

# P.E.I. LITERACY ALLIANCE

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2009

**P.E.I. LITERACY ALLIANCE**  
**YEAR ENDED MARCH 31, 2009**

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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, 2009 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, 2009 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.

JULY 16, 2009



CHARTERED ACCOUNTANTS

P.E.I. LITERACY ALLIANCE  
STATEMENT OF NET ASSETS  
MARCH 31, 2009

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ASSETS

|                                 | <u>2009</u>              | <u>2008</u>              |
|---------------------------------|--------------------------|--------------------------|
| <b>CURRENT</b>                  |                          |                          |
| Cash and short term investments | \$ 227,966               | \$ 216,060               |
| Receivables                     | 28,156                   | 7,803                    |
| Prepaid expenses                | <u>559</u>               | <u>-</u>                 |
|                                 | <u><b>\$ 256,681</b></u> | <u><b>\$ 223,863</b></u> |


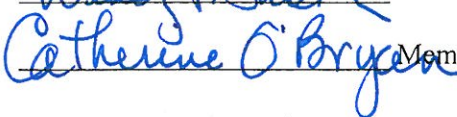
LIABILITIES

|                       |               |               |
|-----------------------|---------------|---------------|
| <b>CURRENT</b>        |               |               |
| Payables and accruals | \$ 9,258      | \$ 4,855      |
| Deferred revenue      | <u>36,672</u> | <u>73,007</u> |
|                       | <b>45,930</b> | <b>77,862</b> |

NET ASSETS

|                     |                          |                          |
|---------------------|--------------------------|--------------------------|
| <b>UNRESTRICTED</b> | <u><b>210,751</b></u>    | <u><b>146,001</b></u>    |
|                     | <u><b>\$ 256,681</b></u> | <u><b>\$ 223,863</b></u> |

APPROVED ON BEHALF OF THE ALLIANCE:

 Member  
 Member

P.E.I. LITERACY ALLIANCE  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2009

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|   | <u>2009</u>       | <u>2008</u>       |
|---|-------------------|-------------------|
| UNRESTRICTED NET ASSETS - BEGINNING OF YEAR                       | \$ 146,001        | \$ 167,080        |
| Excess of Revenues over Expenditures (Expenditures over Revenues) | <u>64,750</u>     | <u>(21,079)</u>   |
| UNRESTRICTED NET ASSETS - END OF YEAR                             | <u>\$ 210,751</u> | <u>\$ 146,001</u> |

**P.E.I. LITERACY ALLIANCE**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**YEAR ENDED MARCH 31, 2009**

|   | <u>2009</u>             | <u>2008</u>               |
|---|-------------------------|---------------------------|
| <b>REVENUE</b>  |                         |                           |
| Grant - National Literacy Secretariat                         | \$ 62,500               | \$ 112,500                |
| Laubach Literacy of Canada                                    | 36,447                  | -                         |
| Transfer from PGI Golf Tournament                             | 29,500                  | 29,500                    |
| Raise a Reader  | 29,049                  | 30,992                    |
| Grant - Canadian Council of Learning                          | 10,000                  | 1,900                     |
| Provincial Government - Family Literacy Day                   | 5,000                   | -                         |
| Recovery of expenses  | 6,830                   | 5,659                     |
| Plain Language Revenue  | 3,525                   | -                         |
| Donations   | 1,527                   | 364                       |
| Interest  | 2,411                   | 3,550                     |
| Net project income (expense) - Note 3                         | (3,886)                 | (8,211)                   |
| Grant - Adult Learning, Literacy and Essential Skills Program | <u>-</u>                | <u>23,615</u>             |
|   | <u><b>182,903</b></u>   | <u><b>199,869</b></u>     |
| <b>EXPENSES</b>   |                         |                           |
| Advertising   | 7,654                   | 15,911                    |
| Awards  | 4,500                   | 3,000                     |
| Bursaries   | 4,500                   | 5,000                     |
| Conferences, travel and accommodations                        | 10,889                  | 17,734                    |
| Equipment purchases   | 1,302                   | 11,193                    |
| Grants - Support for Learners                                 | -                       | 19,139                    |
| Honoraria   | 223                     | 774                       |
| Insurance   | 2,201                   | 2,201                     |
| Interest and bank charges                                     | 341                     | 178                       |
| Office and miscellaneous                                      | 4,644                   | 12,743                    |
| Professional fees   | 8,913                   | 11,577                    |
| Rent  | 555                     | 3,482                     |
| Telephone   | 1,451                   | 5,384                     |
| Wages and benefits  | <u>70,980</u>           | <u>112,632</u>            |
|   | <u><b>118,153</b></u>   | <u><b>220,948</b></u>     |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b>                   |                         |                           |
| <b>(EXPENDITURES OVER REVENUES)</b>                           | <u><b>\$ 64,750</b></u> | <u><b>\$ (21,079)</b></u> |



