

**SKILLS FOR LIFE INC**  
**Financial Statements**  
**Year Ended August 31, 2023**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Skills For Life Inc

We have reviewed the accompanying financial statements of Skills For Life Inc (the Organization) that comprise the statement of financial position as at August 31, 2023, and the statements of revenues and expenditures, 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 (ASNPO), 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.

### *Conclusion*

Based on our review, 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

*Henderson Roller Partnership Professional Corporation*

Oakville, Ontario  
January 25, 2024

HENDERSON ROLLER PARTNERSHIP PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario

# SKILLS FOR LIFE INC

## Statement of Financial Position August 31, 2023

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 449,321	\$ 5,584
Government grants receivable	30,929	8,000
Accounts receivable	30,399	-
Harmonized sales tax recoverable	643	1,940
	<b>511,292</b>	15,524
EQUIPMENT (Note 3)	452	1,005
INTANGIBLE ASSETS (Note 4)	2,069	4,137
	<b>\$ 513,813</b>	<b>\$ 20,666</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 10,400	\$ 15,888
Funds held in trust (Note 5)	341,501	-
Deferred income (Note 6)	142,392	4,212
Due to related parties	-	6,000
	<b>494,293</b>	26,100
NET ASSETS	<b>19,520</b>	<b>(5,434)</b>
	<b>\$ 513,813</b>	<b>\$ 20,666</b>

### ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

The accompanying notes are an integral component of these financial statements.

# SKILLS FOR LIFE INC

## Statement of Revenues and Expenditures Year Ended August 31, 2023

	2023	2022
<b>REVENUES</b>		
Donations	\$ 3,785	\$ 3,746
Government assistance (Notes 6, 7)	111,415	133,438
Grants (Notes 6, 8)	70,225	10,345
Other income	35,664	5,500
	<b>221,089</b>	<b>153,029</b>
<b>EXPENSES</b>		
Advertising and promotion	6,397	8,726
Amortization	553	1,229
Amortization of intangible assets	2,069	2,069
Meals and entertainment	2,021	2,750
Office and general	11,792	7,522
Professional fees	6,905	18,563
Program and fundraising	2,834	6,555
Salaries and wages - administration	66,910	39,277
Salaries and wages - fundraising	36,832	27,010
Salaries and wages - program	58,623	58,293
Supplies	1,136	37,633
Telephone	63	1,088
	<b>196,135</b>	<b>210,715</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 24,954</b>	<b>\$ (57,686)</b>

The accompanying notes are an integral component of these financial statements.

# SKILLS FOR LIFE INC

## Statement of Changes in Net Assets Year Ended August 31, 2023

	2023	2022
<b>NET ASSETS (DEBT) - BEGINNING OF YEAR</b>	<b>\$ (5,434)</b>	<b>\$ 52,252</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>24,954</b>	<b>(57,686)</b>
<b>NET ASSETS (DEBT) - END OF YEAR</b>	<b>\$ 19,520</b>	<b>\$ (5,434)</b>

The accompanying notes are an integral component of these financial statements.

# SKILLS FOR LIFE INC

## Statement of Cash Flows Year Ended August 31, 2023

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 24,954	\$ (57,686)
Items not affecting cash:		
Amortization of equipment	553	1,229
Amortization of intangible assets	2,069	2,069
	<b>27,576</b>	<b>(54,388)</b>
Changes in non-cash working capital:		
Government grants receivable	(22,929)	(8,000)
Government benefits receivable	-	18,816
Accounts receivable	(30,399)	-
Accounts payable and accrued liabilities	(5,489)	8,054
Deferred income	138,180	(9,140)
Harmonized sales tax payable	1,297	(873)
Funds held in trust	341,501	-
	<b>422,161</b>	<b>8,857</b>
Cash flow from (used by) operating activities	<b>449,737</b>	<b>(45,531)</b>
<b>INVESTING ACTIVITY</b>		
Purchase of equipment	-	(2,234)
<b>FINANCING ACTIVITY</b>		
Advances from (to) related parties	(6,000)	4,565
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>443,737</b>	<b>(43,200)</b>
Cash - beginning of year	5,584	48,784
<b>CASH - END OF YEAR</b>	<b>\$ 449,321</b>	<b>\$ 5,584</b>

The accompanying notes are an integral component of these financial statements.

## Notes to Financial Statements Year Ended August 31, 2023

### 1. DESCRIPTION OF ORGANIZATION

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 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.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

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. Any unspent amounts are deferred to a future period.

Unrestricted contributions including the 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/revenue was earned and ultimate collection is reasonably assured. Included in the other income are the administration fees charged on funds held in trust. The administration fees are recognized as earned linearly over the terms of funds in trust agreement.

#### Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer equipment	55%	declining balance method
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The Organization regularly reviews its equipment to eliminate obsolete items.

Equipment acquired during the year but not yet in use is not amortized until they are placed into use.

#### Intangible assets

The software costs are being amortized on a straight-line basis over their estimated useful lives of three years.

*(continues)*



**2. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*Impairment of Long Lived Assets

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Deferred grants

Deferred contributions represent revenue received from restricted funds. These funds are restricted either to be used towards specific expenses or are restricted for a future time period. Revenue is recognized in the future period, or when the related expenses are incurred.

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.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. The significant items for which estimates were made include the collectibility of government grants receivable, accounts receivable, and harmonized sales tax recoverable, valuation of and useful lives of equipment and intangible assets, and accrued liabilities. Actual results could differ from these estimates.

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**Notes to Financial Statements  
Year Ended August 31, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets that are traded in an active market are reported at fair value. All of the other financial instruments are recorded at amortized cost.

