

THE CAREER FOUNDATION

Financial Statements

August 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Career Foundation

Opinion

I have audited the financial statements of The Career Foundation, which comprise the statement of financial position as at August 31, 2024 and the statement of operations, the statement of changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Career Foundation as at August 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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 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.

In preparing the financial statements, management is responsible for assessing The Career Foundation'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 Career Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Career Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Career Foundation'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 Career Foundation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause The Career Foundation 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.

I 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 I identify during my audit.

Markham, Ontario
December 18, 2024




Jacobson & Associates
Chartered Professional Accountant
Licensed Public Accountant

The Career Foundation
Statement of Financial Position
As at August 31, 2024

	2024	2023 (Note 12)
ASSETS		
Current		
Cash	\$ 2,982,318	\$ 3,220,616
Marketable securities (Note 2)	366,505	322,925
Accounts receivable	1,356,980	1,155,647
Loan receivable (Note 3)	-	200,000
Prepaid expenses	<u>87,034</u>	<u>72,738</u>
	4,792,837	4,971,926
Capital assets (Note 4)	851	4,188
Leasehold improvements (Note 5)	<u>-</u>	<u>5,358</u>
	<u>\$ 4,793,688</u>	<u>\$ 4,981,472</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 818,090	\$ 46,593
Deferred revenue (Note 6)	<u>387,981</u>	<u>1,410,372</u>
	<u>1,206,071</u>	<u>1,456,965</u>
NET ASSETS		
Investment in capital assets	851	9,546
Unrestricted net assets	<u>3,586,766</u>	<u>3,514,961</u>
	<u>3,587,617</u>	<u>3,524,507</u>
	<u>\$ 4,793,688</u>	<u>\$ 4,981,472</u>

Approved on behalf of the board:

Director 
 Lyell Farquharson (Jan 7, 2025 08:24 PST)

Director 

See accompanying notes

The Career Foundation
Statement of Changes in Net Assets
For the Year Ended August 31, 2024

	2024	2023 (Note 12)
Investment in Capital Assets		
Balance, beginning of year	\$ 9,546	\$ 30,280
Add: Capital asset additions	<u>-</u>	<u>6,044</u>
	9,546	36,324
Less: Amortization of capital assets	(3,337)	(20,808)
Amortization of leasehold improvements	<u>(5,358)</u>	<u>(5,970)</u>
Balance, end of year	<u>\$ 851</u>	<u>\$ 9,546</u>
 Unrestricted Net Assets		
Balance, beginning of year	\$ 3,514,961	\$ 2,558,693
Excess of revenues over expenditures	<u>63,110</u>	<u>935,534</u>
	3,578,071	3,494,227
Decrease / (increase) in investment in capital assets	<u>8,695</u>	<u>20,734</u>
Balance, end of year	<u>\$ 3,586,766</u>	<u>\$ 3,514,961</u>

See accompanying notes

**The Career Foundation
Statement of Operations
For the Year Ended August 31, 2024**

	2024	2023 (Note 12)
Revenues		
Government grants	\$ 19,159,517	\$ 21,322,892
Donations and fundraising	1,289	272
Interest income	125,152	82,629
Miscellaneous income	<u>47,950</u>	<u>584,191</u>
Total revenues	<u>19,333,908</u>	<u>21,989,984</u>
Expenses		
Wages	7,408,474	8,296,984
Client support and subsidies	7,062,299	8,600,295
Employee benefits	1,224,840	1,263,650
Rent	1,038,639	1,113,712
Telephone	675,418	543,873
Independent contractors	603,546	133,009
Office and general	457,415	316,855
Professional fees	259,500	92,202
Advertising and promotion	206,279	305,922
Repairs and maintenance	133,726	182,882
Training	74,442	94,280
Bad debt	22,007	-
Insurance	46,074	36,744
Membership fees	39,186	31,585
Interest and bank charges	10,258	15,679
Amortization	<u>8,695</u>	<u>26,778</u>
Total expenses	<u>19,270,798</u>	<u>21,054,450</u>
Excess of revenues over expenditures	<u>\$ 63,110</u>	<u>\$ 935,534</u>

