

P.E.I. LITERACY ALLIANCE

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2010

P.E.I. LITERACY ALLIANCE
YEAR ENDED MARCH 31, 2010

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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, 2010 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, 2010 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 16, 2010


CHARTERED ACCOUNTANTS

P.E.I. LITERACY ALLIANCE
STATEMENT OF NET ASSETS
MARCH 31, 2010

ASSETS

	<u>2010</u>	<u>2009</u>
CURRENT		
Cash and short term investments	\$ 381,129	\$ 227,966
Receivables	25,596	28,156
Prepaid expenses	<u>2,836</u>	<u>559</u>
	<u>\$ 409,561</u>	<u>\$ 256,681</u>


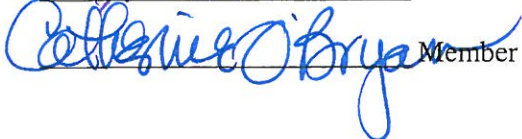
LIABILITIES

CURRENT		
Payables and accruals	\$ 3,317	\$ 9,258
Deferred revenue	<u>163,884</u>	<u>36,672</u>
	167,201	45,930

NET ASSETS

UNRESTRICTED	<u>242,360</u>	<u>210,751</u>
	<u>\$ 409,561</u>	<u>\$ 256,681</u>

APPROVED ON BEHALF OF THE ALLIANCE:

 Member
 Member

P.E.I. LITERACY ALLIANCE
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS - BEGINNING OF YEAR	\$ 210,751	\$ 146,001
Excess of Revenues over Expenditures	<u>31,609</u>	<u>64,750</u>
UNRESTRICTED NET ASSETS - END OF YEAR	\$ <u>242,360</u>	\$ <u>210,751</u>

P.E.I. LITERACY ALLIANCE
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
REVENUE		
Grant - National Literacy Secretariat	\$ -	\$ 62,500
Laubach Literacy of Canada	-	36,447
Transfer from PGI Golf Tournament	33,000	29,500
Raise a Reader	24,024	29,049
Grant - Canadian Council of Learning	-	10,000
Provincial Government - Family Literacy Day	-	5,000
Recovery of expenses	4,009	6,830
Plain Language Revenue	1,300	3,525
Donations	1,143	1,527
Interest	996	2,411
Net project income (loss) - Note 3	5,065	(3,887)
Workshop registration	<u>1,194</u>	<u>-</u>
	<u>70,731</u>	<u>182,902</u>
EXPENSES		
Advertising	6,297	7,654
Awards	4,500	4,500
Bursaries	5,000	4,500
Conferences, travel and accommodations	8,255	10,889
Equipment purchases	37	1,302
Honoraria	1,283	223
Insurance	2,262	2,201
Interest and bank charges	234	340
Office and miscellaneous	6,037	4,644
Professional fees	2,696	8,913
Rent	81	555
Telephone	-	1,451
Wages and benefits	<u>2,440</u>	<u>70,980</u>
	<u>39,122</u>	<u>118,152</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 31,609</u>	<u>\$ 64,750</u>

P.E.I. LITERACY ALLIANCE
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
CASH PROVIDED FROM (USED FOR)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 31,609	\$ 64,750
Net changes in non-cash working capital items		
Receivables	2,560	(20,353)
Prepays	(2,277)	(559)
Payables	(5,941)	4,403
Deferred revenue	<u>127,212</u>	<u>(36,335)</u>
INCREASE IN CASH	153,163	11,906
CASH AND SHORT TERM INVESTMENTS, BEGINNING OF YEAR	<u>227,966</u>	<u>216,060</u>
CASH AND SHORT TERM INVESTMENTS, END OF YEAR	\$ <u>381,129</u>	\$ <u>227,966</u>

P.E.I. LITERACY ALLIANCE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010

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 are 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, 2010

