

P.E.I. LITERACY ALLIANCE

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2008

P.E.I. LITERACY ALLIANCE
YEAR ENDED MARCH 31, 2008

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AUDITORS' REPORT

To the Members of P.E.I. Literacy Alliance

We have audited the statement of net assets of P.E.I. Literacy Alliance as at March 31, 2008 and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the Alliance'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 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 charitable organizations, the Alliance derives revenue from donations and fees, the completeness of which are not susceptible of satisfactory 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 revenues, excess of revenue over expenses, assets and net assets.

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 donations and fees referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the P.E.I. Literacy Alliance as at March 31, 2008 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

AUGUST 19, 2008



CHARTERED ACCOUNTANTS

P.E.I. LITERACY ALLIANCE
STATEMENT OF NET ASSETS
MARCH 31, 2008

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT		
Cash and short term investments	\$ 216,060	\$ 213,346
Receivables	<u>7,803</u>	<u>4,123</u>
	<u>\$ 223,863</u>	<u>\$ 217,469</u>

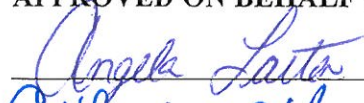
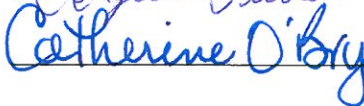
LIABILITIES

CURRENT		
Payables and accruals	\$ 4,855	\$ 9,706
Deferred revenue	<u>73,007</u>	<u>40,683</u>
	<u>77,862</u>	<u>50,389</u>

NET ASSETS

UNRESTRICTED	<u>146,001</u>	<u>167,080</u>
	<u>\$ 223,863</u>	<u>\$ 217,469</u>

APPROVED ON BEHALF OF THE ALLIANCE:

 Member
 Member

P.E.I. LITERACY ALLIANCE
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
UNRESTRICTED NET ASSETS - BEGINNING OF YEAR	\$ 167,080	\$ 141,581
Excess of Revenues over Expenditures (Expenditures over Revenues)	<u>(21,079)</u>	<u>25,499</u>
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ 146,001</u>	<u>\$ 167,080</u>

P.E.I. LITERACY ALLIANCE
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
REVENUE		
Grant - Government of Canada	\$ -	\$ 3,859
Grant - Canadian Council of Learning	1,900	-
Grant - National Literacy Secretariat	112,500	40,000
Grant - Adult Learning, Literacy and Essential Skills Program	23,615	76,385
Raise a Reader	30,992	-
Transfer from PGI Golf Tournament	29,500	34,500
Net project income (expense) - Note 3	(8,211)	(3,919)
Donations	364	1,572
Interest	3,550	4,545
Recoveries of expenses	<u>5,659</u>	<u>8,046</u>
	<u>199,869</u>	<u>164,988</u>
EXPENSES		
Advertising	15,911	2,866
Awards	3,000	1,551
Bursaries	5,000	2,000
Conferences, travel and accommodations	17,734	14,180
Equipment purchases	11,193	4,732
Grants - Support for Learners	19,139	-
Honoraria	774	1,963
Insurance	2,201	2,224
Interest and bank charges	178	178
Office and miscellaneous	12,743	8,477
Professional fees	11,577	14,648
Rent	3,482	1,316
Telephone	5,384	5,068
Wages and benefits	<u>112,632</u>	<u>80,286</u>
	<u>220,948</u>	<u>139,489</u>
EXCESS OF REVENUES OVER EXPENDITURES		
(EXPENDITURES OVER REVENUES)	<u>\$ (21,079)</u>	<u>\$ 25,499</u>

P.E.I. LITERACY ALLIANCE
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
CASH PROVIDED FROM (USED FOR)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ (21,079)	\$ 25,499
Net changes in non-cash working capital items		
Receivables	(3,680)	(219)
Payables	(4,851)	4,482
Deferred revenue	<u>32,324</u>	<u>(13,630)</u>
INCREASE IN CASH	2,714	16,132
CASH AND SHORT TERM INVESTMENTS, BEGINNING OF YEAR	<u>213,346</u>	<u>197,214</u>
CASH AND SHORT TERM INVESTMENTS, END OF YEAR	<u>\$ 216,060</u>	<u>\$ 213,346</u>

P.E.I. LITERACY ALLIANCE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

1. MANDATE

The P.E.I. Literacy Alliance advances literacy for the people of Prince Edward Island.

2. ACCOUNTING POLICIES

PROPERTY AND EQUIPMENT

Property and equipment is expensed on acquisition.

REVENUE RECOGNITION

Grant revenue is recognized in accordance with the terms and conditions of the grant. Deferred revenues result from the project completion dates of specific grants extending beyond the fiscal year end.

USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to 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 expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

DONATED SERVICES

In order to achieve objectives of the organization, the Alliance is dependent on the services donated by many individuals. Since these services are not normally purchased by the association and because of the difficulty in determining their fair value, donated services are not monetarily recorded in the records of the association.

FINANCIAL INSTRUMENTS

The P.E.I. Literacy Alliance financial instruments consist of cash, short term investments, receivables, payables and accruals. Unless otherwise noted it is management's opinion that the P.E.I. Literacy Alliance is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair market value of these financial instruments approximate their carrying values, unless otherwise noted.

