



Annual Report 2007/2008



It's Big

WorldSkills Calgary 2009 Ltd. is a not-for-profit organization, established to plan and host the 40th WorldSkills competition in September, 2009.

WorldSkills is a growing, global movement of agencies and committed individuals, focused on developing and promoting high performance among young people in key skills and technologies that are vital to economic and social success.

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Vision

The desired future for the organization...WorldSkills Calgary 2009 Ltd. is the benchmark for future WorldSkills competitions, leaving a lasting community impact.

Mission

The distinctive identity or purpose which the organization seeks...Engage the passion of our youth to pursue satisfying trades and technology career pathways that result in a motivated and highly skilled workforce.

Goals

Ideal states to be achieved at some unspecified time in the future:

- Build regional and global community capacity that creates and supports excellence in trades and technology careers.
- Create a high level of societal value and respect for careers in trades and technology.
- Increase participation and support for the trades and technology career pathways.
- Build awareness and participation of WorldSkills globally, and the Americas specifically.
- Create a positive, lasting memory of Calgary's western hospitality.
- Celebrate and support diversity throughout the competition.
- Create lasting legacies for trades and technologies, WorldSkills and future international events based in Alberta.
- Be cost effective in all undertakings.



Chairman's Report

I am very pleased to report on progress on all of our key priorities. This fiscal year was a significant step forward to the WorldSkills Calgary 2009 event. This year marked the handing over of the flag from WorldSkills Japan 2007 to our team. As such the WorldSkills Calgary 2009 event is now foremost on the WorldSkills International stage and our attention has turned towards implementing plans for Calgary 2009.

A key event was our participation in Shizuoka in Japan. Canada and WorldSkills Calgary 2009 hosted a large contingent of VIP's from Canada including the Minister of Education from Alberta, key sponsorship supporters, and the Mayor of Calgary. This VIP contingent enjoyed meeting and networking with VIP's from around the world and also participated in a reception at the opening ceremonies hosted by the Crown Prince of Japan. WorldSkills Calgary 2009 took a large contingent of staff members and volunteers including Workshop Supervisors. The Workshop Supervisors are critical to the competition in 2009 as they will oversee the implementation of the competition area for each skill and also review the equipment needs once projects are selected. The Stampede Park, Federal Government and Provincial Government sent representatives who participated in the experience to bring back their feedback to help us plan more effectively for WorldSkills Calgary 2009. Subsequently WorldSkills Calgary 2009 staff hosted debriefing sessions with people who had attended the event in Japan so we could use this feedback to revise our planning and integrate the learning.

One important learning experience was to change the event from being primarily competitor based to be visitor focused. As such WorldSkills Calgary 2009 will undertake to make the information and viewing of the competition by visitors as fulfilling and informative as possible. WorldSkills Calgary 2009 has undertaken to leave a legacy to future events and we hope that this will be a major initiative and also contribute to the goals of increasing respect for the Skills and increase awareness and support for the trades and technology career pathways.

Further investment in WorldSkills Calgary 2009 was successful in particular further funding by the Federal Government of \$7.3 million was approved. The HRSD Minister Monte Solberg announced the funding in Calgary at Stampede Park also participating in a hands on demonstration of a skill. The Alberta Government also approved further funding of \$1.7 million for the Apprenticeship and Skills Awareness program. This fund will be used to implement Try a Trade, Skills Ambassador, Educator's Awareness, and Apprenticeship Skills and Student Awareness initiatives.

In summary, the activities for the fiscal year ending March 31st 2008 have centered on the transition between planning to implementation for WorldSkills Calgary 2009. The event in Japan was pivotal to this change and to our learning for 2009. WorldSkills Calgary 2009 is now positioned due to the successes in the year to deliver on our commitments in the Memorandum of Understanding with WorldSkills International. I am very pleased to submit for your consideration, the 2007/8 WorldSkills Calgary 2009 Annual Report.

E. H. Guy Mallabone, Chair, Board of Directors



President and CEO's Report

This past year was pivotal for WorldSkills Calgary 2009. We launched our sponsorship program to great interest. We had Founding and Supporting sponsors immediately with the United Alliance of Plumbers and Pipefitters and the Alberta Building Trades Council (respectively) stepping up to support WorldSkills Calgary 2009. In addition WorldSkills Calgary 2009 initiated agreements with many of WorldSkills International's Global Sponsor Partners and look forward to solidifying those relationships.

