

**Learning Disabilities Association
of Ontario**

Report And Financial Statements

March 31, 2009

Learning Disabilities Association of Ontario

Index To Financial Statements

MARCH 31, 2009

	Page
Auditors' Report	1.
Financial Statements:	
Statement of Revenues and Expenses	2.
Statement of Changes in Net Assets	3.
Statement of Financial Position	4.
Statement of Cash Flows	5.
Notes to the Financial Statements	6. – 12.

**BEALE
WALLINGTON
CHONG LLP**

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
www.bwccas.com

Auditors' Report

**To the Directors of
Learning Disabilities Association of Ontario**

We have audited the statement of financial position of the **Learning Disabilities Association of Ontario** as at March 31, 2009 and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. 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 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 overall 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 Association derives a portion of its revenues from fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of fundraising revenues was limited to the amounts recorded in the records of the Association and we were unable to determine whether any adjustments might be necessary to fundraising revenues, excess of revenues over expenses, assets and fund balances.

In our opinion, except for the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2009 and the results of its operations and the changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Beale Wallington Chong

Markham, Ontario
June 10, 2009

**CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**

1.

WEST TORONTO
24 The East Mall, Unit 8
Etobicoke, Ontario
M8W 4W5
Phone: 416-291-2561
Fax: 416-291-2754
email: bwccwest@attglobal.net

EAST TORONTO
820 Denison Street, Unit 1
Markham, Ontario
L3R 3K5
Phone: 905-475-1116
Fax: 905-475-2290
email: bwccast@on.aibn.com

LEARNING DISABILITIES ASSOCIATION OF ONTARIO

Statement of Revenues and Expenses

FOR THE YEAR ENDED MARCH 31,

2009 2008

	Ministry of Education				Operating Programs and Administration	Total
	Web-Based Teaching Tool (WBTT)	Individual Education Plan (IEP)	Trillium Foundation	Total		
REVENUES:						
Government and other grants	\$1,118,378	\$65,000	\$61,400	-	\$1,244,778	\$ 1,557,619
Fundraising	-	-	-	302,108	302,108	275,982
Sales and fees	-	-	-	15,475	15,475	20,611
Membership fees	-	-	-	27,217	27,217	24,925
Nevada gaming revenues	-	-	-	103,030	103,030	104,497
Other revenues	-	-	-	9,095	9,095	28,203
	1,118,378	65,000	61,400	456,925	1,701,703	2,011,837
EXPENSES:						
Salaries and benefits	281,737	48,450	9,200	77,917	417,304	353,737
Consulting and professional fees	310,615	-	52,200	119,430	482,245	500,957
Occupancy and office expenses	120,332	6,293	-	54,135	180,760	176,557
Insurance	2,917	-	-	28,280	31,197	22,263
Travel, meetings and conferences	136,375	-	-	3,776	140,151	161,923
Nevada gaming expenses	-	-	-	51,961	51,961	64,616
Amortization	3,706	-	-	2,720	6,426	22,781
Printing and communications	2,613	-	-	2,665	5,278	38,559
Program supplies, resources and subscriptions	38	-	-	1,903	1,941	1,177
Other expenses	-	3,874	-	-	3,874	11,713
Advertising and promotions	-	-	-	-	-	3,951
Special events	-	-	-	49,200	49,200	22,520
Development and research	239,966	10,500	-	-	250,466	386,199
Evaluation	69,424	5,000	-	-	74,424	-
Chapter development	-	-	-	25,385	25,385	-
Adult services	-	-	-	2,898	2,898	-
Information services	-	-	-	25,684	25,684	-
Communique	-	-	-	19,792	19,792	-
Education	-	-	-	6,507	6,507	-
	1,167,723	74,117	61,400	472,253	1,775,493	1,766,953
(Deficiency) excess of revenue over expenses	\$ (49,345)	\$ (9,117)	\$ -	\$ (15,328)	\$ (73,790)	\$ 244,884

(The accompanying notes form an integral part of these financial statements)

Learning Disabilities Association of Ontario

Statement of Changes in Net Assets

FOR THE YEAR ENDED MARCH 31,					2009	2008
	Invested in Capital Assets	Unrestricted	Restricted		Net Assets	Net Assets
			WBTT	IEP		
Balance, beginning of year	\$ 25,876	\$ 289,878	\$ 190,571	\$ 9,117	\$ 515,442	\$ 270,558
(Deficiency) excess of revenues over expenses	(6,426)	(8,902)	(49,345)	(9,117)	(73,790)	244,884
Balance, end of year	\$ 19,450	\$ 280,976	\$ 141,226	\$ -	\$ 441,652	\$ 515,442

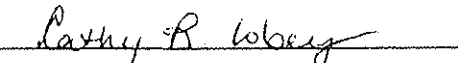
(The accompanying notes form an integral part of these financial statements)

