

EDWARD A. SUAREZ, JR.
CERTIFIED PUBLIC ACCOUNTANT

Accountant's Compilation Report

To: The Board of Directors
Literacy Council of Norristown
Norristown, PA

Management is responsible for the accompanying financial statements of the **Literacy Council of Norristown** (a Pennsylvania non-profit organization), which comprise the statements of assets and net assets as of June 30, 2017 and 2018, and the related statements of revenue, support and expenses and schedules of functional expenses for the years then ended, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Doylestown, PA
October 15, 2018

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Literacy Council of Norristown
 Statements of Financial Position
 For the Years Ended June 30, 2017 and 2018

ASSETS

	<u>2017</u>	<u>2018</u>
Cash and cash equivalents	\$210,605	\$250,694
Office equipment, net of depreciation	<u>1,440</u>	<u>0</u>
 Total assets	 <u>\$212,045</u>	 <u>\$250,694</u>

LIABILITIES & UNRESTRICTED ASSETS

Current liabilities

Deferred grant	\$22,620	\$17,620
Miscellaneous payables	813	6,255
Payroll taxes	<u>3,138</u>	<u>2,780</u>
 Total current liabilities	 26,571	 26,655
 Unrestricted net assets	 <u>185,474</u>	 <u>224,039</u>
 Total liabilities and net assets	 <u>\$212,045</u>	 <u>\$250,694</u>

Literacy Council of Norristown
 Statements of Activities and Change in Net Assets
 For the Years Ended June 30, 2017 and 2018

	<u>2017</u>	<u>2018</u>
REVENUE AND SUPPORT		
Foundation grants	\$80,500	\$107,047
Federal and State grants	19,499	21,270
Contributions and fundraisers	16,887	19,190
Registration fees and misc.	<u>12,536</u>	<u>12,134</u>
Total revenue and support	129,422	159,741
EXPENSES		
Program services	68,167	72,598
General and administrative	<u>45,253</u>	<u>48,578</u>
Total expenses	<u>113,420</u>	<u>121,176</u>
Increase in net assets	16,002	38,565
Net assets, beginning of the year	<u>169,473</u>	<u>185,475</u>
Net assets, end of the year	<u>\$185,475</u>	<u>\$224,039</u>

Literacy Council of Norristown
 Statements of Cash Flows
 For the Years Ended June 30, 2017 and 2018

	<u>2017</u>	<u>2018</u>
OPERATING ACTIVITIES		
Increase in net assets	\$16,001	\$38,565
Adjustments: depreciation	484	1,440
Grant deferrals	(20,000)	(5,000)
Changes in liabilities	<u>(555)</u>	<u>5,084</u>
Proceeds from operating activities	<u>(4,070)</u>	<u>40,089</u>
Net increase/decrease in cash	(4,070)	40,089
Cash, beginning of fiscal year	<u>214,675</u>	<u>210,605</u>
Cash, end of fiscal year	<u>\$210,605</u>	<u>\$250,694</u>

Literacy Council of Norristown
Statement of Functional Expenses
For the Years Ended June 30, 2017 and 2018

	<u>Prg Svc</u>	<u>G & A</u>	<u>2018</u>	<u>2017</u>
COMPENSATION				
Director salary	\$19,864	\$19,863	\$39,727	\$39,482
Administrative salaries	17,764	11,842	29,606	29,289
Teaching salaries	20,858	-	20,858	19,860
Payroll taxes	<u>4,907</u>	<u>3,271</u>	<u>8,178</u>	<u>7,887</u>
Total compensation	63,393	34,976	98,369	99,584
Instructional materials	3,511	-	3,511	4,934
Rent	1,605	1,605	3,210	2,400
Telephone	920	919	1,839	1,863
Insurance	1,311	1,310	2,621	2,387
Accounting & payroll processing	-	2,478	2,478	1,340
Fundraising	-	2,400	2,400	-
Depreciation	-	1,440	1,440	484
Supplies and miscellaneous	<u>1,858</u>	<u>3,450</u>	<u>5,308</u>	<u>3,494</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$72,598</u>	<u>\$48,578</u>	<u>\$121,176</u>	<u>\$113,420</u>