In November 2007, 220 Canadians descended on Shizuoka, Japan to participate in the 39th WorldSkills Competition. Our WorldSkills Calgary 2009 team was composed of seven office staff, 35 Workshop Supervisors, and volunteers who dedicated two weeks of their time to observe first-hand the inner workings of an international competition. Skills/Compétences Canada led the Canadian competitors to their best competition results ever, bringing home thirteen honors, eight of which were medals. In addition to winning Gold in Cooking, Nicholas Druin was awarded the Albert Vidal trophy for the highest individual performance of any competitor in Japan - the best of the best.

We made great advances in our staffing in 2007/2008. In addition to sponsorship and operations staff, we successfully recruited administrative staff to assist in our organization as we proceed to the 2009 competition.

Further funding from both the Provincial Government of \$1.7 million and the Federal Government of \$7.3 million placed WorldSkills Calgary 2009 in a very positive position financially. The organization appreciates the continued support of the government agencies not only for financial support but also for support by government staff and elected officials.

Fiscal 2008/2009 promises to be challenging and rewarding as we continue to accumulate sponsors and media support. Our challenge now is to continue to generate interest and awareness while recruiting sufficient numbers of volunteers to help us make WorldSkills Calgary 2009 a great success.

Richard L.H. Walker, President and CEO



Year in Review

This fiscal year was a stand out year as it was the transition between the WorldSkills Japan 2007 event and the WorldSkills Calgary 2009 event. The handing over of the WorldSkills flag to the organizing committee for WorldSkills Calgary 2009 by Japan marked this transition from planning to implementation and as WorldSkills International Secretary General remarked that now the focus is on Calgary, Alberta, and Canada. Guy Mallabone, Chair of the Board of Directors, Richard Walker, President and CEO WorldSkills Calgary 2009, Terry Cooke, President Skills/Compétences Canada, Board member for WorldSkills Calgary 2009 and WorldSkills Calgary 2009 representative to the WorldSkills International Board, and Shaun Thorson, CEO of Skills/Compétences Canada were on hand at the closing ceremonies in Japan to accept the flag and the responsibilities of implementing the WorldSkills Calgary 2009 event.

The event in Japan was also a major learning experience and training opportunity for not only the staff of WorldSkills Calgary 2009 but volunteers, partners, government, and sponsor representatives.

This annual report includes some recommendations from these representatives based on their perceptions and experiences in Japan.

Another major achievement was the procurement of further funding from both the Provincial and Federal Governments. The provincial funding now stands at \$23.6 million which includes funding procured this year of \$1.7 million. The Federal Government has funded WorldSkills Calgary 2009 for \$13.4 million of which \$7.3 million was secured and announced this fiscal year.

1. WorldSkills 2007 Shizuoka

The 39th WorldSkills competition was held in Shizuoka, Japan from November 14 to 21, 2007. In preparation for the 40th WorldSkills competition in Calgary, members of our Board of Directors, senior staff and industry partners served as an observer team during the Shizuoka competition. This experience gave the team a great opportunity to learn what improvements will be beneficial for the Calgary event.



The Shizuoka competition brought together 812 Competitors from 47 countries. More than 290,000 visitors from Japan and abroad attended the event.

Team Canada Results from Shizuoka

Skills/Compétences Canada sent 29 competitors to Shizuoka. The Canadian team did exceptionally well again.

Medals:

- Gold – **Louis-Phillippe Major** – Welding
- Silver – **Joel Kitching** – Web Design
- Silver – **Maxime Blais-Lapointe** – Electrical Installation
- Bronze – **Claudie Gagnon** – Ladies Dressmaking
- Bronze – **Annie Beauregard** – Confectioner/pastry cook
- Gold – **Nicolas Drouin** – Cooking

Besides the 6 medals, Canada also won seven Medallions for Excellence for achieving the International standard in the following trades:

- Refrigeration – **Pier-Olivier Armstrong**
- IT PC/Network Support – **Tommy Boucher**
- Graphic Design – **Veronique Labelle**
- Automobile technology – **Nathan Banke**
- Restaurant service – **Aglae Durand**
- Beauty Therapy – **Sara Peach**
- Ladies/Mens Hairdressing – **Marie-Michele Deschesnes**
- CNC Milling – **Carl Stretch**

Medallions for excellence are awarded to competitors who have not earned a gold, silver or bronze medal, but who have obtained a score of 500 or more out of a total possible 600.



Perceptions and Recommendations by Canadian representatives.

