

**THE INTERNATIONAL DYSLEXIA ASSOCIATION, ONTARIO BRANCH
(FOUNDED IN MEMORY OF SAMUEL T. ORTON)**

Auditors' Report

Financial Statements

December 31, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of The International Dyslexia Association, Ontario Branch (Founded in Memory of Samuel T. Orton) :

We have audited the accompanying financial statements of The International Dyslexia Association, Ontario Branch (Founded in Memory of Samuel T. Orton) ("the Association") which comprise the balance sheet as at December 31, 2013 and the statements of operations and accumulated operating surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair representation of the financial statements 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 Association's internal controls. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

Basis for Qualified Opinion

In common with many organizations, the Association derives revenues from the general public in the form of donations and fundraising functions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to revenues, assets and surplus.

Qualified Opinion

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 revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2013 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

Toronto, Canada

April 25, 2014

THE INTERNATIONAL DYSLEXIA ASSOCIATION, ONTARIO BRANCH

(FOUNDED IN MEMORY OF SAMUEL T. ORTON)

Balance Sheet

December 31, 2013

	2013	2012
Assets		
Cash and cash equivalents	\$ 85,575	\$ 53,269
Accounts receivable	1,178	-
HST receivable	3,000	5,305
Prepaid expenses	2,352	-
	92,105	58,574
Investments(note 3)	89,390	88,581
Capital assets(note 4)	202	404
	\$ 181,697	\$ 147,559

Liabilities

Accounts payable and accrued liabilities	\$ 6,973	\$ 5,255
	6,973	5,255

Accumulated surplus	174,724	146,304
	\$ 181,697	\$ 151,559

Contingencies, note 5

ON BEHALF OF THE BOARD:

_____ Director

_____ Director

THE INTERNATIONAL DYSLEXIA ASSOCIATION, ONTARIO BRANCH

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Statement of Cash Flows

Year Ended December 31, 2013

	2013	2012
Operating activities		
Operating surplus	\$ 32,420	\$ 13,747
Items not requiring an outlay of funds		
Amortization	202	202
	<u>32,622</u>	<u>13,949</u>
Changes in non-cash working capital		
Accounts and HST receivable	1,127	985
Prepaid expenses	(2,352)	1,855
Accounts payable and accrued liabilities	1,718	(2,210)
Deferred income	-	(1,200)
	<u>33,115</u>	<u>13,379</u>
Investing activities		
Investments	(809)	(1,019)
	<u>(809)</u>	<u>(1,019)</u>
Increase in cash and cash equivalents	32,306	8,360
Cash and cash equivalents, beginning of year	53,269	44,909
Cash and cash equivalents, end of year	<u>\$ 85,575</u>	<u>\$ 53,269</u>

THE INTERNATIONAL DYSLEXIA ASSOCIATION, ONTARIO BRANCH

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Notes to Financial Statements

Year Ended December 31, 2013

1. Purpose, objects and operations of the Association

The International Dyslexia Association, Ontario Branch (Founded in Memory of Samuel T. Orton) ("the Association") is a not-for-profit organization dedicated to providing and maintaining awareness in all areas and aspects regarding dyslexia and related disorders.

The Association was incorporated by letters patent as a corporation without share capital in the Province of Ontario on June 18, 2004.

- a) The objects of the Association are:
- i) To educate the public and professionals about the nature of dyslexia and related disorders by offering courses, seminars and conferences and by collecting and disseminating research-based information on dyslexia and related disorders;
 - ii) To promote, support and encourage study and research concerning the nature of such disorders as well as all aspects of the acquisition and mastery of written language including, but not limited to reading, spelling and writing;
 - iii) To promote, encourage and support the education of professionals and other personnel to ameliorate the impact of dyslexia and related disorders and to promote optimal methods of reading instruction or remediation for all persons; and
 - iv) To educate the public and professionals about, and to promote, the appropriate diagnosis and treatment of dyslexia and related disorders.
- b) The Association is subject to the following terms as well as numerous other conditions:
- i) The Association shall be carried on without the purpose of gain for its members, and any profits or other accretions to the Association shall be used in promoting its objects.
 - ii) The Association shall be subject to the Charities Accounting Act of Ontario and the Charitable Gifts Act of Ontario.
 - iii) Members of the Board of Directors shall serve as such without remuneration and shall not directly or indirectly profit from their positions per se, notwithstanding that they may be reimbursed reasonable expenses incurred by them in the performance of their duties.

