

**Workers of Tomorrow Safety Centre Inc.  
Financial Statements**

August 31, 2017

T:\WORKERS OF TOMORROW-2258WOT-1011\CASEWARE\2017 CW - WORKERS OF  
TOMORROW\

Draft

## Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Statements of Operations	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 7

Draft

## Independent Auditors' Report

To the Directors of  
Workers of Tomorrow Safety Centre Inc.

We have audited the accompanying financial statements of Workers of Tomorrow Safety Centre Inc., which comprise the statement of financial position as at August 31, 2017, and the statements of operations 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 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.

### *Auditors' 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 auditors consider internal control relevant to the organization'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 organization'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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Basis for Qualified Opinion*

In common with many charitable organizations, Workers of Tomorrow Safety Centre Inc. derives its fundraising revenues from the general public, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to fundraising, excess of revenues over expenditures, current assets and net assets.

## **Independent Auditors' Report - continued**

### *Qualified Opinion*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at August 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Canada  
Date to be determined

Chartered Professional Accountants

Draft

**Workers of Tomorrow Safety Centre Inc.**  
**Statements of Operations**

Year ended August 31

2017

2016  
(Note 4)

	2017	2016
<b>Revenues</b>		
Grants		
SAFE Work Manitoba	\$ 397,147	\$ 387,461
Children and Youth Opportunities	50,000	50,000
Fundraising	37,923	53,266
Training	23,914	35,870
Interest income	2,568	4,088
	<u>511,552</u>	<u>530,685</u>
<b>Expenditures</b>		
Advertising and promotion	471	903
Bank charges	1,441	1,270
Fundraising	15,208	10,000
Materials and supplies	2,971	2,392
Office	16,814	12,294
Professional fees	3,283	2,515
Rent/insurance/security	6,000	6,000
Salaries and benefits	458,057	428,087
Telephone and cellular	9,462	9,305
Travel	41,889	52,012
	<u>555,596</u>	<u>524,778</u>
(Deficiency) excess of revenues over expenditures	<u>\$ (44,044)</u>	<u>\$ 5,907</u>
<b>Net assets, beginning of year</b>		
	\$ 210,091	\$ 204,184
(Deficiency) excess of revenues over expenditures	<u>(44,044)</u>	<u>5,907</u>
<b>Net assets, end of year</b>	<u>\$ 166,047</u>	<u>\$ 210,091</u>

---

**Workers of Tomorrow Safety Centre Inc.**  
**Statement of Financial Position**

August 31

**2017**

**2016**

---

**Assets**

Current

Cash

\$ **167,667**    \$ 208,596

Receivables

**10,456**            9,455

Prepays

**201**                -

**\$ 178,324**    \$ 218,051

---

**Liability**

Current

Payables and accruals

\$ **12,277**    \$ 7,960

**Net assets**

**166,047**            210,091

**\$ 178,324**    \$ 218,051

---

Approved by the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

---

**Workers of Tomorrow Safety Centre Inc.**  
**Statement of Cash Flows**

Year ended August 31

**2017**

**2016**

---

Cash derived from (applied to):

**Operating**

(Deficiency) excess of revenues over expenditures	\$ (44,044)	\$ 5,907
Change in non-cash operating working capital items		
Receivables	(1,001)	(3,055)
Prepays	(201)	-
Payables and accruals	<u>4,317</u>	<u>5,362</u>

**Net (decrease) increase in cash**

**(40,929)**

**8,214**

**Cash**

Beginning of year	<u>208,596</u>	<u>200,382</u>
End of year	<u>\$ 167,667</u>	<u>\$ 208,596</u>

---

---

**Workers of Tomorrow Safety Centre Inc.**  
**Notes to the Financial Statements**  
August 31, 2017

---

**1. Nature of operations**

The Workers of Tomorrow Safety Centre Inc. (the Centre) provides awareness education and resources to students and workers throughout Manitoba to reduce and prevent workplace injuries, illnesses and death.

The Centre is an incorporated not-for-profit organization and is a registered charity under the Income Tax Act.

---

**2. Summary of significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

**(a) Revenue recognition**

The Centre follows the deferral method of accounting for contributions, which include government grants. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fundraising revenue is recognized when the event is held.

Training revenue is recognized at the time the service is performed.

**(b) Accounting estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**(c) Financial instruments**

The Centre recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. Financial instruments, except for financial assets with actively traded markets, are initially recorded at fair value with subsequent reporting at amortized cost. In subsequent periods, financial assets with actively traded markets are reported at fair value with any unrealized gains and losses reported in the statement of operations.

It is management's opinion that the Centre is not exposed to significant credit, currency, interest, liquidity, market, or other price risk arising from its financial instruments.

---



---

**Workers of Tomorrow Safety Centre Inc.**  
**Notes to the Financial Statements**  
August 31, 2017

---

**3. Economic dependence**

The Centre is economically dependent on SAFE Work Manitoba and Children and Youth Opportunities for its revenues.

---

**4. Comparative figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

---

Draft