

**SKILLS FOR LIFE INC**  
**Financial Statements**  
**Year Ended August 31, 2025**

# SKILLS FOR LIFE INC

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Skills For Life Inc

### *Opinion*

We have audited the financial statements of Skills For Life Inc (the "Organization"), which comprise the statement of financial position as at August 31, 2025, and the statements of revenues and expenditures, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The financial statements for the year ended August 31, 2024 are unaudited.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

(continues)

Independent Auditor's Report to the Members of Skills For Life Inc (continued)

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Henderson Roller Partnership Professional Corporation*

Oakville, Ontario  
December 23, 2025

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, 2025

	2025	2024 <i>Unaudited</i>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 62,322	\$ 112,863
Accounts receivable	600	-
Government grants receivable	1,893	767
Harmonized sales tax recoverable	3,781	1,742
Prepaid expenses	2,304	-
	<b>70,900</b>	115,372
<b>EQUIPMENT (Note 3)</b>	<b>92</b>	204
	<b>\$ 70,992</b>	\$ 115,576
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 23,033	\$ 19,336
Funds held in trust (Note 5)	12,500	50,636
Deferred income (Note 7)	6,430	24,721
Due to related parties (Note 6)	80,000	-
	<b>121,963</b>	94,693
<b>NET ASSETS</b>	<b>(50,970)</b>	20,883
	<b>\$ 70,992</b>	\$ 115,576

### ON BEHALF OF THE BOARD

<u>Christopher Thompson</u>	Director	Christopher Thompson	12 / 23 / 2025
<u>Carolyn French</u>	Director	Carolyn French	12 / 23 / 2025

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

# SKILLS FOR LIFE INC

## Statement of Revenues and Expenditures Year Ended August 31, 2025

	2025	2024 <i>Unaudited</i>
<b>REVENUES</b>		
Government assistance (Notes 7,8)	\$ 98,358	\$ 144,398
Fundraising & Golf tournament (Note 7)	57,402	13,336
Donations	53,948	52,729
Trustee admin revenue (Note 7)	50,936	45,729
Other grants (Notes 7,9)	18,570	149,667
Other income	7,040	-
	<b>286,254</b>	<b>405,859</b>
<b>EXPENSES</b>		
Salaries and wages - program	137,250	144,582
Salaries and wages - administration	105,982	138,340
Professional and consultancy fees	54,361	34,315
Office and general	20,232	28,318
Salaries and wages - fundraising	18,549	49,055
System Maintenance- fundraising	10,687	1,188
Advertising and promotion	7,099	1,290
Meals and entertainment- program	3,564	1,047
Honorarium- program	271	4,043
Amortization	112	249
Amortization of intangible assets	-	2,069
	<b>358,107</b>	<b>404,496</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (71,853)</b>	<b>\$ 1,363</b>

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

# SKILLS FOR LIFE INC

## Statement of Changes in Net Debt Year Ended August 31, 2025

	2025	2024 <i>Unaudited</i>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 20,883</b>	<b>\$ 19,520</b>
DEFICIENCY OF REVENUES OVER EXPENSES	<b>(71,853)</b>	1,363
<b>NET ASSETS (DEBT) - END OF YEAR</b>	<b>\$ (50,970)</b>	<b>\$ 20,883</b>

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

# SKILLS FOR LIFE INC

## Statement of Cash Flows Year Ended August 31, 2025

	2025	2024 <i>Unaudited</i>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (71,853)	\$ 1,363
Items not affecting cash:		
Amortization of equipment	112	249
Amortization of intangible assets	-	2,069
	<b>(71,741)</b>	3,681
Changes in non-cash working capital:		
Government grants receivable	(1,126)	30,162
Accounts receivable	(600)	30,399
Accounts payable and accrued liabilities	3,696	8,935
Deferred income	(18,291)	(117,671)
Prepaid expenses	(2,304)	-
Harmonized sales tax payable	(2,039)	(1,099)
Funds held in trust	(38,136)	(290,865)
	<b>(58,800)</b>	(340,139)
Cash flow used by operating activities	<b>(130,541)</b>	(336,458)
<b>FINANCING ACTIVITY</b>		
Advances from related parties	<b>80,000</b>	-
<b>DECREASE IN CASH FLOW</b>	<b>(50,541)</b>	(336,458)
Cash - beginning of year	<b>112,863</b>	449,321
<b>CASH - END OF YEAR</b>	<b>\$ 62,322</b>	\$ 112,863

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

## Notes to Financial Statements Year Ended August 31, 2025

### 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.

Related party transactions

Unless otherwise stated, related party transactions are in the normal course of operations, and are recorded at the exchange amount, which is the amount agreed to by the related parties.

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.

