

Financial Statements

SKILLS FOR LIFE INC

Unaudited - See Independent Practitioner's Review Engagement Report

August 31, 2021



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of
Skills For Life Inc

We have reviewed the accompanying financial statements of **Skills For Life Inc** that comprise the statement of financial position as at August 31, 2021, and the statements of operations and changes in net assets 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT, continued

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained for these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended August 31, 2021 and August 31, 2020, current assets and net assets as at August 31, 2021 and August 31, 2020.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **Skills For Life Inc** as at August 31, 2021, 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.

A handwritten signature in black ink, which appears to read "D. J. Zetani + Co. Chartered".

Oakville, Ontario
January 28, 2022

Chartered Professional Accountants
Licensed Public Accountants

Skills For Life Inc

(Incorporated under the Canada Not-for-Profit Corporations Act)

STATEMENT OF FINANCIAL POSITION

As at August 31

Unaudited - See Independent Practitioner's Review
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	2021	2020
	\$	\$
ASSETS		
Current		
Cash	48,784	99,024
Donations receivable	-	2,309
Government subsidies receivable [note 4]	18,816	-
Government remittances recoverable	1,067	2,743
	68,667	104,076
Long term		
Capital asset under development [note 2]	6,206	6,206
	74,873	110,282
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	9,269	7,794
Deferred grants [note 3]	13,352	66,548
	22,621	74,342
Net assets	52,252	35,940
	74,873	110,282

See accompanying notes

On behalf of the board

Director_____
Director

Skills For Life Inc**STATEMENT OF OPERATIONS
AND CHANGES IN NET ASSETS**

Year ended August 31

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	2021	2020
	\$	\$
Revenues		
Donations	17,216	22,197
Government grants and assistance [note 4]	54,142	11,361
Other grants	45,886	-
Other income	405	1,641
	117,649	35,199
Expenditures		
Advertising and promotion	4,218	-
Office and general	6,782	5,940
Professional fees	7,220	4,950
Program and fundraising	11,668	16,374
Salaries and benefits	71,449	32,599
	101,337	59,863
Excess of revenues over expenditures (expenditures over revenues) for the year	16,312	(24,664)
Balance, beginning of year	35,940	60,604
Balance, end of year	52,252	35,940

See accompanying notes

Skills For Life Inc**STATEMENT OF CASH FLOWS**

Year ended August 31

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	2021	2020
	\$	\$
Operating activities		
Excess of revenues over expenditures (expenditures over revenues) for the year	16,312	(24,664)
Net change in non-cash balances related to operations:		
Donations receivable	2,309	17,398
Government subsidies receivable	(18,816)	-
Government remittances recoverable	1,676	(606)
Accounts payable and accrued liabilities	1,475	160
Deferred grants	(53,196)	64,825
Cash (used in) provided by operating activities	(50,240)	57,113
Investing activities		
Purchase of capital asset under development	-	(6,206)
Cash used in investing activities	-	(6,206)
Net change in cash during the year	(50,240)	50,907
Cash, beginning of year	99,024	48,117
Cash, end of year	48,784	99,024

See accompanying notes

Skills For Life Inc

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2021

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Skills For Life Inc (the "Organization") was incorporated without share capital under the Canada Not-for-Profit Corporation's Act. The Organization is a registered charitable organization under the Income Tax Act, and as such, is exempt from income taxes.

The mission of the Organization is to to educate youth on the importance of life skills development, while helping them plan their future and to connect people, groups, and organizations in order to build strong partnerships and enhance civic engagement.

1. Significant accounting policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The significant accounting policies used are as follows:

Revenue recognition

The Organization follows the deferral method of accounting for revenue. Government grants and assistance, other grants and restricted donations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other income is recognized as revenue when the service has been rendered and ultimate collection is reasonably assured.

Contributed services

The work of the Organization is dependant on the voluntary services, including donated time, expertise, and resources, of many members and the public at large. Since these services are not normally purchased by the Organization and because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements; however, they are critical to the operations of the Organization.

Skills For Life Inc

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1. Significant accounting policies, continued

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures (expenditures over revenues) in the period incurred.

Financial assets measured at amortized cost include cash, government subsidies receivable and government remittances recoverable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization has not designated any financial asset or financial liability to be measured at fair value.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenditures (expenditures over revenues). A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures (expenditures over revenues).

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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.

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2. Capital asset under development

Capital asset under development is a mobile software application in the development stages. This application is being developed for use on a regular and continuous basis in conjunction with the Organization's programs and workshops.

An amortization policy has not yet been established as the asset is not in use.

The Organization is committed to pay an additional \$5,000 upon the successful completion and launch of the program. The application is expected to launch in 2022.

3. Deferred grants

	2021	2020
	\$	\$
Balance, beginning of year	66,548	1,723
plus: deferred grants received during the year	22,547	69,313
less: amounts recognized as revenue during the year	(66,347)	(4,488)
less: amounts forfeited	(9,396)	-
Balance, end of year	13,352	66,548

Amounts forfeited represents unused grant funds, which were subsequently repaid to funders.

4. Government grants and assistance

The following is a summary government grants and assistance received during the year:

	2021	2020
	\$	\$
(i) Canada Emergency Wage Subsidy (CEWS)	33,681	6,038
Temporary Wage Subsidy (TWS)	-	835
Jobs grants (Provincial)	-	2,177
(ii) Jobs grants (Federal)	6,247	588
iii) Municipal grants	14,214	1,723
	54,142	11,361

(i) The Canada Emergency Wage Subsidy ("CEWS") is federal government assistance received for payroll costs incurred during the COVID-19 pandemic. The intent of the grant is to subsidize costs in periods of lower revenue. \$18,513 of this amount is included in accounts receivable and was received subsequent to year end.

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4. Government grants and assistance, continued

- (ii) The jobs grants is a federal programs intended to promote hiring students for part-time positions during the pandemic. The grants are paid upon hiring students under the program parameters, which include minimum hours and hourly rates. As at August 31, 2020 there was \$10,317 unutilized in deferred grants, \$9,396 of this was forfeited back to the government. An additional \$8,333 was received in the year, of which \$6,247 was utilized by August 31, 2021 and the remainder has been deferred to 2022.
- (iii) In 2021, the Organization received a total of \$14,214 from the City of Brampton, for the purposes of conducting a series of projects, which include events, workshops and clinics for youth motivational and life skills building.

5. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The pandemic resulted in a number of measures introduced at various levels of government to curtail the spread of the virus; such as, travel restrictions, closures of non-essential operations, mandatory quarantines and other social distancing measures.

The impact on the Organization includes, but is not limited to, the inability to host in person workshops and events during periods of lockdown, the limitation of in-person activities and a strategic shift to connecting through virtual platforms.

The Organization has received additional grant funding to expand its virtual programs and offerings during the year. The Organization has also continued to receive new grants subsequent to year end. The current working capital balance from funding, strict cost containment and utilization of government assistance, where available, are expected to allow the Organization sustain operations over the course of the next twelve months.

The full effects of the pandemic on the Organization's financial operations cannot be reasonably estimated at this time.

6. Financial instruments

The Organization is mainly exposed to liquidity risk through transactions in its financial instruments. The following provides helpful information in assessing the extent of the Organization's exposure to this risk.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The risk remains unchanged from the prior year.