The event in Japan was very exciting and certainly the numbers of people visiting the competition will be hard to replicate in Canada. Canada does not have this population base. Many events in Japan inspired our observer team such as the One School - One Country program. WorldSkills Calgary 2009 is intending to replicate this program.

The competition in Japan was organized very differently as the location was away from a major city and spread over several different prefectures. As such the logistics were very different to Calgary and Canada and quite a challenge for the organizers.

Another difference was that the event in Japan was largely government organized and the venue was built specifically for this event. The buildings were turned into a skills learning college after the competition.

The event in Japan was preceded by an orientation session which was held by WorldSkills Calgary 2009 staff on the event, Japan, customs, location and expectations. These sessions were held for a number of different groups such as the VIP program participants, Stampede Park staff, our own staff, and other groups as needed.

The WorldSkills Calgary 2009 staff members organized their handover part of the program including a video production for the closing ceremonies. A booth was constructed and dispatched then erected in Japan at the Global Village. This included space for meetings. Finally another initiative of WorldSkills Calgary 2009 was to host a reception in the Global Skills Village. This initiative was received very positively and we understand other countries are intending to replicate the idea in Calgary.

Finally WorldSkills Calgary 2009 completed the WorldSkills Japan 2007 event by organizing a series of debriefing sessions on their return to Canada. These debriefings resulted in recommendations some of which are listed below. The debriefing document is very detailed and extensive with many other recommendations which we will be considering in our planning for WorldSkills Calgary 2009. WorldSkills Calgary 2009 staff members appreciate the time given by participants in providing their time, commitment, and thoughts on how to build for 2009.



Recommendations:

- Detail the light rapid transit and transportation logistics for accredited delegates and competitors.
- Create a safety plan addressing congestion areas and venting.
- Plan the venue space fully to meet competitor space requirements
- Provide for the spectators viewing of the competition area.
- Provide alternative food options and times for service on site.
- Indicate the full name of the accreditation category on the badges.
- Hold a press/media conference at the end of each day.

WorldSkills Calgary 2009 is very appreciative of the support given to them by WorldSkills Japan 2007 staff and the sharing of information and learning.

The staff from WorldSkills Calgary found the trip to Shizuoka a very enriching experience. They were able to bring back many ideas for the 2009 Event in Calgary. The plan is to make Calgary WorldSkills 2009 the best Event yet and by using the learning from the event in Japan they will ensure that everyone is accommodated and pleased with their experience. The goal is to have the people participating in WorldSkills 2009 leave with many excellent memories of our great city, Province, country, and the WorldSkills Calgary 2009 event.



2. Recruitment of the Americas

Meetings have been held by the CEO and representatives from Brazil as part of our commitment to WorldSkills International. Brazil has a very active National competition and is a great supporter of WorldSkills events in South America. WorldSkills Calgary 2009 will continue to work with Brazil and other South American countries to encourage participation in WorldSkills.

3. Partnerships and sponsors

A partnership has been developed between the organization of SAIT (Southern Alberta Institute of Technology) Polytechnic which will be the site of the competitor's residence and village. The village is the first time that all competitors will be housed in one location, which will be appreciated by all the competitors as this will create a real multicultural society for the duration of the event. The residences are also one bedroom for each competitor which is an extra positive as in previous competitions competitors have shared as many as six to a room. The competitors and Team Leaders will fill all the available residence rooms on the SAIT campus.

Stampede Park, the site of the WorldSkills Calgary 2009 competition, is another partnership that is progressing. The Stampede Park staff members have been meeting with representatives from WorldSkills Calgary 2009 to map out requirements and which venues are appropriate for which skill. The event will be one of the largest events held at Stampede Park and as such Stampede Park sent 6 members of staff to Japan to view the 2007 WorldSkills event. This commitment was very important to the development of requirements and the insight needed for planning for WorldSkills Calgary 2009.

WorldSkills Calgary 2009 continues to develop strong working relationships with the Government of Canada and government representatives, Ministers and ministerial representatives in British Columbia and Saskatchewan. Strong government support is critical to the success of WorldSkills Calgary 2009 and meetings with government officials will continue in provinces to ensure full participation and awareness.

The Alberta Government has committed full time staff to liaising between WorldSkills Calgary 2009 and the various provincial departments. The provincial government also sends staff members to attend the WorldSkills Calgary Board of Directors meetings to remain fully cognizant of the event planning. There have been frequent staff meetings between the Province and the WorldSkills Staff members to integrate the implementation of initiatives and programs.

