

WORKING SKILLS CENTRE

FINANCIAL STATEMENTS

MARCH 31, 2008

AUDITOR'S REPORT

**To the Members of
Working Skills Centre**

I have audited the Statement of Financial Position of Working Skills Centre as at March 31, 2008 and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended. These financial statements are the responsibility of the Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

My examination was made in accordance with Canadian generally accepted auditing standards, and accordingly, included such tests and other procedures as I considered necessary under the circumstances, except as explained in the following paragraphs.

As is common in organizations of this type, revenues by their natures are not susceptible to complete verification by audit procedures. Accordingly, my examination of revenues, other than grants, was confined to tests of deposits of recorded receipts in authorized depositories.

In my opinion, except for the effects of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself with respect to the other sources of revenues described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2008 and the results of its operation and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

**Richmond Hill, Ontario
June 26, 2008**

**Chartered Accountant
Licensed Public Accountant**

WORKING SKILLS CENTRE

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2008

ASSETS

	<u>2008</u>	<u>2007</u> (Restated)
<u>CURRENT</u>		
Accounts Receivable (Note 3)	\$ 69,755	\$ 39,003
Grant Contributions Receivable	107,102	131,823
GST Receivable	5,727	5,997
Prepaid Expenses and Deposits	<u>21,695</u>	<u>19,177</u>
	204,279	196,000
<u>EQUIPMENT</u> (Note 4)	<u>69,793</u>	<u>85,951</u>
	<u>\$ 274,072</u>	<u>\$ 281,951</u>

LIABILITIES

<u>CURRENT</u>		
Bank Indebtedness	\$ 60,314	\$ 25,289
Accounts Payable and Accrued Liabilities	66,376	17,682
Deferred Revenue	15,837	15,000
Deferred Grant Contributions (Note 5)	-	16,934
Loan Payable (Note 6)	<u>12,344</u>	<u>38,404</u>
	<u>154,871</u>	<u>113,309</u>

NET ASSETS

<u>RESTRICTED TO CONTINGENCIES</u> (Note 7)	-	16,636
<u>NET ASSETS</u>	<u>119,201</u>	<u>152,007</u>
	<u>119,201</u>	<u>168,643</u>
	<u>\$ 274,072</u>	<u>\$ 281,952</u>

APPROVED BY THE BOARD:

_____ Director

_____ Director

See Accompanying notes

WORKING SKILLS CENTRE

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2008

	<u>Restricted</u> to <u>Capital Assets</u>	<u>Restricted</u> to <u>Contingencies</u> (Note 7)	<u>Unrestricted</u> to <u>Contingencies</u>	<u>Balance</u> <u>2008</u>	<u>Balance</u> <u>2007</u> (Restated)
<u>BALANCE,</u> Beginning of the Year	\$ 52,655	\$ 16,636	\$ 99,352	\$ 168,643	\$ 194,526
<u>EXCESS (DEFICIENCY)</u> <u>OF EXPENSES OVER</u> <u>REVENUE</u>	-	-	(33,284)	(33,284)	2,163
<u>AMORTIZATION</u>	(16,158)	-	-	(16,158)	(28,046)
<u>TRANSFER OF RESTRICTED</u> <u>CONTINGENCIES</u>	-	(16,636)	16,636	-	-
<u>BALANCE,</u> End of the Year	<u>\$ 36,497</u>	<u>\$ -</u>	<u>\$ 82,704</u>	<u>\$ 119,201</u>	<u>\$ 168,643</u>

See Accompanying notes

WORKING SKILLS CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u> (Restated)
<u>CASH FLOWS FROM OPERATIONS</u>		
<u>Cash Received from:</u>		
Government Grants and Projects	\$ 687,947	\$ 857,153
Cash Received from Marketing and Training	299,242	257,193
Cash Received from Donations and Other Income	<u>33,946</u>	<u>16,858</u>
	<u>1,021,135</u>	<u>1,131,204</u>
<u>CASH OUTFLOWS - FINANCING AND INVESTING ACTIVITIES</u>		
Business Agency Operations and Special Projects	1,056,160	1,007,759
Leasehold Improvements	-	56,924
Equipment Purchased	<u>-</u>	<u>23,777</u>
	<u>1,056,160</u>	<u>1,088,460</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	(35,025)	42,744
<u>BANK INDEBTEDNESS, Beginning of the Year</u>	<u>(25,289)</u>	<u>(68,033)</u>
<u>BANK INDEBTEDNESS, End of the Year</u>	<u>\$ (60,314)</u>	<u>\$ (25,289)</u>

See Accompanying notes

WORKING SKILLS CENTRE

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u> (Restated)
<u>REVENUE</u>		
Government and Foundation Contributions (Note 8)	\$ 680,160	\$ 769,273
WSC Direct Marketing	118,329	134,043
Skills Training Programs	211,666	140,962
Donations and Other Income	33,946	16,858
	<u>1,044,101</u>	<u>1,061,136</u>
<u>EXPENSES</u>		
Capital Expenditures	16,410	16,342
Salaries	656,147	623,576
Employee and Trainee Benefits	59,549	48,082
Occupancy Costs	196,388	197,580
Outreach and Marketing	20,486	16,477
Bad Debts	1,679	4,768
Bank Charges and Interest	10,257	6,833
Client Materials and Delivery	20,709	20,667
Equipment Leasing and Maintenance	28,138	30,299
Insurance	14,067	13,767
Office Supplies	8,123	18,496
Professional Fees	7,711	19,964
I.T. Costs	-	1,851
Program Resource Materials	21,917	19,110
Telephone	10,992	10,329
Travel and Participant TTC	4,812	10,832
	<u>1,077,385</u>	<u>1,058,973</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER</u>		
<u>EXPENSES FROM OPERATIONS</u>	(33,284)	2,163
<u>AMORTIZATION</u>	(16,158)	(28,046)
<u>TRANSFER OF RESTRICTED CONTINGENCIES</u> (Note 7)	<u>16,636</u>	<u>-</u>
<u>NET EXCESS OF EXPENSES OVER REVENUE</u>	<u>\$ (32,806)</u>	<u>\$ (25,883)</u>

