

WORKING SKILLS CENTRE

FINANCIAL STATEMENTS

MARCH 31, 2012





AUDITOR'S REPORT

To the Members of
Working Skills Centre

I have audited the accompanying financial statement of Working Skills Centre, which comprise the statement of financial position as at March 31, 2012, the statement of operations and net assets, and the statement of cash flows for the year then ended, and a summary of significant accounting policies applicable to not for profit organizations 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 accounting standards for not for profit organizations, 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 for not for profit organizations. 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.

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

AUDITOR'S REPORT (Continued)

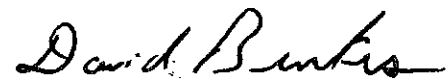
Basis for Qualified Opinion

Due to the inherent nature of the transactions of the organization, the completeness of donations and fundraising revenue is not susceptible of satisfactory audit verification. Accordingly, my verification of these amounts was limited to the amounts recorded in the organization's accounting records and I was not able to determine whether any adjustments might be necessary to the donations and fundraising revenue.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Working Skills Centre, as at March 31, 2012, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Richmond Hill, Ontario
August 9, 2012



Chartered Accountant
Licensed Public Accountant



WORKING SKILLS CENTRE

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2012

ASSETS

	<u>2012</u>	<u>2011</u>
<u>CURRENT</u>		
Cash	\$ 7,664	\$ 29,551
Accounts Receivable	135,942	90,131
Grant Contributions Receivable	25,392	75,094
HST/GST Recoverable	19,057	24,972
Prepaid Expenses and Deposits	<u>11,501</u>	<u>11,953</u>
	199,556	231,701
 <u>CAPITAL ASSETS (Note 3)</u>	 <u>237,403</u>	 <u>282,250</u>
	<u>\$ 436,959</u>	<u>\$ 513,951</u>

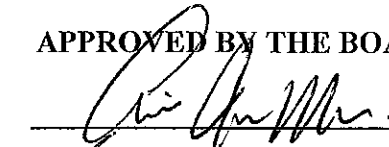
LIABILITIES

<u>CURRENT</u>		
Bank Advances (Note 10)	\$ 10,000	\$ 70,000
Accounts Payable and Accrued Liabilities	105,446	94,150
Source Deductions Payable	6,043	2,988
Deferred Revenue	14,904	15,219
Deferred Operating Grant Revenue (Note 4)	<u>4,422</u>	<u>24,690</u>
	140,815	207,047
 <u>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 5)</u>	 <u>167,999</u>	 <u>201,722</u>
	<u>308,814</u>	<u>408,769</u>

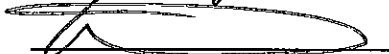
NET ASSETS

<u>NET ASSETS</u>	<u>128,145</u>	<u>105,182</u>
	<u>\$ 436,959</u>	<u>\$ 513,951</u>

APPROVED BY THE BOARD:



Director



Director

(See Accompanying Notes)



WORKING SKILLS CENTRE

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
<u>REVENUE</u>		
Government and Foundation Contributions (Note 6)	\$ 856,824	\$ 799,909
T.E.S.S. Skills Training	300,968	304,547
Skills Training - Diploma	21,963	37,919
Skills Training - Career Packages	44,127	28,518
Social Enterprise	60,586	59,524
Fundraising, Donations and Other Income	86,350	27,175
Donations-in-Kind - Equipment	-	8,390
	<u>1,370,818</u>	<u>1,265,982</u>
<u>EXPENSES</u>		
Capital Expenditures	8,796	51,173
Salaries	855,632	728,330
Employee and Trainee Benefits	80,583	69,386
Occupancy Costs	154,568	151,291
Outreach and Marketing	35,283	30,990
Bad Debts	2,886	4,129
Bank Charges and Interest	6,075	7,387
Computer Software, Supplies and Technical Services	28,719	49,476
Equipment Leasing and Maintenance	23,515	34,183
Insurance	11,274	11,258
Office Supplies	35,501	27,405
Professional Fees	27,852	24,034
Fundraising Expenses	7,867	1,320
Program Resource Materials	36,789	32,977
Telephone	11,853	12,415
Travel and Participant TTC	9,538	9,403
Donations-in-Kind - Equipment	-	8,390
	<u>1,336,731</u>	<u>1,253,547</u>
<u>EXCESS OF REVENUE OVER EXPENSES</u>		
<u>BEFORE AMORTIZATION</u>	34,087	12,435
<u>AMORTIZATION</u> (Note 7)	<u>(11,124)</u>	<u>(12,126)</u>
<u>EXCESS OF REVENUE OVER EXPENSES</u>	22,963	309
<u>NET ASSETS</u> , Beginning of the Year	<u>105,182</u>	<u>104,873</u>
<u>NET ASSETS</u> , End of the Year	<u>\$ 128,145</u>	<u>\$ 105,182</u>