Global sponsors were also contacted and meetings were held in Japan to instigate and negotiate the global sponsors support for WorldSkills Calgary 2009. Global sponsors are those already supporting WorldSkills International but they need to be recruited to support WorldSkills Calgary 2009 more specifically.

The sponsorship strategy was completed based on the Wireframe concept. Verbal and letters of intent have been received and sponsorship targets have been set. A database has been used to track sponsorship commitments and potential interest.



5. Marketing, Communications and Raising Awareness

4. Finance and Administration

The Alberta Government, Alberta Advanced Education and Technology is our major funding agency of \$23.6 million dollars. This includes a further contract which was signed this year for funding an Apprenticeship and Skills Awareness Program for \$1.7 million. The Alberta Government has also committed to support personnel to assist with coordination between the government agency and WorldSkills Calgary 2009 and a consultant to assist with information and support services.

The Federal Government has committed to fund WorldSkills Calgary 2009 for \$13.4 million of which \$7.3 million was secured and announced this fiscal year. \$5 million of this funding was received this fiscal year to specifically fund the venue.

The budget was approved this fiscal year but the operational budget was implemented at a reduction based on funds secured. This reduced operational budget impacted implementation of some initiatives and delayed the implementation of some planning and hiring of staff. The expenses for the year however came in under the budget projections due to staff diligence.

There were concerns expressed during the year about the secured funding against the projected global budget. Due to the diligence of reducing budget expenditures to match actual secured funding and the procurement of the Federal and Provincial funding during the fiscal year these concerns were allayed.

Marketing and communication activities continued throughout the year with the cultivation of potential media partners dominating the latter part of the period. WorldSkills Calgary 2009 obtained the support of the Calgary Herald in the posting of a media campaign to name the mascots.

The mascot program resulted in the selection of two workhorses. The names selected were Tug and Tess.



During this period WorldSkills Calgary 2009 completed the development of a new promotional DVD and secured global exposure of our video through placement on You Tube.

Awareness of the WorldSkills brand was accentuated by the use of the logo on the Calgary Stampeders' Football field. This use is a prelude to the "WorldSkills Champions on the World Stage". The competitors will be honored at half time of the Labour Day classic football game.

The website was unveiled on Parliament Hill in Ottawa by Lynne Yelich. The website is a necessary communication and awareness tool. WorldSkills Calgary 2009 will be using the website for recruitment of volunteers, sale of packages, Apprenticeship and Skills Awareness building, education initiatives, accreditation as well as marketing and communication.

One marketing initiative was to develop temporary tattoos for use at events. These tattoos were received very enthusiastically at WorldSkills Japan 2007 and became a major attraction at the provincial competition held in Edmonton.



6. Operations, Venue and Logistics

An agreement with Calgary Stampede Park for the lease of the venue was reached as well as the creation of a draft site plan for Stampede Park was completed. The venue plan is extensive as all the areas in the Stampede Park will be utilized except for the Saddledome. The parking area will be covered with tents to accommodate the required space. The final determination of where each skill will be located is a complex planning exercise due to the requirements of each skill competition, the area needed, and the number of competitors for each skill.



7. Skills/Compétences Canada and Skills

Canada Alberta

Meetings with cargo expeditors and global shipping companies and the creation of an infrastructure plan for Stampede Park ensured that preparations for 2009 were well underway.

A Technical Advisory Committee was established to formalize the Workshop Supervisor role and worked collaboratively to ensure that advertising and recruitment for 40 Workshop Supervisors was well underway at the end of the year. This group has been trained now through a series of meetings prior to going to WorldSkills Japan 2007. The learning in Japan also enabled this planning to proceed. The Workshop Supervisors also refined and populated the equipment list prior to leaving Japan. From this list WorldSkills Calgary 2009 staff members will be able to identify and refine the equipment and consumables needed for 2009.

WorldSkills Calgary 2009 in conjunction with WorldSkills International now conducts online discussion forums for the Workshop Supervisors, Technical Delegates and Experts around the world to coordinate and refine the requirements for the 2009 competition.

WorldSkills Calgary 2009 supported the National competition in Saskatchewan by sending staff members and Workshop Supervisors to participate. The National competition and Skills/Compétences Canada have a team of volunteers who support the hosting of the National competition each year. This team of volunteers and the staff of Skills/Compétences Canada are essential to the hosting of WorldSkills Calgary 2009. The competition in Calgary will be bigger and involve international members but the experience of the Workshop Supervisors in each skill area is invaluable to WorldSkills Calgary 2009. Similarly Skills/Compétences Canada has many years of experience working with WorldSkills International.