Financial assets measured at amortized cost include cash, government grants receivable and accounts receivable. There are no financial assets recorded at fair value.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and deferred income. There are no financial liabilities measured at fair value.

Financial instruments are tested for impairment at each reporting date and when an event occurs which may have caused impairment. When a test for impairment indicates the carrying value exceeds its fair value, an impairment loss is recognized to the extent the carrying value exceeds its fair value. When the test indicates that the fair value exceeds the carrying amount, a reversal of the impairment loss previously recorded is recognized to the extent of the original cost.

3. EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 2,234	\$ 1,782	\$ 452	\$ 1,005

4. INTANGIBLE ASSETS

	2023	2022
Software	\$ 6,206	\$ 6,206
Accumulated amortization	(4,137)	(2,069)
	\$ 2,069	\$ 4,137

**Notes to Financial Statements  
Year Ended August 31, 2023**

**5. FUNDS HELD IN TRUST**

Included in balance for the Funds Held in Trust on the statement of the financial position were funds received to be held in trust for other organizations. The funds are tracked and booked as liability and admin fees charged on the balance was recognized as revenue over the term of each agreement. Total of \$15,014 was charged in admin fees during the year of which \$13,139 were receivable at the end of the year.

	<b>2023</b>
Due to Aspire 4 Higher	<b>\$ 45,000</b>
Due to Black Youth Success	<b>37,919</b>
Due to Federation of Black Canadians	<b>258,582</b>
	<b>\$ 341,501</b>

## Notes to Financial Statements Year Ended August 31, 2023

### 6. DEFERRED GRANTS

	2023 Opening Balance	Additions	Recognized in Revenue	2023 Ending Balance
Canada summer jobs grants (1)	\$ 1,445	\$ 19,453	\$ 20,898	\$ -
Region of Peel - core fund (2)	1,863	22,350	24,213	-
Region of Peel - other	-	3,500	3,500	-
Ontario Trillium Foundation (OTF) (3)	-	42,463	42,463	-
City of Brampton - advance Brampton (4)	904	25,000	20,342	<b>5,562</b>
Canada Red Cross Society (5)	-	69,709	25,019	<b>44,690</b>
Investment Readiness Fund (6)	-	75,000	31,927	<b>43,073</b>
Federation of Black Canadian (7)	-	24,380	13,279	<b>11,101</b>
Federation of Black Canadian (8)	-	26,220	-	<b>26,220</b>
Gala Tickets (9)	-	8,621	-	<b>8,621</b>
Aspire 4 Higher admin fees	-	3,125	-	<b>3,125</b>
<b>Balance, end of year</b>	<b>\$ 4,212</b>	<b>\$ 319,821</b>	<b>\$ 181,641</b>	<b>\$ 142,392</b>

(1) The government of Canada approved \$20K grant towards the summer jobs. The funds were utilized in full and was recognized as revenue during the year.

(2) The Organization received \$22,350 in support of core operations from the Region of Peel during the year. Entire amount was utilized and as such full amount of funds were recognized as revenue by end of the year.

(3) The Organization signed a fund agreement with Ontario Trillium Foundation (OTF) with its expiry date of March 31, 2024 and total approved amount of \$93,900. During the year, the Organization received \$42,463 from the OTF. Entire amount was utilized as per the expense budget in agreement and hence was recognized as revenue during the year.

(4) The City of Brampton granted \$25,000 to the Organization during the year. The expiry date of the agreement is December 2023. \$20,342 were utilized and hence \$20,342 were recognized as revenue and \$5,562 was deferred at the end of the year.

(5) The Organization received \$69,709 from the Canada Red Cross Society. \$25,019 was recognized as revenue as the funds were utilized and the remaining \$44,690 were deferred to be used by June 2024.

(6) The Organization received \$75,000 towards the Skills At Work Project. \$31,927 was utilized and booked as revenue during the year. The \$43,073 deferred at the end of the year to be utilized by December 2023.

(7) Out of the total \$24,380 funds received from Federation of Black Canadian, \$13,279 was utilized during the year and remaining \$11,101 was deferred at the end of the year.

(8) The cash received from ticket sales during the year for Gala event held in subsequent in subsequent period was deferred at the end of the year and will be recognized in revenue as event is held in subsequent period.

(7) Out of the total \$26,220 funds received from Federation of Black Canadian-SSLP, \$nil were spend during the year and entire amount was deferred at the year end to be used in subsequent period.

## Notes to Financial Statements Year Ended August 31, 2023

### 7. GOVERNMENT GRANTS AND ASSISTANCE

Government assistance:

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

	2023	2022
Jobs grants (Federal) (note 6)	\$ 20,898	\$ 18,960
Region of Peel - core fund (note 6)	24,213	-
Ontario Trillium Foundation (note 6)	42,463	-
City of Brampton - advance Brampton (note 6)	20,341	-
Region of Peel - other	3,500	-
Municipal grants	-	72,099
Canada Emergency Wage Subsidy (CEWS)	-	2,521
EDSC (Federal)	-	39,858
	\$ 111,415	\$ 133,438

### 8. GRANTS

Included in the other grants are the funds received from foundation other than from government specifically from Canada Red Cross Society, Federation of Black Canadian, and Investment Readiness Fund. See note 5 for further detail.

### 9. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of August 31, 2023. There have been no significant changes to the Organization's risk profile since August 31, 2022.

#### **(a) Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from funders and contributors. The Organization's credit risk is minimal as amounts receivable are generally due from government bodies or results from fund agreements. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

#### **(b) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from contributors and other related sources, accounts payable and accrued liabilities.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant market risk, currency risk, interest rate risk, or other price risks arising from these financial instruments.

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10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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