Learning Disabilities Association of Ontario

Statement of Financial Position

AS AT MARCH 31,	2009	2008
ASSETS		
CURRENT:		
Cash and short term investments	\$ 356,652	\$ 496,201
Accounts receivable	209,406	128,157
Prepaid expenses and deposits	<u>21,243</u>	<u>18,846</u>
	<u>587,301</u>	<u>643,204</u>
CAPITAL ASSETS (note 5)	<u>19,450</u>	<u>25,876</u>
	<u>\$ 606,751</u>	<u>\$ 669,080</u>
LIABILITIES		
CURRENT:		
Accounts payable and accrued liabilities	\$ 104,296	\$ 143,458
Deferred revenue (note 6)	<u>60,803</u>	<u>10,180</u>
	<u>165,099</u>	<u>153,638</u>
NET ASSETS		
Invested in capital assets	19,450	25,876
Unrestricted	280,976	298,995
Externally restricted	<u>141,226</u>	<u>190,571</u>
	<u>441,652</u>	<u>515,442</u>
	<u>\$ 606,751</u>	<u>\$ 669,080</u>

APPROVED ON BEHALF OF THE BOARD:

 Director
 _____ Director

(The accompanying notes form an integral part of these financial statements)

Learning Disabilities Association of Ontario

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31,	2009	2008
Cash provided by (used in):		
Operating activities:		
(Deficiency) excess of revenues over expenses	\$ (73,790)	\$ 244,884
Add items not requiring current cash:		
Amortization and depreciation	<u>6,426</u>	<u>22,781</u>
	(67,364)	267,665
Changes in non-cash working capital items:		
(Increase) decrease in:		
Accounts receivable	(81,249)	(19,603)
Inventory	-	564
Prepaid expenses and deposits	(2,397)	942
Increase (decrease) in:		
Accounts payable and accrued liabilities	(39,162)	61,218
Deferred revenue	<u>50,623</u>	<u>(20,849)</u>
Cash (used in) provided by operating activities	<u>(139,549)</u>	<u>289,937</u>
Financing activities:		
Net decrease in obligation under capital lease	<u>-</u>	<u>(7,161)</u>
(Decrease) increase in cash during the year	(139,549)	282,776
Cash and cash equivalents, beginning of year	<u>496,201</u>	<u>213,425</u>
Cash and cash equivalents, end of year	<u>\$ 356,652</u>	<u>\$ 496,201</u>
 Comprised of:		
Cash	\$ 356,652	\$ 196,201
Short term investments	<u>-</u>	<u>300,000</u>
	<u>\$ 356,652</u>	<u>\$ 496,201</u>

(The accompanying notes form an integral part of these financial statements)

Learning Disabilities Association of Ontario

Notes To The Financial Statements

FOR THE YEAR ENDED MARCH 31, 2009

1. NATURE OF OPERATIONS

Learning Disabilities Association of Ontario ("LDAO") is a volunteer-based, not-for-profit organization which, since 1963, has been dedicated to representing the interests of children, youth and adults with learning disabilities. LDAO's primary activities, in partnership with its chapters, are to advance research, provide relevant information and gather and develop current resource materials pertaining to learning disabilities. The financial statements do not include the net assets, results and cash flows of the chapters.

LDAO is a registered charity within the meaning of the Income Tax Act (Canada) and is therefore exempt from income taxes and may issue receipts for charitable donations for income tax purposes.

2. CHANGE IN ACCOUNTING POLICY

Effective April 1, 2008, the Association has retroactively, without restatement, adopted the requirement of new CICA Handbook Section 1506 – "Accounting Changes", Section 1535 – "Capital Disclosures", Section 3855 – "Financial Instruments – Recognition and Measurement" and Sections 3862 and 3863 – "Financial Instruments - Disclosure and Presentation". The adoption of these new standards has not had a material effect on the Association's financial statement disclosures.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

LDAO follows Canadian generally accepted accounting principles appropriate for not-for-profit organizations.

The financial statements do not include the value of materials and services donated or the value of pledges made to LDAO during the period.

Net assets

The financial statements have been prepared in a manner which segregates net asset balances as follows:

- (a) **Invested in capital assets** represents LDAO's net investment in property which is comprised of the amount of its capital assets purchased with unrestricted funds.
- (b) **Unrestricted surplus** comprises the remaining excess of revenues over expenses from operations.

Learning Disabilities Association of Ontario

Notes To The Financial Statements

FOR THE YEAR ENDED MARCH 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES - continued

- (c) **Externally restricted surplus** reflects the activities relating to restricted contributions from the Ministry of Education, Government of Ontario for the development and delivery of the web-based teaching tool (WBTT) and the Individual Education Plan (IEP) .