The Alberta Provincials were held in Edmonton and again the staff and Workshop Supervisors were participants at this event. Skills Canada Alberta staff members were very helpful to WorldSkills Calgary 2009 staff and shared their experience. Measures have been taken to include staff members from Skills Canada Alberta and Skills/Compétences Canada in WorldSkills Calgary 2009 planning and development activities.



The need for Calgarians to experience a Skills competition is necessary to increase interest and enthusiasm and finally participation in WorldSkills Calgary 2009. Therefore WorldSkills Calgary 2009 organized a bus to take school representatives, Board members and other interested people to the provincials in Edmonton. The trip was very well represented and resulted in more interest in the 2009 event and participation in the event in Japan.

country to bring their important people to the prior event and become knowledgeable and therefore more supportive of the event. The VIP program far exceeded expectations. More hotel rooms had to be booked and the program is expected to be even larger in Calgary. The VIP's who attended appreciated being shown around, having the special orientation and networking sessions, and the opportunity for exchange of information between world leaders in their area.

WorldSkills Calgary 2009 staff members were expected to attend various sessions in different parts of the world in particular for technical planning sessions prior to Japan in Tokyo. These sessions are essential to the planning for WorldSkills Calgary 2009 to define the skills competition needs.

8. WorldSkills International

WorldSkills Calgary 2009 maintains close ties with WorldSkills International as we turn to implementation for 2009. The final presentations were made to WorldSkills International representatives around the world to have the schedule for the event revised. This is a major achievement as the competition timeframe is shortened. Previously there were two days between the close of competition and the closing ceremonies for marking. This elapse time has been eliminated. This change means that more people will stay for the closing ceremonies.

WorldSkills International Secretary General met with WorldSkills Calgary 2009 staff members towards the end of the fiscal year in Calgary. The working sessions were concentrated to organize for the WorldSkills International Board meeting in Calgary in May and also as a first stage in the implementation of the WorldSkills Calgary 2009 event. Topics covered were accreditation, housing, protocol, commitments, competition rules and requirements, information technology requirements, and cross budgeting issues.

WorldSkills Calgary 2009 also initiated the VIP program which is an opportunity for the next host



Jim Little joined WorldSkills Calgary 2009 on October 2, 2007 as Technical Manager. He assisted the Operations Department with the organization of the Workshop Supervisors who are a critical component of the competition in 2009. Jim previously worked for a newswire organization and therefore helped promote a sponsorship opportunity with that company.

Kelly Des Rochers joined WorldSkills Calgary 2009 as the executive assistant on October 29, 2007. Kelly moves from the legal community in British Columbia and Calgary to WorldSkills Calgary 2009.

A staff handbook has been developed for employee use and is helping the orientation of new staff to WorldSkills Calgary 2009.

9. Staffing and Human Resources

WorldSkills Calgary 2009 is still recruiting outstanding employees and will continue to do so for the next several months.

Dave Vladers joined WorldSkills Calgary 2009 on December 10, 2007. He is the new Director of Sponsorship and is finalizing agreements and coordinating the sponsorship initiatives. Dave comes with former experience in sponsorship development and was also a top graduate of his university.

Michelle Rhyason joined WorldSkills Calgary 2009 as Venue Manager on January 7, 2008. She has completed the initial drafts of the venue layout as well as initiated the start of the safety binders for the 2009 event. Michelle also brings experience of event planning in Calgary and therefore has many excellent corporate and hotel contacts.

Jian Hong started with WorldSkills Calgary 2009 as the Receptionist on October 22, 2007. Jian is multitalented with Mandarin, French and English. Her family moved to Calgary from Quebec.





WorldSkills Calgary 2009 Ltd.

Financial Statements

March 31, 2008

Auditors' Report

To: The Board of Directors of
WorldSkills Calgary 2009 Ltd.

We have audited the statement of financial position of **WorldSkills Calgary 2009 Ltd.** as at **March 31, 2008** and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. 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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Canada

May 30, 2008

Kenway Mack Slusarchuk Stewart LLP

Chartered Accountants



WorldSkills Calgary 2009 Ltd.
Statement of Financial Position

As at March 31,	2008	2007
Assets		
Current assets		
Cash	\$ 78,801	\$ 101,875
Guaranteed investment certificate	54,062	-
Accounts receivable	23,787	9,148
Prepaid expenses	25,655	18,881
	\$ 182,305	\$ 129,904
Restricted assets (note 6)	10,001,267	815,381
Website development (note 4)	21,566	43,132
	\$ 10,205,138	\$ 988,417
Liabilities and Share Capital		
Current liabilities		
Accounts payable and accrued liabilities	\$ 182,302	\$ 129,901
Deferred cash contributions (note 6)	10,001,267	815,381
Deferred capital contributions (notes 4 and 7)	21,566	43,132
	10,205,135	988,414
Commitments (note 8)		
Share capital (note 9)	3	3
	\$ 10,205,138	\$ 988,417

Approved on behalf of the Board of Directors

See accompanying notes to financial statements.



