

**LAUBACH LITERACY ONTARIO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009**

LAUBACH LITERACY ONTARIO

MARCH 31, 2009

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AUDITORS' REPORT

To the Directors
Laubach Literacy Ontario:

We have audited the statement of financial position of Laubach Literacy Ontario as at March 31, 2009, and the statement of revenue and expenditure and fund balance for the year then ended. These financial statements are the responsibility of the organization'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 have 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 non-profit entities, the organization derives revenue from donations and sundry receipts, the completeness of which is not susceptible of audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenditures, assets and surplus.

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 the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2009 and the results of operations and changes in financial position of the organization for the year then ended, in accordance with Canadian generally accepted accounting principles.

Guelph, Ontario
May 6, 2009

Curtis Villar
Professional Corporation
CURTIS-VILLAR PROFESSIONAL CORPORATION
Chartered Accountants
Authorized to practise public accounting by the Institute of
Chartered Accountants of Ontario

**LAUBACH LITERACY ONTARIO
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2009**

	2009	2008
ASSETS		
Current		
Cash	\$ 82,438	\$ 43,185
Short-term investments	10,000	80,622
Accounts receivable	96,031	13,070
Prepaid expenses	13,231	926
Inventory	<u>604</u>	<u>0</u>
	<u>\$202,304</u>	<u>\$137,803</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 22,347	\$ 11,903
Deferred revenue (Note 3)	<u>98,075</u>	<u>74,680</u>
	<u>120,422</u>	<u>86,583</u>
FUND BALANCES		
Fund Balances		
General fund balance	81,382	50,216
Designated funds (Note 4)	<u>500</u>	<u>1,004</u>
	<u>81,882</u>	<u>51,220</u>
	<u>\$202,304</u>	<u>\$137,803</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

LAUBACH LITERACY ONTARIO
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2009

	Ministry of Training, Colleges & Universities	Ministry of Training, Colleges & Universities	National Office of Literacy and Learning	Trillium	General	Total 2009	Total 2008
Revenue							
Grants	\$ 80,000	\$ 102,650	\$ 79,529	\$ 113,293	\$ 0	\$ 375,472	\$ 229,186
Donations	0	0	0	0	66,941	66,941	11,150
Book sales	0	0	0	0	35,107	35,107	10,350
Other income	0	0	0	0	19,804	19,804	10,592
Conference registration fees	0	0	0	0	5,896	5,896	20,585
Interest	0	0	0	0	2,585	2,585	1,821
Memberships	0	0	0	0	2,550	2,550	2,600
Fundraising	0	0	0	0	150	150	104
Total Revenue	<u>80,000</u>	<u>102,650</u>	<u>79,529</u>	<u>113,293</u>	<u>133,033</u>	<u>508,505</u>	<u>286,388</u>
Expenditures							
Salaries and benefits	52,227	9,577	32,813	6,561	2,043	103,221	116,733
Pro Literacy	0	0	0	0	62,032	62,032	6,872
Subcontractor	3,402	28,953	23,130	74,194	0	129,679	47,405
Books	0	0	0	0	33,219	33,219	3,043
Conference	0	33,162	0	0	0	33,162	19,258
Honorarium	0	11,648	6,850	25,900	0	44,398	15,130
Project administrative costs	0	12,008	0	1,280	0	13,288	10,539
Office expenses and computer supplies	1,413	1,109	3,249	258	1,319	7,348	5,508
Website	3,000	1,000	2,700	0	290	6,990	9,500
Board meeting expenses	4,542	1,455	535	0	0	6,532	8,248
Rent and utilities	4,073	0	1,198	0	0	5,271	5,263
Publications and reports	514	3,169	942	0	465	5,090	5,487
Telephone	1,891	85	1,287	636	439	4,338	4,165
Professional fees	2,676	0	1,358	0	0	4,034	5,326
Travel	467	42	2,501	4,457	275	7,742	4,262
Reference materials, focus groups and meetings	1,338	212	1,310	0	264	3,124	1,307
Training	1,134	133	0	0	598	1,865	650
Member support	1,070	0	0	0	592	1,662	3,148
Insurance	1,169	0	375	0	0	1,544	1,545
Professional development	230	0	566	0	252	1,048	324
Professional memberships	279	0	490	0	0	769	672
Courier and postage	470	0	225	7	68	770	2,027
Publicity	105	97	0	0	11	213	347
Donations and gifts	0	0	0	0	0	0	0
Total Expenditures	<u>80,000</u>	<u>102,650</u>	<u>79,529</u>	<u>113,293</u>	<u>101,867</u>	<u>477,339</u>	<u>276,759</u>
Other Income and Expenditures							
Interest earned	7	22	0	0	0	29	53
Interest owing	7	22	0	0	0	29	53
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Surplus for the year	0	0	0	0	31,166	31,166	9,629
Fund balance, beginning of year	0	0	0	0	50,216	50,216	40,587
Fund balance, end of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>81,382</u>	<u>81,382</u>	<u>50,216</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