See Accompanying notes

WORKING SKILLS CENTRE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

1. PURPOSE OF ORGANIZATION:

Working Skills Centre is a multi-cultural, multi-racial not for profit organization with a focus on providing training & bridge work program for immigrant women. Working Skills Centre is a registered charity under the Income Tax Act of Canada. The registration number is 1082 194 RR0001.

2. SIGNIFICANT ACCOUNTING POLICIES:

a) Revenue Recognition

Working Skills Centre follows the deferral method of accounting for contributions. Deferred Contributions are recognized as revenue in the year in which the related expenses are incurred. Revenue from government & foundation contributions is recorded when revenues earned. Revenue from sales and services, and material resource recovery is recorded as revenue when earned. Donation & fund raising is recorded as revenue when received.

b) Equipment

Equipment is recorded at cost. Amortization is provided as follows:

Motorized and other equipment	20% - declining balance basis
Computer Equipment	20% - declining balance basis
Telephone System	20% - declining balance basis
Furniture and Fixtures	20% - declining balance basis

Leasehold Improvements are amortized over the term of the lease (60 months).

Equipment related to program costs are expensed in the year of acquisition.

c) Contribution to Administration

Most programs contribute a percentage of revenue to administration to defray core costs.

d) Financial Instruments

The centre's financial instruments consist of cash, accounts receivable, temporary and investments, bank indebtedness, loan payable and accounts payable. Financial instruments are initially recorded as historical cost. If subsequent circumstances indicate that a decline in the fair market value of a financial asset is other than temporary, the financial instrument is written down to its fair market value. Unless otherwise indicated, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial statements. The fair market value of these instruments approximate recorded amounts because of the short period to receipt or payment of cash.

WORKING SKILLS CENTRE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

3. ACCOUNTS RECEIVABLE:

The accounts receivable are stated net of an allowance for doubtful accounts of \$1,800 (2007 - \$3,600).

4. EQUIPMENT:

	<u>2008</u>			<u>2007</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold Improvements	\$ 179,300	\$ 144,599	\$ 34,701	\$ 42,085
Furniture and Fixtures	47,791	34,487	13,304	16,630
Computer Equipment	69,154	59,115	10,039	12,549
Telephone Equipment	17,446	15,315	2,131	2,664
Motorized and other equipment	<u>15,029</u>	<u>5,411</u>	<u>9,618</u>	<u>12,023</u>
	<u>\$ 328,720</u>	<u>\$ 258,927</u>	<u>\$ 69,793</u>	<u>\$ 85,951</u>

Amortization for the year amounted to \$16,158 (\$28,046 in 2007).

5. DEFERRED GRANT CONTRIBUTIONS:

Deferred grant contributions are comprised of the following:

	<u>2008</u>	<u>2007</u> (Restated)
Ontario Trillium Foundation	\$ -	\$ 2,698
Status of Women	<u>-</u>	<u>14,236</u>
	<u>\$ -</u>	<u>\$ 16,934</u>

6. LOAN PAYABLE:

The loan payable bears interest at 6% per annum and is repayable at \$2,505 per month, principal and interest. The loan is unsecured.

WORKING SKILLS CENTRE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

7. INTERNALLY RESTRICTED FUNDS:

By a resolution of the Board of Directors the restricted funds have been eliminated and the balance has been adjusted to the Statement of Operations.

	<u>2008</u>	<u>2007</u>
Emergency Fund	\$ -	\$ 7,039
Women in Distress Fund	-	4,898
Staff Benefits	-	4,699
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	<u>\$ -</u>	<u>\$ 16,636</u>

8. GOVERNMENT AND FOUNDATION CONTRIBUTIONS:

Contributions are analyzed as follows:

	<u>2008</u>	<u>2007</u>
Service Canada / Employment Ontario	\$ 450,139	\$ 407,967
Heritage Canada	38,475	2,608
Ministry Of Citizenship and Immigration		
- Photographs from Home	12,150	-
Ministry Of Citizenship - Pay Equity	63,039	70,212
Ministry of Citizenship -NSP	59,171	74,904
Human Resources and Skills		
Development Canada	12,172	-
Ontario Trillium Foundation	2,698	22,160
Citizenship & Immigration Canada - ELT	-	166,764
Status of Women - Canada	39,236	22,302
Industry Canada - CAP	3,080	2,356
	<hr/>	<hr/>
	<u>\$ 680,160</u>	<u>\$ 769,273</u>

9. 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 reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

WORKING SKILLS CENTRE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

10. CONTRIBUTED SERVICES:

Because of the difficulty of determining the fair value of services provided by volunteers, contributed services by volunteers is not recognized in these financial statements.

11. RESTATEMENT OF 2007 FINANCIAL STATEMENTS:

The 2007 financial statements have been restated as follows:

	<u>Restated</u>	<u>As Reported</u>
GST Recoverable	\$ 5,997	\$ 13,793
Deferred Revenue	(15,000)	-
Deferred Grant Contributions	(16,934)	-
WSC Direct Marketing	(134,043)	(164,820)
Skills Training Programs	(140,962)	(142,118)