

**CAREERS: THE NEXT GENERATION  
FOUNDATION**

**Financial Statements**

**Year Ended September 30, 2015**

**CAREERS: THE NEXT GENERATION FOUNDATION**  
**Index to Financial Statements**  
**Year Ended September 30, 2015**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Revenues and Expenditures	2
Statement of Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 12



KINGSTON  
ROSS  
PASNAK<sup>LLP</sup>

Suite 1500, 9888 Jasper Avenue  
Edmonton, Alberta T5J 5C6  
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

December 9, 2015  
Edmonton, Alberta

## **INDEPENDENT AUDITOR'S REPORT**

---

To the Management of CAREERS: The Next Generation Foundation

We have audited the accompanying financial statements of CAREERS: The Next Generation Foundation, which comprise the statement of financial position as at September 30, 2015 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of CAREERS: The Next Generation Foundation as at September 30, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

---

**Kingston Ross Pasnak LLP**  
Chartered Professional Accountants

**CAREERS: THE NEXT GENERATION FOUNDATION****Statement of Revenues and Expenditures****For the Year Ended September 30, 2015**

	2015	2014
<b>REVENUE</b>		
Provincial Government funding (Note 11)	\$ 1,847,076	\$ 1,868,739
Municipal Government funding (Note 11)	155,480	103,865
	<b>2,002,556</b>	<b>1,972,604</b>
Industry investment	1,660,802	1,500,169
Investment income (Note 5)	70,169	125,230
CAREERS Online project funding	12,121	15,788
	<b>1,743,092</b>	<b>1,641,187</b>
<b>TOTAL REVENUE</b>	<b>3,745,648</b>	<b>3,613,791</b>
<b>EXPENDITURES</b>		
Operations (Program delivery) (Note 4)	1,854,830	1,634,336
Stakeholder relations & growth (Investment development, stewardship, events)	779,544	938,513
General and administrative expense	670,572	638,363
Projects (Shell - Women in Trades, Aboriginal)	540,807	270,583
Information technology	132,379	100,120
Provincial partnership	93,265	95,916
CAREERS Online project	12,121	15,788
	<b>4,083,518</b>	<b>3,693,619</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>\$ (337,870)</b>	<b>\$ (79,828)</b>

**CAREERS: THE NEXT GENERATION FOUNDATION**

**Statement of Changes in Net Assets**

**Year Ended September 30, 2015**

	Unrestricted	Invested in property and equipment	Internally restricted for contingency fund	2015	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 521,014	\$ 41,742	\$ 350,000	\$ 912,756	\$ 992,584
Deficiency of revenue over expenses	(329,930)	(7,940)	-	(337,870)	(79,828)
Transfer for property and equipment (Note 9)	(5,334)	5,334	-	-	-
Transfer to contingency fund (Note 10)	(70,000)	-	70,000	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 115,750	\$ 39,136	\$ 420,000	\$ 574,886	\$ 912,756

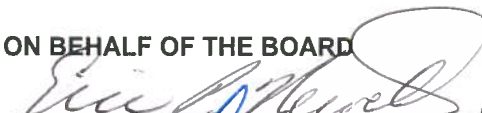
**CAREERS: THE NEXT GENERATION FOUNDATION**

**Statement of Financial Position**

**September 30, 2015**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 459,813	\$ 162,315
Restricted cash (Note 3)	27,056	-
Marketable securities (Note 5)	1,182,578	1,824,764
Accounts receivable	359,682	336,139
Goods and Service tax recoverable	29,166	32,548
Prepaid expenses	123,111	19,726
	<b>2,181,406</b>	<b>2,375,492</b>
PROPERTY AND EQUIPMENT (Note 6)	72,247	88,191
	<b>\$ 2,253,653</b>	<b>\$ 2,463,683</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 387,237	\$ 395,209
Deferred contributions (Note 7)	1,258,419	1,109,268
	<b>1,645,656</b>	<b>1,504,477</b>
UNAMORTIZED EXTERNAL CAPITAL CONTRIBUTION (Note 9)	33,111	46,450
	<b>1,678,767</b>	<b>1,550,927</b>
<b>NET ASSETS</b>		
Unrestricted	115,750	521,014
Invested in property and equipment	39,136	41,742
Internally restricted for contingency fund (Note 10)	420,000	350,000
	<b>574,886</b>	<b>912,756</b>
	<b>\$ 2,253,653</b>	<b>\$ 2,463,683</b>