**P.E.I. LITERACY ALLIANCE  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2009**

|   | <u>2009</u>              | <u>2008</u>              |
|---|--------------------------|--------------------------|
| <b>CASH PROVIDED FROM (USED FOR)</b>                          |                          |                          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                          |                          |
| Excess of revenues over expenditures                          | \$ 64,750                | \$ (21,079)              |
| Net changes in non-cash working capital items                 |                          |                          |
| Receivables   | (20,353)                 | (3,680)                  |
| Prepays   | (559)                    | -                        |
| Payables  | 4,403                    | (4,851)                  |
| Deferred revenue  | <u>(36,335)</u>          | <u>32,324</u>            |
| <b>INCREASE IN CASH</b>                                       | <b>11,906</b>            | <b>2,714</b>             |
| <b>CASH AND SHORT TERM INVESTMENTS,<br/>BEGINNING OF YEAR</b> | <u><b>216,060</b></u>    | <u><b>213,346</b></u>    |
| <b>CASH AND SHORT TERM INVESTMENTS, END OF YEAR</b>           | <u><b>\$ 227,966</b></u> | <u><b>\$ 216,060</b></u> |

**P.E.I. LITERACY ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2009**

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**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, 2009**

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**3. NET PROJECT INCOME (EXPENSE)**

|   | <u>PAGE</u> | <u>2009</u>       | <u>2008</u>       |
|---|-------------|-------------------|-------------------|
| PGI Golf Tournament For Literacy 2008         | 8           | \$ (5,675)        | \$ (7,377)        |
| Summer Tutoring Program for Kids              | 9           | -                 | -                 |
| General Education Development Marketing       | 9           | -                 | -                 |
| Health Literacy Professional Needs Assessment | 10          | 198               | 17                |
| Health Literacy Needs Assessment              | 10          | 381               | -                 |
| Sound of Music 2008                           | 11          | 1,075             | -                 |
| Fostering Plain Language                      | 11          | -                 | (1,115)           |
| Healthy Public Policy                         | 12          | -                 | 264               |
| Adult Learning Knowledge Centre               | 12          | (718)             | -                 |
| Office of Literacy and Essential Skills       | 13          | 853               | -                 |
|   |             | <u>\$ (3,886)</u> | <u>\$ (8,211)</u> |

P.E.I. LITERACY ALLIANCE  
SCHEDULE I - PGI GOLF TOURNAMENT FOR LITERACY  
YEAR ENDED MARCH 31, 2009

|   | <u>2009</u>              | <u>2008</u>              |
|---|--------------------------|--------------------------|
| <b>SCHEDULE I - PGI GOLF TOURNAMENT FOR LITERACY 2008</b> |                          |                          |
| <b>REVENUE</b>  | \$ <u>37,884</u>         | \$ <u>50,081</u>         |
| <b>EXPENSES</b>   |                          |                          |
| Advertising   | 1,185                    | 952                      |
| Awards  | 200                      | 200                      |
| Bursaries   | -                        | 12,050                   |
| Gifts/honoraria   | 1,446                    | 1,453                    |
| Learner's Award   | 200                      | 200                      |
| Meals   | 4,532                    | 5,251                    |
| Miscellaneous   | 4,178                    | 5,721                    |
| Professional fees   | 200                      | 150                      |
| Resource materials  | 102                      | 9                        |
| Travel  | <u>2,016</u>             | <u>1,972</u>             |
|   | <u>14,059</u>            | <u>27,958</u>            |
| <b>NET PROJECT INCOME BEFORE TRANSFERS</b>                | <b>23,825</b>            | <b>22,123</b>            |
| <b>TRANSFERS TO ADMINISTRATIVE ACCOUNT</b>                | <u>(29,500)</u>          | <u>(29,500)</u>          |
| <b>NET PROJECT LOSS</b>                                   | <b>\$ <u>(5,675)</u></b> | <b>\$ <u>(7,377)</u></b> |

