments, including investments, are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

# LIMESTONE LEARNING FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (b) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (c) Investment income:

Investment income, which is recorded on the accrual basis, includes dividends, interest and realized gains and losses, net of investment fees.

### (d) Use of estimates:

The preparation of the financial statements 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 year. Actual results could differ from those estimates.

## 2. Investments:

	2023	2022
Fixed income	\$ 825,103	\$ 874,670
US equities	135,447	139,244
Canadian equities	1,084,043	1,028,852
	<u>\$ 2,044,593</u>	<u>\$ 2,042,766</u>

# LIMESTONE LEARNING FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

### 3. Accounts receivable:

	2023	2022
Accrued revenue	\$ –	\$ 17,454
HST receivable	2,798	2,090
Interest receivable	11,099	9,520
	<u>\$ 13,897</u>	<u>\$ 29,064</u>

No allowance for impairment of accounts receivable has been recorded at December 31, 2023 (2022 - \$Nil).

### 4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$Nil (2022 - \$Nil), which includes amounts payable for harmonized sales tax and payroll-related taxes.

### 5. 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.

	Externally endowed	Internally endowed	2023 Total endowment	2022 Total endowment
Endowments, beginning of year	\$ 1,687,459	\$ 192,744	\$ 1,880,203	\$ 1,879,978
Contributions	–	–	–	225
Distributions	(208,008)	–	(208,008)	–
Endowments, end of year	<u>\$ 1,479,451</u>	<u>\$ 192,744</u>	<u>\$ 1,672,195</u>	<u>\$ 1,880,203</u>

During the year, the Foundation obtained agreement from donors to disburse endowment principal which amounted to \$208,008.

# LIMESTONE LEARNING FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 6. Investment income (loss):

	2023	2022
Dividends	\$ 52,049	\$ 58,105
Interest income	42,737	27,842
Realized gains	(11,627)	29,176
Investment fees	(14,525)	(15,505)
Foreign exchange on USD balance	(2,740)	9,323
Change in fair value	48,811	(157,496)
	<u>\$ 114,705</u>	<u>\$ (48,555)</u>

## 7. Special events:

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

	Golf Tournament		Other		Total	
	2023	2022	2023	2022	2022	
Revenue	\$ 68,921	\$ 65,966	\$ 2,712	\$ 2,644	\$ 71,633	\$ 68,610
Expenses	28,245	20,185	2,495	2,432	30,740	22,617
Excess of revenue over expenses	\$ 40,676	\$ 45,781	\$ 217	\$ 212	\$ 40,893	\$ 45,993

## 8. Financial risks:

The Foundation manages its investment portfolio to earn investment income and invests according to a Board policy. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Foundation believes that it is not exposed to significant interest-rate, market, credit or cash flow risk arising from its financial instruments.

Additionally, the Foundation believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments. The fixed income securities yield interest between 2.41% and 5.55% and have maturities ranging from October 18, 2024 to May 3, 2032.

Investments that trade in foreign markets are exposed to currency risk as the price in local terms on the foreign stock exchange is converted to Canadian dollars to determine fair value. The Foundation's overall currency positions are monitored regularly by the portfolio manager.

There has been no change to the risk exposures from 2022.

# LIMESTONE LEARNING FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

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**9. Comparative information:**

Certain comparative information has been reclassified to conform to the financial statement presentation adopted for 2022.