Statement of Revenue and Expenses of

TORONTO METROPOLITAN UNIVERSITY

FUTURE SKILLS CENTRE

And Independent Auditor's Report thereon

Period from April 1, 2025 to March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Toronto Metropolitan University and
the Ministry of Jobs and Families

Report on the Audit of the Statement

Opinion

We have audited the Statement of Revenue and Expenses for the Future Skills Centre of Toronto Metropolitan University (the Entity) for the period from April 1, 2025 to March 31, 2026, resulting in an excess of revenue over expenses amounting to $5,589,352, and notes to the Statement, including a summary of significant accounting policies (Hereinafter referred to as the "Statement").

In our opinion, the accompanying Statement referred to above is prepared, in all material respects, in accordance with the financial reporting provisions in Schedule B - Financial Provisions of the agreement between the Entity and the Ministry of Jobs and Families signed December 7, 2018, and amending agreements signed March 26, 2019, August 28, 2019, March 12, 2024, September 19, 2024, March 21, 2025 and December 5, 2025.

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 Statement"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the Statement 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.

Emphasis of Matter - Financial Reporting Framework

We draw attention to Note 1 in the Statement, which describes the applicable financial reporting framework and the purpose of the Statement.

As a result, the Statement may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Statement

Management is responsible for the preparation of the Statement in accordance with the financial reporting provisions in Schedule B - Financial Provisions of the agreement between the Entity and the Ministry of Jobs and Families signed December 7, 2018, and amending agreements signed March 26, 2019, August 28, 2019, March 12, 2024, September 19, 2024, and March 21, 2025 and December 5, 2025, and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.

Report on Other Legal and Regulatory Requirements

As required by the instructions provided by the Ministry of Jobs and Families, we report that the excess of revenue over expenses amounting to $5,589,352, was made up of the following items reported by the Entity in the Statement:

- Total Revenue amounting to $72,857,778 containing the following line items:
  - Ministry funding received amounting to $72,726,754
  - Interest earned amounting to $131,024
- Total Expenses amounting to $67,268,426 containing the following line items:
  - Total administrative amounting to $4,036,105
  - Total direct costs amounting to $63,232,321

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 30, 2026

TORONTO METROPOLITAN UNIVERSITY

FUTURE SKILLS CENTRE

Statement of Revenue and Expenses

Period from April 1, 2025 to March 31, 2026

Revenue:	
Ministry funding	$ 72,726,754
Interest earned	131,024
	72,857,778
Expenses:	
Administrative	4,036,105
Direct:	
Sub-projects	34,956,038
Project	19,115,272
Staff wages	9,161,011
	63,232,321
	67,268,426
Excess of revenue over expenses	$ 5,589,352

See accompanying notes to statement of revenue and expenses.

1. Basis of accounting:

The Statement of Revenue and Expenses of the Future Skills Centre (the "Statement") is prepared in accordance with the financial reporting provisions in Schedule B - Financial Provisions of the agreement between the Entity and the Ministry of Jobs and Families signed December 7, 2018, and amending agreements signed March 26, 2019, August 28, 2019, March 12, 2024, September 19, 2024, March 21, 2025 and December 5, 2025.

The agreement specifies that the Statement be prepared in a manner consistent with generally accepted accounting principles. Management of Toronto Metropolitan University has interpreted generally accepted accounting principles to be consistent with the recognition and measurement principles in Part III of the Chartered Professional Accountants of Canada Handbook - Canadian accounting standards for not-for-profit organizations related specifically to revenue and expenses, and not the presentation principles or the presentation of all the financial statements and related note disclosures required for a complete set of financial statements.

The purpose of this Statement is for the Entity to meet its obligation to the Ministry of Jobs and Families.

As a result, the Statement may not be suitable for another purpose.

2. Significant accounting policies:

The significant accounting policies are as follows:

(a) Revenue:

Ministry funding relating to the Future Skills Centre (the "Centre") is recognized upon receipt of funding during the period.

(b) Expenses:

Expenses are recognized on an accrual basis of accounting. Sub-project expenses are incurred when the installments are made to project proponents.

Any sub-project expense recovery is recognized against sub-project expenses when the amounts are known.

2. Significant accounting policies (continued):

(c) Use of estimates:

The preparation of the Statement requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

3. Cumulative project balance:

As at April 1, 2025, the Toronto Metropolitan University Future Skills Centre project had an opening carried forward surplus of $4,931,415, which represents the cumulative surplus of revenue over expenses for the period from November 19, 2018 to March 31, 2025.

Balance carried forward from the period November 19, 2018 to March 31, 2025	$ 4,931,415
Excess of revenue over expenses during the period	5,589,352
Cumulative project balance as at March 31, 2026	$ 10,520,767

4. Proponent in-kind contributions:

Proponent in kind-contributions include value of non-cash costs reported by the proponents. Management obtains the value of these contributions from the proponents' audited statements received. Total amount reported to the Centre for the period is $4,045,556 (unaudited).