P.E.I. LITERACY ALLIANCE  
SCHEDULE II - SUMMER TUTORING PROGRAM FOR KIDS  
SCHEDULE III - GENERAL EDUCATION DEVELOPMENT MARKETING  
YEAR ENDED MARCH 31, 2009

|   | <u>2009</u>              | <u>2008</u>              |
|---|--------------------------|--------------------------|
| <b>SCHEDULE II - SUMMER TUTORING PROGRAM FOR KIDS</b>         |                          |                          |
| <b>REVENUE</b>  | <b>\$ <u>128,773</u></b> | <b>\$ <u>125,341</u></b> |
| <b>EXPENSES</b>   |                          |                          |
| Advertising   | 728                      | -                        |
| Equipment rental/purchase                                     | 144                      | -                        |
| Gifts/honoraria   | 11                       | 25                       |
| Materials   | 2,056                    | 2,978                    |
| Office and miscellaneous                                      | 1,513                    | 1,218                    |
| Project management  | 1,500                    | -                        |
| Telephone   | 185                      | 279                      |
| Travel  | 7,321                    | 12,268                   |
| Wages   | <u>102,639</u>           | <u>98,066</u>            |
|   | <b><u>116,097</u></b>    | <b><u>114,834</u></b>    |
| <b>EXCESS REVENUE OVER EXPENSE</b>                            | <b>12,676</b>            | <b>10,507</b>            |
| <b>DEFERRED REVENUE, END OF YEAR</b>                          | <b><u>12,676</u></b>     | <b><u>10,507</u></b>     |
| <b>NET PROJECT INCOME</b>                                     | <b>\$ <u>-</u></b>       | <b>\$ <u>-</u></b>       |
| <b>SCHEDULE III - GENERAL EDUCATION DEVELOPMENT MARKETING</b> |                          |                          |
| <b>REVENUE</b>  | <b>\$ <u>25,000</u></b>  | <b>\$ <u>-</u></b>       |
| <b>EXPENSES</b>   |                          |                          |
| Advertising   | 1,676                    | -                        |
| Professional fees   | 1,200                    | -                        |
| Project management  | 1,500                    | -                        |
| Travel  | <u>128</u>               | <u>-</u>                 |
|   | <b><u>4,504</u></b>      | <b><u>-</u></b>          |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>                        | <b>20,496</b>            | <b>-</b>                 |
| <b>DEFERRED REVENUE, END OF YEAR</b>                          | <b><u>20,496</u></b>     | <b><u>-</u></b>          |
| <b>NET PROJECT INCOME</b>                                     | <b>\$ <u>-</u></b>       | <b>\$ <u>-</u></b>       |

P.E.I. LITERACY ALLIANCE  
SCHEDULE IV - HEALTH LITERACY PROFESSIONAL NEEDS ASSESSMENT  
SCHEDULE V - HEALTH LITERACY NEEDS ASSESSMENT  
YEAR ENDED MARCH 31, 2009

|  | <u>2009</u>          | <u>2008</u>         |
|--|----------------------|---------------------|
| <b>SCHEDULE IV - HEALTH LITERACY PROFESSIONAL NEEDS ASSESSMENT</b> |                      |                     |
| <b>REVENUE</b>   | \$ <u>4,500</u>      | \$ <u>5,500</u>     |
| <b>EXPENSES</b>  |                      |                     |
| Equipment  | -                    | 119                 |
| Gifts/honoraria  | -                    | 25                  |
| Office   | -                    | 179                 |
| Professional fees  | 881                  | -                   |
| Wages and benefits   | <u>3,422</u>         | <u>5,160</u>        |
|  | <u>4,302</u>         | <u>5,483</u>        |
| <b>NET PROJECT INCOME</b>  | \$ <u><u>198</u></u> | \$ <u><u>17</u></u> |

**SCHEDULE V - HEALTH LITERACY NEEDS ASSESSMENT**

|                           |                      |                    |
|---------------------------|----------------------|--------------------|
| <b>REVENUE</b>            | \$ <u>1,149</u>      | \$ <u>7,210</u>    |
| <b>EXPENSES</b>           |                      |                    |
| Catering                  | 110                  | 167                |
| Gifts/honoraria           | 25                   | 600                |
| Office                    | -                    | 53                 |
| Professional fees         | -                    | 909                |
| Rent                      | 276                  | -                  |
| Travel                    | 357                  | 108                |
| Wages and benefits        | <u>-</u>             | <u>5,373</u>       |
|                           | <u>768</u>           | <u>7,210</u>       |
| <b>NET PROJECT INCOME</b> | \$ <u><u>381</u></u> | \$ <u><u>-</u></u> |