(See Accompanying Notes)



WORKING SKILLS CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
<u>CASH FLOWS FROM OPERATIONS</u>		
Cash Received from:		
Government Grants and Projects	\$ 886,258	\$ 902,946
T.E.S.S. Skills Training	300,968	304,547
WSC Enterprises - Skills Training	80,550	55,825
Fundraising, Donations and Other Income	80,515	27,175
	<u>1,348,291</u>	<u>1,290,493</u>
<u>CASH OUTFLOWS - FINANCING AND INVESTING ACTIVITIES</u>		
Business Agency Operations and Special Projects	1,310,178	1,242,478
Leasehold Improvements	-	49,598
Furniture and Equipment	-	7,795
Computer Equipment	-	70,596
	<u>1,310,178</u>	<u>1,370,467</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	38,113	(79,974)
<u>NET BANK ADVANCES, Beginning of the Year</u>	<u>(40,449)</u>	<u>39,525</u>
<u>NET BANK ADVANCES, End of Year</u>	<u>\$ (2,336)</u>	<u>\$ (40,449)</u>
<u>NET BANK ADVANCES REPRESENTED BY:</u>		
Cash	\$ 7,664	\$ 29,551
Bank Advances	<u>(10,000)</u>	<u>(70,000)</u>
	<u>\$ (2,336)</u>	<u>\$ (40,449)</u>

(See Accompanying Notes)



WORKING SKILLS CENTRE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

1. PURPOSE OF ORGANIZATION:

WSC is an innovative, community-based, non-profit, charitable organization that empowers immigrants, primarily women. Its purpose is to prepare its clients to fully participate in Canadian society by providing education, work experience and settlements services that ultimately lead to employment. WSC is a registered charity under the Income Tax Act of Canada. The registration number is 108221946 RR0001.

2. SIGNIFICANT ACCOUNTING POLICIES:

a) Revenue Recognition

WSC 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 and foundation contributions is recorded when revenue is earned. Revenue from sales, services and material resource recovery is recorded as revenue on the accrual basis i.e. when earned. Capital contributions and the capital assets acquired from such grants are amortized over their respective useful lives. Fundraising, donations and other income are recorded as revenue when received.

Donations-in-kind are recognized as revenue at their fair market value where such is discernable.

WSC Skills Training and Social Enterprise programs are recorded as revenue when earned.

b) Capital Assets and Amortization

Capital assets are recorded at cost. Amortization is provided as follows:

Computer Equipment	20% - declining balance basis
Telephone System	20% - declining balance basis
Furniture and Equipment	20% - declining balance basis
Leasehold Improvements	Amortized over 120 months

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

c) Contribution to Administration

Some programs contribute a percentage of revenue to administration to defray infrastructure costs.



WORKING SKILLS CENTRE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

d) Financial Instruments

WSC's financial instruments consist of cash, accounts receivable, short-term investments, bank advances and accounts payable. Financial instruments are initially recorded at 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 WSC 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.

3. CAPITAL ASSETS:

	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold				
Improvements	\$ 151,955	\$ 33,159	\$ 118,796	\$ 133,991
Furniture and Equipment	55,586	44,524	11,062	13,827
Computer Equipment	198,264	91,592	106,672	133,341
Telephone Equipment	17,446	16,573	873	1,091
	<u>\$ 423,251</u>	<u>\$ 185,848</u>	<u>\$ 237,403</u>	<u>\$ 282,250</u>

Amortization for the year is \$44,847 (2011-\$40,113).

4. DEFERRED OPERATING GRANT CONTRIBUTIONS:

Deferred operating grant contributions are comprised of the following:

	<u>2012</u>	<u>2011</u>
Miziwe Biik	\$ 2,362	\$ -
Toronto Community Foundation - Vital Ideas	2,060	-
Ministry of Citizenship - NSP	-	9,690
Citizenship and Immigration Canada	-	15,000
	<u>\$ 4,422</u>	<u>\$ 24,690</u>

Continuity of Deferred Operating Grant Contributions for the year is as follows:

Deferred Operating Grants, Beginning of the Year	\$ 24,690	\$ 6,277
Add - Received/Receivable during the Year	836,556	818,322
Less - Recognized during the Year (Note 6)	<u>(856,824)</u>	<u>(799,909)</u>
Deferred Operating Grants, End of the Year	<u>\$ 4,422</u>	<u>\$ 24,690</u>