See accompanying notes

The Career Foundation
Statement of Cash Flows
For the Year Ended August 31, 2024

	2024	2023 (Note 12)
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenditures	\$ 63,110	\$ 935,534
Adjustments for items not affecting cash		
Amortization	<u>8,695</u>	<u>26,778</u>
	71,805	962,312
Net changes in non-cash working capital items:		
Increase in marketable securities	(43,580)	(17,282)
Decrease / (increase) in accounts receivable	(201,333)	846,609
Decrease / (increase) in loan receivable	200,000	(200,000)
Increase in prepaid expenses	(14,296)	(15,810)
Increase / (decrease) in accounts payable and accrued liabilities	771,497	(184,366)
Decrease in deferred revenue	<u>(1,022,391)</u>	<u>(329,649)</u>
	<u>(238,298)</u>	<u>1,061,814</u>
Investing activities		
Acquisition of capital assets	<u>-</u>	<u>(6,044)</u>
Increase (decrease) in cash	(238,298)	1,055,770
Cash, beginning of year	<u>3,220,616</u>	<u>2,164,846</u>
Cash, end of year	\$ <u>2,982,318</u>	\$ <u>3,220,616</u>

See accompanying notes

The Career Foundation
Notes to Financial Statements
For the Year Ended August 31, 2024

The Career Foundation ("the Foundation") is a non-profit organization incorporated under the Corporations Act of Ontario on August 31, 1988 by letters patent as a corporation without share capital. The Foundation is a registered charity under the Income Tax Act and accordingly is not subject to income taxes.

The objective of the Foundation is to link the resources of the private sector, education and government to assist all members of the community to make the transition to employment effectively. The name of the Foundation was officially changed from York Region Education Industry Foundation to The Career Foundation by a resolution dated October 22, 2015, updated by the Ministry of Government Services on November 20, 2015.

1. Summary of significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Measurement uncertainty

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. The most significant estimates in these financial statements include amortization of capital assets and leasehold improvements and accrued liabilities.

(b) Capital Assets

Capital assets are recorded at cost. The Foundation provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	5 years straight-line
Computer equipment	5 years straight-line

(c) Leasehold improvements

Leasehold improvements are recorded at cost less accumulated amortization over the term of the lease on a straight-line basis.

(d) Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value. Marketable securities are subsequently measured at fair value without adjustment for transaction costs that would be incurred on disposal. Changes in fair value are recognized in income in the year. The Foundation subsequently measures all other financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**The Career Foundation
Notes to Financial Statements
For the Year Ended August 31, 2024**

1. Summary of significant accounting policies (cont.)

(e) Revenue recognition

Funding for programs comes from the Province of Ontario and the Government of Canada primarily in accordance with service contracts established by the Ministry of Labour, Immigration, Training and Skills Development ("MLITSD") and is recorded as revenue in the period to which they relate. Funding approved but not received at the end of the accounting period is accrued. Where a portion of the grant relates to a future period, it is deferred and recognized in that subsequent period. Any excess of program funding over recoverable expenses is refundable to the governments.

The Foundation follows the deferral method of accounting for contributions. Under this method, restricted contributions are recognized in the year the corresponding expenditure is incurred and unrestricted contributions are recognized in the year they are received. Restricted contributions for the purchase of capital assets are deferred when received, and recognized as income as the related capital assets are amortized.

Donations and fundraising are invoiced when services are rendered and are recorded on an accrual basis in the period to which they relate. Pledges are not recognized as revenue until they are received.

(e) Cash and cash equivalents

Cash and cash equivalents consist of immediately available cash that is held for the the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(f) Impairment of long-lived assets

The Foundation evaluates the carrying value of long-lived assets, which comprise of capital assets and leasehold improvements, whenever events or changes in circumstances indicate that a potential impairment has occurred. An impairment loss is considered to have occurred if the carrying value of an asset is not recoverable.