**LAUBACH LITERACY ONTARIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2009**

	2009	2008
Cash flows from operating activities		
Excess of revenue over expenditure	\$ <u>31,166</u>	\$ <u>9,629</u>
Changes in non-cash working capital		
Accounts receivable	(82,961)	496
Term deposits	70,622	(49,240)
Prepaid expenses	(12,305)	500
Inventory	(604)	0
Accounts payable and accrued liabilities	10,444	6,436
Deferred revenue	23,395	55,546
Suzy Harris	<u>(504)</u>	<u>(1,153)</u>
	<u>8,087</u>	<u>12,585</u>
Cash from operations	<u>39,253</u>	<u>22,214</u>
Cash flows from financing activities		
Increase (decrease) in cash for the year	39,253	22,214
Cash (bank overdraft), beginning of year	<u>43,185</u>	<u>20,971</u>
Cash (bank overdraft), end of year	\$ <u>82,438</u>	\$ <u>43,185</u>
Cash and Cash Equivalents, end of year consists of:		
Cash	\$ <u>82,438</u>	\$ <u>43,185</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009**

1. Operations and Significant Accounting Policies

Laubach Literacy Ontario is a not-for-profit volunteer provincial association that supports Laubach affiliated community-based literacy agencies in Ontario. The organization is a registered charity under the Federal Income Tax Act.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for such not-for-profit organizations. The significant accounting policies are as follows:

(a) Revenues and Expenditures

Ministry of Training, Colleges & Universities funding for core operations and field development projects and National Office of Literacy and Learning projects and interest revenue and expenditures are recorded using accrual basis of accounting. Memberships, donations, fundraising, training, annual/conference, and other workshops revenues are recorded when received.

(b) Property, Plant and Equipment

Property, plant and equipment are expensed in the year of purchase in order to conform with program budgets and government assistance.

(c) Donated Materials and Services

Donated services are difficult to evaluate as the organization depends heavily upon volunteers and therefore are not recorded in the financial statements. Donated materials are recorded when a fair market value can be evaluated.

(d) Designated Funds

Designated funds represent monies which have been allocated for a specific use and are not available for the general operation of the association.

(e) Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires that the board make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**LAUBACH LITERACY ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009**

2. Corporate Income Taxes

The organization is a non-profit organization and is therefore exempt from corporate income taxes.

3. Deferred Revenue

	2009	2008
Adult Learning, Literacy and Essential Skills Program	\$ 0	\$(2,238)
Employment Ontario Network	0	18,751
Linking Laubach with Essential Skills	0	32,799
Ontario Trillium Foundation	<u>20,675</u>	<u>25,368</u>
	20,675	74,680
Laubach Literacy Ontario Conference 2009	<u>77,400</u>	<u>0</u>
	<u>\$98,075</u>	<u>\$74,680</u>

4. Designated Funds

	Revenue	Expenses	2009 Fund Balance	2008 Fund Balance
Suzy Harris Fund	\$ 0	\$ 504	\$ -	\$ 504
Book Loan Fund	<u>0</u>	<u>0</u>	<u>500</u>	<u>500</u>
	<u>\$ 0</u>	<u>\$ 504</u>	<u>\$ 500</u>	<u>\$ 1,004</u>
Suzy Harris Fund				

This fund was established in memory of Suzy Harris and is to be used for Practitioners training purposes that would be consistent with the mission statement of the Laubach Literacy Ontario.

Book Loan Fund

This fund was set up to temporarily lend new councils \$500 which enables them to purchase books for their library. The money is to be returned when they have the funds.

**LAUBACH LITERACY ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009**

5. Project Summary

	Revenue	Expense	Surplus (Deficit)	2009 Project Balance	2008 Project Balance
Integrating Essential Skills	\$ 79,529	\$ 91,834	\$ (12,305)	\$ (12,305)	\$ (2,238)
Employment Ontario Network	\$ 69,851	\$ 69,851	\$ 0	\$ 0	\$ 18,751
Linking Laubach with Essential Skills	32,799	32,799	0	0	32,799
Ontario Trillium Foundation	133,968	113,293	20,675	20,675	25,368
Making Essential Skills Work for You	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$316,147</u>	<u>\$307,777</u>	<u>\$ 8,370</u>	<u>\$ 8,370</u>	<u>\$ 74,680</u>

6. Financial Instruments

The organization's financial instruments consist of cash, marketable securities, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.