P.E.I. LITERACY ALLIANCE  
SCHEDULE VI - SOUND OF MUSIC 2008  
SCHEDULE VII - FOSTERING PLAIN LANGUAGE  
YEAR ENDED MARCH 31, 2009

|  | <u>2009</u>     | <u>2008</u>       |
|--|-----------------|-------------------|
| <b>SCHEDULE VI - SOUND OF MUSIC 2008</b>           |                 |                   |
| <b>REVENUE</b>                                     | \$ <u>5,027</u> | \$ <u>-</u>       |
| <b>EXPENSES</b>                                    |                 |                   |
| Catering   | 59              | -                 |
| Honoraria  | 75              | -                 |
| Office Supplies                                    | 15              | -                 |
| Postage  | 26              | -                 |
| Resource Materials                                 | 14              | -                 |
| Registrations/fees                                 | 3,250           | -                 |
| Rent   | <u>513</u>      | <u>-</u>          |
|  | <u>3,952</u>    | <u>-</u>          |
| <b>NET PROJECT INCOME</b>                          | <u>\$ 1,075</u> | <u>\$ -</u>       |
| <br><b>SCHEDULE VII - FOSTERING PLAIN LANGUAGE</b> |                 |                   |
| <b>REVENUE</b>                                     | \$ <u>-</u>     | \$ <u>2,585</u>   |
| <b>EXPENSES</b>                                    |                 |                   |
| Professional fees                                  | -               | 2,413             |
| Postage  | -               | 11                |
| Wages  | <u>-</u>        | <u>1,276</u>      |
|  | <u>-</u>        | <u>3,700</u>      |
| <b>NET PROJECT LOSS</b>                            | <u>\$ -</u>     | <u>\$ (1,115)</u> |

P.E.I. LITERACY ALLIANCE  
 SCHEDULE VIII - HEALTHY PUBLIC POLICY  
 SCHEDULE IX - ADULT LEARNING KNOWLEDGE CENTRE  
 YEAR ENDED MARCH 31, 2009

|  | <u>2009</u>        | <u>2008</u>          |
|--|--------------------|----------------------|
| <b>SCHEDULE VIII - HEALTHY PUBLIC POLICY</b> |                    |                      |
| <b>REVENUE</b>                               | \$ <u>-</u>        | \$ <u>1,500</u>      |
| <b>EXPENSES</b>                              |                    |                      |
| Catering                                     | -                  | 236                  |
| Registration fees                            | <u>-</u>           | <u>1,000</u>         |
|  | <u>-</u>           | <u>1,236</u>         |
| <b>NET PROJECT INCOME</b>                    | \$ <u><u>-</u></u> | \$ <u><u>264</u></u> |

**SCHEDULE IX - ADULT LEARNERS WEEK**

|                         |                        |                    |
|-------------------------|------------------------|--------------------|
| <b>REVENUE</b>          | \$ <u>5,000</u>        | \$ <u>-</u>        |
| <b>EXPENSE</b>          |                        |                    |
| Catering                | 20                     | -                  |
| Office supplies         | 227                    | -                  |
| Postage                 | 90                     | -                  |
| Printing & Photocopy    | 231                    | -                  |
| Travel                  | 136                    | -                  |
| Wages                   | <u>5,014</u>           | <u>-</u>           |
|                         | <u>5,718</u>           | <u>-</u>           |
| <b>NET PROJECT LOSS</b> | \$ <u><u>(718)</u></u> | \$ <u><u>-</u></u> |



P.E.I. LITERACY ALLIANCE  
SCHEDULE X - OFFICE OF LITERACY AND ESSENTIAL SKILLS  
YEAR ENDED MARCH 31, 2009

|   | <u>2009</u>          | <u>2008</u>        |
|---|----------------------|--------------------|
| <b>SCHEDULE X - OFFICE OF LITERACY AND ESSENTIAL SKILLS</b> |                      |                    |
| <b>REVENUE</b>  | \$ <u>83,967</u>     | \$ <u>-</u>        |
| <b>EXPENSE</b>  |                      |                    |
| Catering  | 1,243                | -                  |
| Equipment rental and purchase                               | 366                  | -                  |
| Postage   | 1,075                | -                  |
| Printing  | 478                  | -                  |
| Professional fees   | 10,396               | -                  |
| Rent  | 1,364                | -                  |
| Telephone and internet                                      | 4,066                | -                  |
| Wages   | <u>64,126</u>        | <u>-</u>           |
|   | <u>83,114</u>        | <u>-</u>           |
| <b>NET PROJECT INCOME</b>                                   | \$ <u><u>853</u></u> | \$ <u><u>-</u></u> |