3. NET PROJECT INCOME (LOSS)

	<u>PAGE</u>	<u>2010</u>	<u>2009</u>
PGI Golf Tournament For Literacy	8	\$ 4,194	\$ (5,675)
Summer Tutoring Program for Kids	8	-	-
General Education Development Marketing	9	-	-
Office of Literacy and Essential Skills	9	871	853
Sharing Our Gifts	10	-	-
Igniting the Power Within	10	-	-
Family Literacy Partnership	10	-	-
Health Literacy Professional Needs Assessment	11	-	197
Health Literacy Needs Assessment	11	-	381
Sound of Music 2008	11	-	1,075
Adult Learning Knowledge Centre	12	-	(718)
		<u>\$ 5,065</u>	<u>\$ (3,887)</u>

P.E.I. LITERACY ALLIANCE
SCHEDULE I - PGI GOLF TOURNAMENT FOR LITERACY
SCHEDULE II - SUMMER TUTORING PROGRAM FOR KIDS
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
SCHEDULE I - PGI GOLF TOURNAMENT FOR LITERACY		
REVENUE	\$ <u>53,256</u>	\$ <u>37,884</u>
EXPENSES		
Advertising	759	1,185
Awards	200	200
Gifts/honoraria	2,043	1,446
Learner's Award	200	200
Meals	5,750	4,532
Miscellaneous	4,011	4,178
Professional fees	713	200
Resource materials	167	102
Travel	<u>2,219</u>	<u>2,016</u>
	<u>16,062</u>	<u>14,059</u>
NET PROJECT INCOME BEFORE TRANSFERS	37,194	23,825
TRANSFERS TO ADMINISTRATIVE ACCOUNT	<u>(33,000)</u>	<u>(29,500)</u>
NET PROJECT INCOME (LOSS)	\$ <u><u>4,194</u></u>	\$ <u><u>(5,675)</u></u>
SCHEDULE II - SUMMER TUTORING PROGRAM FOR KIDS		
REVENUE	\$ <u>126,909</u>	\$ <u>128,773</u>
EXPENSES		
Advertising	-	728
Equipment rental/purchase	-	144
Gifts/honoraria	-	11
Materials	252	2,056
Office and miscellaneous	1,884	1,512
Project management	-	1,500
Telephone	-	185
Travel	12,192	7,321
Wages	<u>112,067</u>	<u>102,639</u>
	<u>126,395</u>	<u>116,096</u>
EXCESS REVENUE OVER EXPENSE	514	12,677
DEFERRED REVENUE, END OF YEAR	514	12,677
NET PROJECT INCOME	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

P.E.I. LITERACY ALLIANCE
SCHEDULE III - OFFICE OF LITERACY AND ESSENTIAL SKILLS
SCHEDULE IV - GENERAL EDUCATION DEVELOPMENT MARKETING
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
SCHEDULE III - OFFICE OF LITERACY AND ESSENTIAL SKILLS		
REVENUE	\$ <u>141,840</u>	\$ <u>83,967</u>
EXPENSE		
Catering	132	1,243
Equipment rental and purchase	322	366
Postage	3,352	1,075
Printing	1,127	478
Professional fees	9,604	10,396
Rent	1,083	1,364
Telephone and internet	5,719	4,066
Wages	<u>119,630</u>	<u>64,126</u>
	<u>140,969</u>	<u>83,114</u>
NET PROJECT INCOME	\$ <u>871</u>	\$ <u>853</u>

SCHEDULE IV - GENERAL EDUCATION DEVELOPMENT MARKETING

REVENUE	\$ <u>20,496</u>	\$ <u>25,000</u>
EXPENSES		
Advertising	2,017	1,676
Professional fees	-	1,200
Project management	1,500	1,500
Travel	<u>-</u>	<u>128</u>
	<u>3,517</u>	<u>4,504</u>
EXCESS OF REVENUE OVER EXPENSES	16,979	20,496
DEFERRED REVENUE, END OF YEAR	<u>16,979</u>	<u>20,496</u>
NET PROJECT INCOME	\$ <u>-</u>	\$ <u>-</u>