WorldSkills Calgary 2009 Ltd.
Statement of Operations

Year Ended March 31,	2008	2007
Contributions		
Revenue	\$ 2,080,157	\$ 1,191,272
Amortization of deferred capital contributions	21,566	21,566
	<u>\$ 2,101,723</u>	<u>\$ 1,212,838</u>
Expenditures		
Salaries and related benefits	1,038,089	823,215
Travel	421,733	100,896
Advertising and promotion	326,457	142,998
Office and miscellaneous	209,393	94,958
Consulting fees	43,747	10,165
Professional fees	25,764	9,955
Amortization	21,566	21,566
Board meetings	8,016	4,316
Insurance	6,856	3,707
Interest	102	1,062
	<u>2,101,723</u>	<u>1,212,838</u>
Excess of contributions over expenditures before income taxes	-	-
Income taxes	-	-
Excess of contributions over expenditures	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements



WorldSkills Calgary 2009 Ltd.

Statement of Cash Flows

Year ended March 31,	2008	2007
Operating activities		
Excess of contributions over expenditures	\$ -	\$ -
Items not affecting cash		
Amortization	21,566	21,566
Amortization of deferred capital contributions	(21,566)	(21,566)
	-	-
Change in non-cash working capital items		
Accounts receivable	(14,639)	429,143
Prepaid expenses	(6,774)	(18,881)
Accounts payable and accrued liabilities	52,401	66,825
	30,988	477,087
Investing activity		
Website development	-	(64,698)
Financing activities		
Deferred capital contributions	-	64,698
Deferred cash contributions	(469,443)	634,620
	(469,443)	699,318
(Decrease) increase in cash and cash equivalents	(438,455)	1,111,707
Cash and cash equivalents (bank indebtedness) beginning of year	917,256	(194,451)
Cash and cash equivalents, end of year	\$ 478,801	\$ 917,256
Cash and cash equivalents consists of:		
Cash	\$ 78,801	\$ 101,875
Guaranteed investment certificate	54,062	-
Restricted guaranteed investment certificate	345,938	815,381
	\$ 478,801	\$ 917,256

See accompanying notes to financial statements



WorldSkills Calgary 2009 Ltd.

Notes to Financial Statements

March 31, 2008

1. Nature of Operations

WorldSkills Calgary 2009 Ltd. (the “Association”) is a not-for-profit organization incorporated under the Companies Act of Alberta on October 29, 2004. The Association was formed to promote trade and technology skills in Canada on a nation-wide basis, through the hosting of the WorldSkills Calgary 2009 event.

WorldSkills Calgary 2009 (the “Event”) is the 40th international competition of WorldSkills International, a global non-profit organization that promotes skills and vocational education. The Event features four days of competition with over 800 competitors in 40 skill categories. In addition 5,000 experts, judges and international delegates participate in non-competitive activities such as Global Leaders’ Forum, arts and cultural events, a Global Village and several symposium and trade related events over 14 days.

16,665 hotel room nights are reserved and the entire Calgary Stampede Park has been booked for the various activities. The competition and related activities are expected to attract in excess of 150,000 spectators. Through support from both levels of senior government, 100,000 young people will be hosted during the competition making the Event a major educational event for Alberta and Canada.

The overall budget for the Event is currently estimated to be \$55.4 million, reduced from \$66.7 million. The Association has funding commitments from the Province of Alberta for \$23.6 million and from the Government of Canada for \$13.4 million. Sponsorship revenue has been targeted for \$11.5 million. Of this amount \$0.6 has been committed to date. It is anticipated that the remaining \$6.9 million of required revenue will be provided by package revenue.