*(continues)*

**Notes to Financial Statements  
Year Ended August 31, 2025**

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	2025 Net book value	2024 Net book value <i>Unaudited</i>
Computer equipment	\$ 2,234	\$ 2,142	\$ 92	\$ 204

4. INTANGIBLE ASSETS

	2025	2024 <i>Unaudited</i>
Software	\$ 6,206	\$ 6,206
Accumulated amortization	(6,206)	(6,206)
	\$ -	\$ -

**Notes to Financial Statements  
Year Ended August 31, 2025**

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 \$2,500 admin fees were charged during the year and was included in the other income.

	<b>2025</b>
Due to Aspire 4 Higher	<b>\$ 12,500</b>

6. RELATED PARTY BALANCES AND RELATED PARTY TRANSACTIONS

During the year, the Organization received a loan of \$80,000 from the Federation of Black Canadians, with an outstanding balance of \$80,000 as at August 31, 2025. The company is related through common control. Chris Thompson is a common Executive Director in both organizations. The loan is non-interest-bearing and unsecured, and as per the loan agreement, it was required to be repaid by August 31, 2025. The loan was fully repaid subsequent to year-end.

## Notes to Financial Statements Year Ended August 31, 2025

### 7. DEFERRED INCOME

	2024 Opening Balance	Additions	Recognized in Revenue	2024 Ending Balance
Canada summer jobs grants (1)	\$ -	\$ 21,004	\$ 21,004	\$ -
Region of peel - Core fund (2)	19,242	-	19,242	-
Ontario Trillium Foundation (OTF) (3)	3,423	22,633	26,056	-
City of Brampton - advance Brampton (4)	2,056	20,000	22,056	-
City of Mississauga (5)	-	10,000	10,000	-
Gloria Baylis Foundation grant (6)	-	10,000	3,677	6,323
Gilgan Foundation Grant (7)	-	15,000	14,893	107
Fundraising & Golf tournament (8)	-	57,402	57,402	-
Trustee admin revenue	-	50,936	50,936	-
<b>Balance, end of year</b>	<b>\$ 24,721</b>	<b>\$ 206,975</b>	<b>\$ 225,266</b>	<b>\$ 6,430</b>

(1) The government of Canada approved \$27,814 grant towards the summer jobs. The Company could only spent \$21,004 during the year hence only \$21,004 is recognized as revenue during the year, including \$143 in accounts receivable at year end.

(2) The Organization received \$74,788 in support of core operations from the Region of Peel in 2024 fiscal year. Of this amount \$55,546 was utilized in the prior year, and the remaining \$19,242 was recognized as revenue since the related expenses were incurred during the current year.

(3) The Organization signed a fund agreement with Ontario Trillium Foundation (OTF) with its expiry date of March 31, 2025 and total approved amount of \$93,900. During the 2024 fiscal year, the Organization received \$28,805 from the OTF. Of this amount \$25,382 was recognized as revenue in the prior year, and the remaining \$3,423 was spent during the year and recognized as revenue in the current year. In 2025 fiscal year the Organization received \$22,633. The entire amount was spent during the year and was recognized as revenue.

(4) During the 2024 fiscal year, City of Brampton granted \$22,500 to the Organization. The expiry date of the agreement was December 31, 2024. Of this amount, \$20,444 was recognized as revenue in the prior year, and \$2,056 was spent during the current year and recognized as revenue. In 2025 fiscal year, City of Brampton granted \$20,000 with its expiry date of December 31, 2025. Of this amount, \$18,250 was received during the year, and \$1,750 was recorded in accounts receivable at year-end. The entire amount was spent during the year and recognized as revenue.

(5) The Organization received \$10,000 from The City of Mississauga. The entire amount was spent during the year and was recognized as revenue.

(6) The Organization received \$10,000 from Gloria Baylis Foundation in current year. \$3,677 was spent during the year was recognized as revenue. The remaining balance of \$6,323 was deferred to the next year.

(7) The Organization received \$15,000 from the Gilgan Foundation. \$14,893 was spent during the year and was recognized as revenue. The remaining balance of \$107 is deferred to the next year.

(8) During the year \$57,402 was received for fundraising activities & golf tournament. The entire amount was spent during the year and was recognized as revenue.

## Notes to Financial Statements Year Ended August 31, 2025

### 8. GOVERNMENT GRANTS AND ASSISTANCE

The following is a summary of government assistance recognized as revenue during the year:

	<b>2025</b>		<b>2024</b>
			<i>Unaudited</i>
Jobs grants (Federal) (note 7)	\$ 21,004	\$	27,464
Region of Peel - core fund (note 7)	19,242		55,546
Ontario Trillium Foundation (note 7)	26,056		25,382
City of Brampton - advance Brampton (note 7)	22,056		26,006
Region of Peel - BSCF	-		10,000
Mississauga Community Grant (note 7)	10,000		-
	<b>\$ 98,358</b>	<b>\$</b>	<b>144,398</b>

### 9. GRANTS

Included in the other grants are the funds received from foundation other than from government specifically from Gloria Baylis Foundation and Gilgan Foundation. See note 7 for further detail.

### 10. 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, 2025. There have been no significant changes to the Organization's risk profile since August 31, 2024.

#### **(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.