P.E.I. LITERACY ALLIANCE
SCHEDULE V - SHARING OUR GIFTS
SCHEDULE VI - IGNITING THE POWER WITHIN
SCHEDULE VII - FAMILY LITERACY PARTNERSHIP
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
SCHEDULE V - SHARING OUR GIFTS		
REVENUE	\$ <u>75,000</u>	\$ <u>-</u>
EXPENSES		
Professional fees	1,220	-
Wages	<u>10,442</u>	<u>-</u>
	<u>11,662</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENSES	63,338	-
DEFERRED REVENUE, END OF YEAR	<u>63,338</u>	<u>-</u>
NET PROJECT INCOME	\$ <u>-</u>	\$ <u>-</u>

SCHEDULE VI - IGNITING THE POWER WITHIN

REVENUE	\$ <u>104,423</u>	\$ <u>-</u>
EXPENSES		
Catering	10,382	-
Equipment rental	1,452	-
Office supplies	1,254	-
Professional fees	1,523	-
Rent	5,202	-
Travel	6,566	-
Wages	<u>5,622</u>	<u>-</u>
	<u>32,001</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENSES	72,422	-
DEFERRED REVENUE, END OF YEAR	<u>72,422</u>	<u>-</u>
NET PROJECT INCOME	\$ <u>-</u>	\$ <u>-</u>

SCHEDULE VII - FAMILY LITERACY PARTNERSHIP

REVENUE	\$ 9,631	\$ -
DEFERRED REVENUE, END OF YEAR	<u>9,631</u>	<u>-</u>
NET PROJECT INCOME	\$ <u>-</u>	\$ <u>-</u>

P.E.I. LITERACY ALLIANCE

SCHEDULE VIII - HEALTH LITERACY PROFESSIONAL NEEDS ASSESSMENT

SCHEDULE IX - HEALTH LITERACY NEEDS ASSESSMENT

SCHEDULE X - SOUND OF MUSIC 2008

YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
SCHEDULE VIII - HEALTH LITERACY PROFESSIONAL NEEDS ASSESSMENT		
REVENUE	\$ <u>-</u>	\$ <u>4,500</u>
EXPENSES		
Equipment	-	-
Professional fees	-	881
Wages and benefits	-	3,422
	<u>-</u>	<u>4,303</u>
NET PROJECT INCOME	\$ <u>-</u>	\$ <u>197</u>

SCHEDULE IX - HEALTH LITERACY NEEDS ASSESSMENT

REVENUE	\$ <u>-</u>	\$ <u>1,149</u>
EXPENSES		
Catering	-	110
Gifts/honoraria	-	25
Rent	-	276
Travel	-	357
	<u>-</u>	<u>768</u>
NET PROJECT INCOME	\$ <u>-</u>	\$ <u>381</u>

SCHEDULE X - SOUND OF MUSIC 2008

REVENUE	\$ <u>-</u>	\$ <u>5,027</u>
EXPENSES		
Catering	-	59
Honoraria	-	75
Office Supplies	-	15
Postage	-	26
Resource Materials	-	14
Registrations/fees	-	3,250
Rent	-	513
	<u>-</u>	<u>3,952</u>
NET PROJECT INCOME	\$ <u>-</u>	\$ <u>1,075</u>

P.E.I. LITERACY ALLIANCE
SCHEDULE XI - ADULT LEARNING KNOWLEDGE CENTRE
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
SCHEDULE XI - ADULT LEARNING KNOWLEDGE CENTRE		
REVENUE	\$ <u>-</u>	\$ <u>5,000</u>
EXPENSE		
Catering	-	20
Office supplies	-	227
Postage	-	90
Printing & Photocopy	-	231
Travel	-	136
Wages	<u>-</u>	<u>5,014</u>
	<u>-</u>	<u>5,718</u>
NET PROJECT LOSS	\$ <u>-</u>	\$ <u>(718)</u>