2. Change in accounting policy

Financial Instruments, Hedges and Comprehensive Income

On April 1, 2007 the Association adopted the Canadian Institute of Chartered Accountants (the “CICA”) Handbook Sections 3855: Financial Instruments - Recognition and Measurement, 3865: Hedges and 1530: Comprehensive Income. The standards require the classification of all financial instruments by category; loans and receivables, held-to maturity investments, available for sale financial assets, held for trading, or other liabilities. The standards prescribe criteria for the recognition of certain derivative financial instruments. As well, the standards prescribe the measurement bases; either amortized cost or fair value, of the specified classes of financial instruments subsequent to their initial recognition; the timing and recognition of realized and unrealized gains and losses on financial instruments; and disclosures, including a new category of shareholders’ equity – accumulated other comprehensive income. In accordance with transitional provisions in the standards, the accounting policies were adopted on a prospective basis with no restatement of prior period financial statements.

The Association’s financial assets and financial liabilities are classified and measured as follows:

- Cash and cash equivalents are classified as held for trading and are measured at fair value. Gains and losses related to periodical measurements are recorded in the statement of operations.
- Accounts receivable are classified as loans and receivables and are initially measured at fair value and subsequently at amortized cost using the effective interest rate method.
- Accounts payable and accrued liabilities are classified as other liabilities and are initially measured at fair value and subsequently at amortized cost using the effective interest rate method.



Adoption of the standards did not have a material impact to the measurement basis of its financial assets and financial liabilities. The Association did not recognize any items of other comprehensive income (loss) or accumulated other comprehensive income on adoption of the standards or for the year ended March 31, 2008.

3. Significant accounting policies

(a) Use of estimates

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

(b) Cash equivalents

The Association considers all investments with maturities of three months or less and demand bank loans that are utilized periodically for day to day operations to be cash equivalents.

(c) Website development

Website development is recorded at cost. The Association provides for amortization using the straight-line method to amortize the cost of the website development over its estimated useful life of three years.

(d) Revenue recognition

The Association follows the deferral method of accounting for contributions.

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.

Restricted contributions are initially deferred and recognized as revenue in the year in which the related expenses are incurred.

(e) Income taxes

The Canada Revenue Agency requires the Association to file an income tax return, however, the Association is not taxed due to its non-profit status. Therefore, no provision for income taxes has been made in these financial statements.

4. Website development

	2008		2007	
	Cost	Accumulated amortization	Net	Net
Website development	\$ 64,698	\$ 43,132	\$ 21,566	\$ 43,132

5. Bank indebtedness

A demand operating loan has been authorized by the bank to a maximum of \$850,000 and bears interest at bank's prime lending rate plus 0.75% per annum and is secured by a general security agreement and an assignment of proceeds relating to property, inventory and equipment now or hereafter owned or acquired by the Association. No amount was owing on the operating loan at March 31, 2008 (2007 – nil).



6. Restricted assets and deferred cash contributions

Restricted assets and deferred cash contributions represents unspent contributions received or receivable by the Association and restricted by the contributor for a specific purpose. The changes in the restricted assets and deferred cash contributions balance for the year are as follows:

Deferred Cash Contributions

	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 815,381	\$ 180,760
Contributions from Province of Alberta	4,670,000	1,310,000
Contributions from Government of Canada	6,447,993	560,357
Capital contributions spent during the year	-	(64,697)
Interest income	148,050	20,233
Contributions recognized as revenue in year	(2,080,157)	(1,191,272)
Balance, end of year	<u>\$ 10,001,267</u>	<u>\$ 815,381</u>

Restricted Assets

	<u>2008</u>	<u>2007</u>
Cash	\$ -	\$ 815,381
Guaranteed investment certificate	345,938	-
Contributions receivable	9,655,329	-
	<u>\$ 10,001,267</u>	<u>\$ 815,381</u>

7. Deferred capital contributions

Deferred capital contributions represent contributed capital assets and restricted contributions with which capital assets were purchased. The changes in the deferred capital contributions balance for the year are as follows:

	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 43,132	\$ -
Capital contributions spent	-	64,698
Amortization	(21,566)	(21,566)
Balance, end of year	<u>\$ 21,566</u>	<u>\$ 43,132</u>

8. Commitments

The Association has entered into a lease for office premises and computers, which expires on March 31, 2010. Rental payments for the office premises to the expiry of the lease are \$252,058 which includes the payment for leasehold improvements. The lease commitment for the computer

rentals is \$65.62 per month for a variable number of computers in use during the period of the lease. As of March 31, 2008 there were 11 computers in use. The Association estimates the number of computers that will be in use over the term of the lease will increase to 60.