P.E.I. LITERACY ALLIANCE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

3. NET PROJECT INCOME (EXPENSE)

	<u>PAGE</u>	<u>2008</u>	<u>2007</u>
PGI Golf Tournament For Literacy	8	\$ (7,377)	\$ (9,708)
Summer Tutoring Program for Kids	9	-	-
Healthy Child Development Media Campaign	9	-	15,000
Health Literacy Professional Needs Assessment	10	17	-
Health Literacy Needs Assessment	10	-	-
PEI Reads Media Campaign Project	11	-	1,000
Fostering Plain Language	11	(1,115)	(10,246)
Healthy Public Policy	12	264	35
		<u>\$ (8,211)</u>	<u>\$ (3,919)</u>

P.E.I. LITERACY ALLIANCE
SCHEDULE I - PGI GOLF TOURNAMENT FOR LITERACY
YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
SCHEDULE I - PGI GOLF TOURNAMENT FOR LITERACY		
REVENUE	\$ <u>50,081</u>	\$ <u>46,916</u>
EXPENSES		
Advertising	952	186
Awards	200	200
Bursaries	12,050	6,000
Gifts/honoraria	1,453	2,693
Learner's Award	200	200
Meals	5,251	5,996
Miscellaneous	5,721	5,260
Professional fees	150	425
Resource materials	9	576
Travel	<u>1,972</u>	<u>588</u>
	<u>27,958</u>	<u>22,124</u>
NET PROJECT INCOME BEFORE TRANSFERS	22,123	24,792
TRANSFERS TO ADMINISTRATIVE ACCOUNT	<u>(29,500)</u>	<u>(34,500)</u>
NET PROJECT LOSS	\$ <u><u>(7,377)</u></u>	\$ <u><u>(9,708)</u></u>

P.E.I. LITERACY ALLIANCE
 SCHEDULE II - SUMMER TUTORING PROGRAM FOR KIDS
 SCHEDULE III - HEALTHY CHILD DEVELOPMENT MEDIA CAMPAIGN
 YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
SCHEDULE II - SUMMER TUTORING PROGRAM FOR KIDS		
REVENUE	\$ <u>125,341</u>	\$ <u>120,876</u>
EXPENSES		
Gifts/honoraria	25	-
Materials	2,978	462
Office and miscellaneous	1,218	584
Telephone	279	391
Travel	12,268	10,683
Wages	<u>98,066</u>	<u>91,687</u>
	<u>114,834</u>	<u>103,807</u>
EXCESS REVENUE OVER EXPENSE	10,507	17,069
DEFERRED REVENUE, END OF YEAR	<u>10,507</u>	<u>17,069</u>
NET PROJECT INCOME	\$ <u>-</u>	\$ <u>-</u>
 SCHEDULE III - HEALTHY CHILD DEVELOPMENT MEDIA CAMPAIGN		
REVENUE	\$ <u>-</u>	\$ <u>15,000</u>
NET PROJECT INCOME	\$ <u>-</u>	\$ <u>15,000</u>

P.E.I. LITERACY ALLIANCE
 SCHEDULE IV - HEALTH LITERACY PROFESSIONAL NEEDS ASSESSMENT
 SCHEDULE V - HEALTH LITERACY NEEDS ASSESSMENT
 YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
SCHEDULE IV - HEALTH LITERACY PROFESSIONAL NEEDS ASSESSMENT		
REVENUE	\$ <u>5,500</u>	\$ <u>-</u>
EXPENSES		
Equipment	119	-
Gifts/honoraria	25	-
Office	179	-
Wages and benefits	<u>5,160</u>	<u>-</u>
	<u>5,483</u>	<u>-</u>
NET PROJECT INCOME	\$ <u><u>17</u></u>	\$ <u><u>-</u></u>

SCHEDULE V - HEALTH LITERACY NEEDS ASSESSMENT

REVENUE	\$ <u>7,210</u>	\$ <u>-</u>
EXPENSES		
Catering	167	-
Gifts/honoraria	600	-
Office	53	-
Professional fees	909	-
Travel	108	-
Wages and benefits	<u>5,373</u>	<u>-</u>
	<u>7,210</u>	<u>-</u>
NET PROJECT INCOME	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

P.E.I. LITERACY ALLIANCE
SCHEDULE VI - PEI READS MEDIA CAMPAIGN
SCHEDULE VII - FOSTERING PLAIN LANGUAGE
YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
SCHEDULE VI - PEI READS MEDIA CAMPAIGN		
REVENUE	\$ <u>-</u>	\$ <u>10,000</u>
EXPENSES		
Advertising	<u>-</u>	<u>9,000</u>
NET PROJECT INCOME	\$ <u>-</u>	\$ <u>1,000</u>
 SCHEDULE VII - FOSTERING PLAIN LANGUAGE		
REVENUE	\$ <u>2,585</u>	\$ <u>5,000</u>
EXPENSES		
Catering	-	350
Equipment rental	-	177
Professional fees	2,413	2,419
Postage	11	-
Rent	-	197
Wages	<u>1,276</u>	<u>12,103</u>
	<u>3,700</u>	<u>15,246</u>
NET PROJECT LOSS	\$ <u>(1,115)</u>	\$ <u>(10,246)</u>

P.E.I. LITERACY ALLIANCE
SCHEDULE VIII - HEALTHY PUBLIC POLICY
YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
SCHEDULE VIII - HEALTHY PUBLIC POLICY		
REVENUE	\$ <u>1,500</u>	\$ <u>25,979</u>
EXPENSES		
Catering	236	4,942
Gifts/honoraria	-	393
Office	-	1,118
Postage	-	523
Professional fees	1,000	4,379
Registration fees	-	100
Resource materials	-	128
Rent	-	713
Telephone	-	202
Travel	-	899
Wages	-	11,723
EI expense	-	297
CPP expense	-	527
	<u>1,236</u>	<u>25,944</u>
NET PROJECT INCOME	\$ <u><u>264</u></u>	\$ <u><u>35</u></u>