Revenue and expense recognition

LDAO follows the restricted fund method of accounting for contributions and donations. Restricted contributions and donations are recognized as revenue received in the year in the appropriate restricted fund. Restricted fund net assets are allowed to be transferred to non-restricted funds only with the approval of restricted fund donors.

Unrestricted contributions and donations are recognized as revenue of unrestricted funds in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Special project and function revenues and expenses are recognized in the period the event occurs.

Membership revenue is recognized when received.

Presentation of operating activities

Expenses presented in the Statement of Revenues and Expenses are presented on a program basis. Consequently, costs incurred by LDAO are allocated to various activities based on services or activities supported by such expenses. As part of the presentation of the annual budget and its approval by the Board of Directors, the allocation basis may be amended to reflect changes in the organization's priorities and activities, which can affect the comparability of the financial information.

Capital assets

Purchased capital assets are recorded at acquisition cost. Donated capital assets are recorded at fair value. Capital assets are amortized over their estimated useful lives as follows:

Office furniture and equipment	– 20% diminishing balance basis
Computer equipment	– 30% diminishing balance basis
Intangibles	– 5 years, straight line
Leasehold improvements	– 3 years, straight line

Books, tapes and films are expensed when acquired and are carried as equipment at the nominal value of \$1.

Learning Disabilities Association of Ontario

Notes To The Financial Statements

FOR THE YEAR ENDED MARCH 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Use of estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

4. FINANCIAL INSTRUMENTS

The Association has adopted the CICA Handbook Section 3855 – "Financial Instruments – Recognition and Measurement", Section 1535 – "Capital Disclosures" and Sections 3862 and 3863 – "Financial Instruments – Disclosure and Presentation".

These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments and revise the current standards on financial instruments disclosure and presentation.

Under these new standards all financial assets and liabilities are classified into one of the following categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets and other financial liabilities. All financial instruments, are included on the balance sheet and initially measured at fair market value. Subsequent measurement and recognition of changes in fair value of financial instruments depend on their initial classification. Financial assets and liabilities cannot be transferred into or out of categories after inception. Held for trading investments are measured at fair value and all gains and losses are included in net income in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in fund balances. Loans and receivables, held-to-maturity financial investments and other financial liabilities are measured at amortized cost using the effective interest rate method, less any provision for impairment.

The Association classifies its cash and cash equivalents as held for trading. Accounts receivable, prepaid expenses and deposits are classified as loans and receivables and are recorded at cost which approximate their fair values. Financial liabilities include accounts payable and accrued liabilities and deferred revenue and are classified as other and are recorded at fair value.

Fair value

The fair value of cash and cash equivalents, accounts receivable, prepaid expenses and deposits, accounts payable and accrued liabilities and deferred revenue are assumed to approximate their carrying values because of their short term to maturity. The fair value of investments, if any, that are listed on an active exchange are equal to their quoted market value.

Learning Disabilities Association of Ontario

Notes To The Financial Statements

FOR THE YEAR ENDED MARCH 31, 2009

4. FINANCIAL INSTRUMENTS – continued

Risk management

The Association prescribes to guidelines on investment categories and limits exposure to individual investments and major asset classes.

The Association is subject to interest rate, credit and market risks that could adversely affect cash flows, financial position and incomes. The Association diversifies its investments, if any, in order to reduce the investment risk.

i) Interest rate risk:

Interest rate risk is the risk that the market value of the Association's investments will fluctuate due to changes in the market interest rates. It arises from the potential variations in the timing and amount of cash flow related to the Association's assets and liabilities. The value of the Association's investments are affected by short term changes in nominal rates and equity markets.

The Association manages interest rate risk by monitoring the weighting and duration of investments within its portfolio.

ii) Credit risk:

Credit risk is the risk of loss should the counter-party to a transaction default or otherwise fail to perform under the terms of the contract. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness and the respective concentration risk.

Financial instruments which potentially subject the Association to credit risk consist primarily of cash and cash equivalents and accounts receivable. The Association's cash and cash equivalents are maintained at major financial institutions and comprised of high quality interest bearing instruments and/or accounts. Therefore, the Association considers the risk of non-performance of these investments and for accounts to be remote.

Credit risk is mitigated by establishing limits on exposure to individual counter-parties and by adhering to the Association's investment criteria of its investment policy.

As at the Association's fiscal year end, there are no assets that are past their maturity that were impaired due to credit risk related to defaults.

Learning Disabilities Association of Ontario

Notes To The Financial Statements

FOR THE YEAR ENDED MARCH 31, 2009

4. FINANCIAL INSTRUMENTS - continued

iii) Currency risk:

Currency risk is the risk that the value of the Association's investments will fluctuate due to the changes in foreign exchange rates. These risks would relate primarily to fluctuations between the U.S. dollar and the Canadian dollar, subjecting the Association to gains and losses due to fluctuations in the respective foreign currencies.

