

PEI Cultural Human Resource Sector Council Inc.

Financial Statements
March 31, 2011



A Member Firm of The AC Group of Independent Accounting Firms Limited

June 20, 2011

Auditor's Report

To the Members of PEI Cultural Human Resource Sector Council Inc.

We have audited the accompanying financial statements of PEI Cultural Human Resource Sector Council Inc., which comprise the statement of financial position as at March 31, 2011 and the statements of operations and changes in net liabilities 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 and fair presentation 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.

Auditor's 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 from 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 auditor's 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 entity's preparation and fair presentation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PEI Cultural Human Resource Sector Council Inc. as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Arsenault Best Cameron Ellis

Chartered Accountants

PEI Cultural Human Resource Sector Council Inc.

Statement of Financial Position

As at March 31, 2011

	2011	2010
	\$	\$
Assets		
Current assets		
Cash	-	6,684
Accounts receivable	5,474	750
Prepaid expenses	774	774
	<hr/>	<hr/>
	6,248	8,208
Liabilities		
Current liabilities		
Bank advances	3,757	-
Accounts payable and accrued liabilities	3,234	2,341
Deferred revenue	-	6,009
	<hr/>	<hr/>
	6,991	8,350
Net liabilities	<hr/>	<hr/>
	(743)	(142)
	<hr/>	<hr/>
	6,248	8,208

Approved by the Board of Directors

_____ Director

_____ Director

PEI Cultural Human Resource Sector Council Inc.

Statement of Operations and Changes in Net Liabilities

For the year ended March 31, 2011

	2011 \$	2010 \$
Revenue		
Skills PEI	132,133	189,129
Expenses		
Advertising and promotion	1,587	4,939
Capital expenditures	1,926	-
Cultural career fair	756	-
Cultural forum	4,036	5,750
Cultural/tourism study	-	18,500
French translation	1,555	6,779
Hosted events	3,332	2,088
Hybrid careers study	3,126	23,016
Insurance	1,631	1,579
Interest and bank charges	357	236
Careers in culture	5,880	-
Memberships	505	304
Office supplies	2,490	4,434
Postage and courier	200	109
Professional fees	1,300	1,243
Rent	9,225	9,225
Repairs and maintenance	2,670	2,925
Salaries and benefits	81,569	86,374
Printing costs	784	2,705
Telephone and internet	1,701	2,023
Training strategy	-	15,432
Travel	974	1,235
Website development	7,130	-
	132,734	188,896
Excess revenue (expenses) for the year	(601)	233
Net liabilities - Beginning of year	(142)	(375)
Net liabilities - End of year	(743)	(142)

PEI Cultural Human Resource Sector Council Inc.

Statement of Cash Flows

For the year ended March 31, 2011

	2011 \$	2010 \$
Cash provided by (used in)		
Operating activities		
Excess revenue (expenses) for the year	(601)	233
Amortization of capital assets	7,130	-
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Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	(4,724)	1,116
Increase in prepaid expenses	-	(52)
Increase (decrease) in accounts payable and accrued liabilities	893	(622)
Decrease in deferred revenue	(6,009)	(48,679)
	<hr/>	<hr/>
	(9,840)	(48,237)
	<hr/>	<hr/>
Decrease in cash	(10,441)	(48,004)
Cash - Beginning of year	6,684	54,688
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Cash (bank advances) - End of year	(3,757)	6,684
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PEI Cultural Human Resource Sector Council Inc.

Notes to Financial Statements

March 31, 2011

1 Purpose of the organization

The purpose of PEI Cultural Human Resource Sector Council Inc. is to act as a leader in strengthening the cultural sector on Prince Edward Island by studying workforce related needs and developing viable solutions. The organization is funded by the Canada/Prince Edward Island Labour Market Development Agreement. The company was incorporated March 31, 2006 under Part II of the Companies Act of Prince Edward Island as a non-profit organization and is exempt from paying corporate income taxes under Section 149(1)(l) of the Income Tax Act.

2 Summary of significant accounting policies

Capital assets

The organization expenses capital asset expenditures in the year they are made.

Revenue recognition

PEI Cultural Human Resource Sector Council Inc. follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Management estimates

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those reported.

Fair value of financial instruments

The organization's financial instruments consist of accounts receivable, bank advances and accounts payable and accrued liabilities. Due to their short-term nature, all financial instruments are carried at amounts which are considered to approximate fair value.

Financial risk management objectives and policies

Consistent with similar not-for-profit organizations, PEI Cultural Human Resource Sector Council Inc.'s risk management policies are typically performed as part of the overall management of the entity's operations. Management's direct involvement in day-to-day operations identifies risks and variations from expectations leading to changes in risk management activities, requirements and actions. Management has not entered into hedging transactions to manage risk. As a part of the overall management of the entity's operations, management considers avoidance of undue concentrations of risk, and employs appropriate investment and credit management policies to manage the organization's exposure.

PEI Cultural Human Resource Sector Council Inc.

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Capital disclosures

PEI Cultural Human Resource Sector Council Inc. considers its capital to be its net assets (liabilities). The entity's objectives when managing its capital are to safeguard its ability to continue as a going concern in order to provide services to carry out its mandate. Capital is under the direction of the Board of Directors with the objective of minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements.

3 Economic dependence

PEI Cultural Human Resource Sector Council Inc. receives funding from government. As the organization's only source of income is derived from government funding, its ability to continue viable operations is dependent upon maintaining these funding sources from government.