2. Marketable securities

Marketable securities are presented at fair values and are comprised of Canadian bond and equity mutual funds purchased through the Foundation's financial institution. These investments are held for durations of greater than three months and less than one year, and may be readily convertible to cash if required.

3. Loan receivable

The Foundation has advanced funds as an investment to Jobwin Inc., a wholly owned subsidiary, to allow Jobwin Inc. to fund a joint venture. The loan agreement sets out a maximum amount to be loaned of \$750,000, and the loan bears interest payable monthly at a rate of 4.7% annually. At the year-end, this loan had been fully settled.

The Career Foundation
Notes to Financial Statements
For the Year Ended August 31, 2024

4. Capital assets

	Cost	Accumulated Amortization	2024	Cost	Accumulated Amortization	2023
Furniture and fixtures	\$ 446,167	\$ 445,316	\$ 851	\$ 446,167	\$ 442,486	\$ 3,681
Computer equipment	<u>501,513</u>	<u>501,513</u>	<u>-</u>	<u>501,513</u>	<u>501,006</u>	<u>507</u>
	<u>\$ 947,680</u>	<u>\$ 946,829</u>	<u>\$ 851</u>	<u>\$ 947,680</u>	<u>\$ 943,492</u>	<u>\$ 4,188</u>

5. Leasehold improvements

	Cost	Accumulated Amortization	2024	Cost	Accumulated Amortization	2023
Leaseholds	<u>\$ 1,078,900</u>	<u>\$ 1,078,900</u>	<u>\$ -</u>	<u>\$ 1,078,900</u>	<u>\$ 1,073,542</u>	<u>\$ 5,358</u>

6. Deferred revenue

On many government contracts advances are made at the commencement of the contract and are taken into income as the contract progresses. At the end of the fiscal year this totalled \$387,981 (2023 - \$1,410,372).

7. Remuneration of directors and senior officers

In accordance with the by-laws of the organization, the directors received no remuneration in their capacity as directors.

Remuneration to the five highest paid officers as defined in the Ontario Corporations Act amounted to \$ 728,620 (2023 - \$ 699,146).

8. Commitments

The Foundation rents office space for each of its 6 locations under leases expiring through May 31, 2027. The minimum annual lease payments for the next five years and onwards are as follows:

2025	\$ 363,573
2026	187,615
2027	63,095
2028	-
2029 and onwards	<u>-</u>
Total	<u>\$ 614,283</u>

**The Career Foundation
Notes to Financial Statements
For the Year Ended August 31, 2024**

9. Economic dependence

The Foundation receives a substantial amount of its revenue from the provincial government and is financially dependent on MLITSD for funding.

10. Financial instruments

The Company is exposed to various risks through its financial instruments. The following analysis provides a measure of the Company's risk exposure and concentration at the balance sheet date as follows:

Credit Risk

The Foundation's cash and marketable securities are all held at major financial institutions. The Foundation's accounts receivable is made up of monies owing by government agencies.

Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they come due. The Foundation manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities and to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and to fund future operations.

As at August 31, 2024, the Foundation had a cash balance of \$ 2,982,318 (August 31, 2023 - \$ 3,220,616), a marketable security balance of \$ 366,505 (August 31, 2023 - \$ 322,925) and working capital of \$ 3,586,766 (August 31, 2023 - \$ 3,514,961). Accordingly, the Foundation will be able to meet its current obligations and has minimal liquidity risk.

11. Bank facility

The Foundation has available a demand overdraft facility provided through the Royal Bank of Canada to a maximum of \$500,000 bearing interest at prime plus 1.0% and is secured by a general security agreement over all assets of the Foundation. The credit facility is available indefinitely unless cancelled by either party and requires the Foundation to meet certain reporting covenants on an annual basis. At August 31, 2024 the amount outstanding on this facility was \$ NIL (August 31, 2023 - \$ NIL), and the Foundation was in compliance with the reporting covenants.

12. Comparative figures

Certain figures for the year ended August 31, 2023 have been reclassified to conform to the financial statement presentation adopted in the current year.