The Association does not speculate in foreign currencies. As at March 31, 2009 the Association was not in possession of any foreign investments that would arise in an overall currency exposure to a particular foreign currency.

iv) Market risk:

Market risk is the risk that the value of the investment will fluctuate as a result of changes in the market prices, whether those changes are caused by factors specific to the individual investment or its issuer, or factors affecting all securities traded in the market.

The Association's policy is to invest only in short term or high quality interest bearing investments.

5. CAPITAL ASSETS

	2009		2008
	Cost	Accumulated Amortization	Net Book Value
Office furniture and equipment	\$ 80,775	\$ 70,077	\$ 10,698
Computer equipment	141,425	132,674	8,751
Library of books, tapes and films	1	-	1
Leasehold improvements	141,903	141,903	-
	<u>\$ 364,104</u>	<u>\$ 344,654</u>	<u>\$ 19,450</u>
			<u>\$ 25,876</u>

6. DEFERRED REVENUE

Deferred revenue includes funds in the amount of \$5,000 pertaining to the Roy Cooper Scholarship Fund, endowed to the Association during fiscal 2009. The fund offers a \$1,000 scholarship award to a high school student who has a documented learning disability and is pursuing post-secondary studies at a college or university, majoring in an engineering or physical science discipline.

Learning Disabilities Association of Ontario

Notes To The Financial Statements

FOR THE YEAR ENDED MARCH 31, 2009

6. DEFERRED REVENUE - continued

As at March 31, 2009, terms of the endowment funds remained to be determined. Accordingly, the Association has not made a distribution from funds received and has designated an equivalent amount from cash and cash equivalents to fund the scholarship fund balance.

7. DONATIONS-IN-KIND

In some periods LDAO has been the beneficiary of non-cash contributions including donations of services and printing, the value of which is not reflected in these financial statements. Non-cash contributions of \$3,870 (2008 - \$5,839) were received in the current period. Some of LDAO's activities are dependent on volunteer support. It is estimated that volunteers provided approximately 21,000 hours to LDAO through participation in various LDAO Committees and government projects, the value of which is not reflected in these financial statements.

8. LEASE COMMITMENTS

LDAO is obligated under various operating leases for office facilities and equipment requiring minimum annual lease payments as follows:

Fiscal Year Ended March 31,	Office Premises	Equipment	Total
2010	\$ 40,365	\$ 23,760	\$ 64,125
2011	33,637	23,760	57,397
2012	-	23,760	23,760
2013	-	23,760	23,760
2014	-	8,840	8,840
Remainder	-	460	460
	<u>\$ 74,002</u>	<u>\$ 104,340</u>	<u>\$ 178,342</u>

In addition to minimal rental payments, LDAO is required to pay realty taxes and operating costs on its office facilities which are not reflected in these commitments.

Subsequent to the fiscal year end, on April 21, 2009 the landlord has agreed to allow the Association to sublease a portion of office premises commencing on June 1, 2009 through to completion of the lease of January 31, 2011 to assist with defraying costs. Minimum lease payments recoverable under the sub-lease agreement amount to \$8,867 for each of fiscal 2010 and 2011.

Learning Disabilities Association of Ontario

Notes To The Financial Statements

FOR THE YEAR ENDED MARCH 31, 2009

9. GRANT REVENUE

Web Based Teaching Tool (WBTT)

During fiscal 2008, the Ministry of Education, Government of Ontario signed an agreement with the Association, committing funding to the Association for the ongoing development and delivery of WBTT in the amount of \$815,000.

Under this agreement, the Ministry of Education, Government of Ontario, advanced the Association the balance of committed funding in the amount of \$215,000 (2008 - \$600,000). The contract expired August 31, 2008.

During fiscal 2009, the Association was in negotiations with the Ministry of Education, Government of Ontario, to provide further funding to the WBTT project. Under an agreement dated September 4, 2008, the Ministry has agreed to a further funding commitment of \$1,300,000, with \$855,000 due in fiscal 2009 and the remainder of \$445,000 due in fiscal 2010. The agreement expires on August 31, 2009.

The goal of the web-based teaching tool is to provide a web-based systems platform focusing on on-line screening and intervention models, web-based teaching strategies and materials and on-line materials designed to train teachers, provide research capacity and teacher support.

Individual Education Plan (IEP)

During fiscal 2008, the Ministry of Education agreed to a funding commitment to the Association pertaining to developing a web-based training vehicle to equip parents with an understanding of Individual Education Plan ("IEP") development, use and process, in the aggregate of \$75,000. The agreement expired March 31, 2009.

Under this agreement, the Ministry of Education provided funding in the amount of \$65,000 (2008 - \$10,000) in fiscal 2009.

10. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current fiscal year.