THE INTERNATIONAL DYSLEXIA ASSOCIATION, ONTARIO BRANCH

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Notes to Financial Statements

Year Ended December 31, 2013

2. Significant accounting policies

Basis of presentation

These financial statements present, in accordance with Canadian generally accepted accounting principles, the assets, liabilities, revenue, expenses and cash flows of the Association.

Cash and cash equivalents

The Association considers deposits in bank, certificates of deposit and other short-term investments with original maturities of 90 days or less at the date of acquisition as cash and cash equivalents.

Investments

Investments comprise of two Guaranteed Investment Certificates("GICs").They are classified as available-for-sale and stated at fair value determined on the basis of market value.

Foreign currency

Monetary assets and liabilities in foreign currencies are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Items appearing in the current year's statement of operations, except for the cost of amortization translated at historic rate, are translated at average year rates. Exchange gains and losses are included in the statement of operations.

Financial instruments other than investments

The following policies and assumptions were used to determine the fair value of each class of financial assets and financial liabilities. Cash and cash equivalents, accounts receivables, HST receivable, accounts payable, accrued liabilities and deferred income are financial assets and liabilities held for trading are measured at their carrying amount since it is comparable to their fair value due to the approaching maturity of these financial instruments.

Donations

Receipted Donations: Tax receipts are issued directly by ONBIDA.

Unreceipted Donations: Tax receipts are issued directly by CanadaHelps or the United Way, two separate registered Canadian charities.

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Notes to Financial Statements

Year Ended December 31, 2013

2. Significant accounting policies - continued

Revenue recognition

Grants, sponsorships, conference fees, training workshops and private tutoring, newsletter advertising and membership fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Receipted donations and unreceipted donations as well as fundraising income are recorded when received.

Investment income, such as interest income, is recorded on the accrual basis.

The Association follows the deferral method of accounting for revenues.

Capital assets

Capital assets are recorded at cost.

Amortization of furnishings and equipment is computed annually over the estimated useful lives of the assets using the declining balance method at the rate of 20% per annum.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions which affect the amounts reported in the financial statements and the accompanying notes. These estimates are based on Management's best knowledge of current events and actions that the Association may undertake in the future. Due to the inherent uncertainty involved with making such estimates, actual results reported in future years may differ from those estimates.

Income taxes

The Association is exempt from income taxes under the Income Tax Act.

Donated services

Some of the work of the Association is dependent on voluntary services offered by volunteers. Since these services are not normally purchased by the Association and because of the difficulty of determining their fair value, donated services of this kind are not recognized in these financial statements.

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Notes to Financial Statements

Year Ended December 31, 2013

3. Investments

The cost of the GICs in 2013 were \$ 88,581 (2012 -\$ 88,049). The fair value of the GICs in 2013 were \$89,390 (2012 - \$88,581). The principal amount of the first GIC was \$48,276 purchased for one year at an interest rate of .80%, maturing on March 4, 2014. The principal amount of the second GIC was \$40,305 purchased for one year at an interest rate of 1.00%, maturing on June 20, 2014. The accrued interest on the GICs at yearend amounted to \$ 811.

4. Capital assets			2013	2012
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furnishings and equipment	\$ 1,123	\$ (921)	\$ 202	\$ 404

5. Contingencies

The cash account contains a reserve of \$3,136 segregated for the purpose of contingencies and scholarships.

6. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

7. Remuneration of Board of Directors

Members of the Board of Directors are volunteers who served without remuneration for acting as directors.