The Association has committed to pay a hosting fee to WorldSkills International as a condition of hosting the Event. The amount to be paid is 25,000 Euro per year in the 4 years leading up to the Event. The first two installments towards this commitment were paid prior to March 31, 2008. A third payment was made subsequent to March 31, 2008.

The Association has reserved 16,665 room nights at six different Calgary hotels for the Event. If 80% occupancy of the reserved rooms is not achieved at each of the hotels, the Association is responsible for the shortfall. However, the Association estimates that additional room nights are required to host the Event and is in the process of attempting to secure additional reservations.

The Association has expenditure commitments of \$4.1 million for the venue (Stampede Park) and \$0.9 million for the tents on the venue grounds. Funding for these commitments has been provided by the Government of Canada and is recorded in restricted assets.

9. Share Capital

Authorized

10 shares without nominal or par value to be issued for a maximum of \$1 per share limited to 1 share per person.

Issued

	<u>2008</u>	<u>2007</u>
3 Shares	\$ 3	\$ 3

The shares are restricted and are not entitled to any bonuses, dividends or other distributions of profits or property of the Association to the shareholders.

10. Financial instruments

Financial instruments consist of cash and cash equivalents and accounts receivable which will result in future cash receipts, and accounts payable and accrued liabilities which



will result in future cash outlays. The carrying value of these instruments approximates fair value.

The Association is subject to interest rate risk on its demand operating loan as any drawdowns of the loan are subject to a floating rate.

11. Future accounting changes

(a) Capital Disclosures

In fiscal 2009, the Association will be required to adopt the CICA Handbook Section – 1535 – Capital disclosures. Under the requirements of new standard, the Association will disclose information about its objectives, policies and processes for managing capital, quantitative information about what the Association regards as capital and information regarding its compliance with any externally imposed capital requirements and the consequences of any non-compliance. The Association anticipates that the main impact to its financial statements will be in terms of additional disclosures required.

(b) Financial Instruments Presentation and Disclosures

In fiscal 2009, the Association will be required to adopt the CICA Handbook Sections 3862 – Financial instruments – disclosures, and 3863 – Financial instruments – presentation. These new Sections are a replacement of and represent a revision and enhancement to Section 3861 – Financial instruments – presentation and disclosure, adopted by the Association in the current year. Under the requirements of the new standards, the Association will disclose information about the significance of financial instruments for its financial position and performance and qualitative and quantitative information about its exposure to risks arising from financial instruments and management's objectives, policies and processes for managing such risks. The Association anticipates that the main impact to its financial statements will be in terms of additional disclosures required.

(c) Going Concern

In fiscal 2009, the Association will be required to adopt the additional requirements of the CICA Handbook Section 1400 – General Standards of Financial Statements. The additional requirements require management to make an assessment of the Association's ability to continue as a going concern, and to disclose any material uncertainties related to events or conditions that may cast significant doubt

upon the entity's ability to continue as a going concern. The Association does not anticipate any impact to its financial statements arising from the adoption of the accounting pronouncement.

12. Comparative amounts

Certain of the March 31, 2007 comparative figures have been reclassified to conform with the presentation used in 2008.



Board of Directors & Advisors to the Board

As of March 31, 2008

Guy Mallabone (Chair)
Vice President, External Relations
SAIT Polytechnic

Dave Bronconnier (Honorary Chair)
Mayor, City of Calgary

Abe Reimer (Vice Chair)
Bradmer Consulting Ltd.

Mary Ann Blackman (Secretary)
Manager, Community Investment
EnCana

Bill Nield (Treasurer)
Retired

Ivan Bernardo
Barrister Solicitor
Miller Thomson LLP

Terry Cooke
President, Skills/Compétences Canada

Marco De Iaco
Director, Sport & Major Events
Calgary Tourism

Julien De Schutter
Vice President, Airport Marketing
Calgary Airport Authority

Dr. Gene Edworthy
Edworthy Vision Centre

Doug Hawkins
Construction Labour Relations—Alberta

Denis Herard
Retired

Earl Hjelter
Associate Executive Secretary
Alberta Teachers' Association

Orest Iwanylo
Facilities Marketing Manager
Calgary Exhibition & Stampede

Menno Vanderlist
Systems Integration Engineer
Third Brigade, Inc

Len Webber
MLA for Calgary-Foothills

J. Peter Wyatt
Business Representative
SMWIA Local 8

Advisors to the Board

Shirley Dul
Assistant Deputy Minister
Advanced Education and Technology

Michele Kirchner
Executive Manager
Advanced Education and Technology

Karen Fetterly
Program Manager, Career Education
Alberta Education



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