ON BEHALF OF THE BOARD

  
Director

  
Director

**CAREERS: THE NEXT GENERATION FOUNDATION****Statement of Cash Flow****Year Ended September 30, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Deficiency of expenses over revenue	\$ (337,870)	\$ (79,828)
Items not affecting cash:		
Amortization of property and equipment (Note 6)	21,278	25,915
Amortization of external capital contributions (Note 9)	(13,339)	(17,528)
Gain on disposal of marketable securities	(26,856)	(68,658)
	<b>(356,787)</b>	<b>(140,099)</b>
Changes in non-cash working capital:		
Accounts receivable	(23,543)	950,076
Goods and Service tax recoverable	3,382	(1,432)
Accounts payable and accrued liabilities	(7,973)	(50,855)
Prepaid expenses	(103,385)	(536)
Deferred contributions (Note 7)	149,143	(1,271,763)
	<b>17,624</b>	<b>(374,510)</b>
Cash flow used by operating activities	<b>(339,163)</b>	<b>(514,609)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(5,334)	(6,051)
Proceeds on disposal of marketable securities, net of reinvestment and maturities	669,051	527,406
Cash flow from investing activities	<b>663,717</b>	<b>521,355</b>
<b>INCREASE IN CASH FLOW</b>	<b>324,554</b>	<b>6,746</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>162,315</b>	<b>155,569</b>
<b>CASH - END OF YEAR</b>	<b>\$ 486,869</b>	<b>\$ 162,315</b>
<b>CASH FLOW SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ 43,273	\$ 55,790
Interest paid	\$ (7,307)	\$ (2,884)

## CAREERS: THE NEXT GENERATION FOUNDATION

### Notes to Financial Statements

Year Ended September 30, 2015

---

#### 1. PURPOSE OF THE ORGANIZATION

CAREERS: The Next Generation Foundation ("CAREERS") is a charitable foundation incorporated under the Societies Act of Alberta. Its primary objective is to assist Alberta youth to enhance their employability. It accomplishes this by conducting student workshops, facilitating community partnership and implementing work place learning programs.

CAREERS is registered as a charitable organization under the Income Tax Act and as such is exempt from income taxes and is able to issue receipts to donors for income tax purposes. Under the terms of the Income Tax Act, CAREERS is required to disburse a minimum amount of its funds for charitable purposes.

Community mobilization is a key strategy for market penetration and growth. To accomplish this objective, CAREERS has entered into partnerships in three regions of the province. In certain regions, CAREERS funds a portion of the salaries and expenses of the project.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

##### Revenue recognition

CAREERS follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable and collection of the receivable is reasonably assured.

Externally restricted capital contributions are recorded as deferred contributions until invested in property and equipment. Amounts invested representing externally funded property and equipment are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the property and equipment is recorded.

Donations of materials and services are not recorded by CAREERS unless the fair value of the donation is supported as per the Canada Revenue Agency requirement regarding in-kind donations.

##### Marketable securities

Marketable securities consists of mutual funds, equities, and guaranteed investment certificates. Mutual funds and equities are recorded at fair value.

*(continues)*



## CAREERS: THE NEXT GENERATION FOUNDATION

### Notes to Financial Statements

Year Ended September 30, 2015

---

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life at the following rates and methods:

Furniture and fixtures	20%	declining balance method
Computer equipment	30 - 55%	declining balance method
Computer software	50%	declining balance method

In the year of purchase, amortization on property and equipment is pro-rated based on the acquisition date.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

##### Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, CAREERS subsequently measures its financial instruments at amortized cost.

##### 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. Significant management estimates pertain to the useful lives of property and equipment, collectibility of accounts receivable, accruals for expenses and allocations of general and administrative expenses. Actual results could differ from these estimates.

#### 3. RESTRICTED CASH

---

	2015	2014
Cash - Casino Account	\$ 27,056	\$ -

---

The cash in the casino account contains the proceeds from the Casino. The funds are externally restricted by the Alberta Gaming and Liquor Commission.

**CAREERS: THE NEXT GENERATION FOUNDATION**

**Notes to Financial Statements**

**Year Ended September 30, 2015**

**4. OPERATING EXPENSES**

	2015	2014
<b>Operating expenses consist of:</b>		
Professional fees and salaries	\$ 1,649,630	\$ 1,389,997
Travel and subsistence	205,200	244,339
	<b>\$ 1,854,830</b>	<b>\$ 1,634,336</b>

**5. MARKETABLE SECURITIES**

	2015	2014
Interest bearing securities with effective yield ranging from 1.25% to 11.77%	\$ 1,032,738	\$ 1,394,349
Equity securities	135,136	407,646
Investment cash	7,483	11,762
Accrued interest	7,221	11,007
	<b>\$ 1,182,578</b>	<b>\$ 1,824,764</b>

Investment income is comprised of the following:

	2015	2014
Unrealized loss on investment	\$ (41,851)	\$ (534)
Investment income	43,272	55,790
Gain on disposal of investments	68,748	69,974
	<b>\$ 70,169</b>	<b>\$ 125,230</b>

**6. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Furniture and fixtures	\$ 161,774	\$ 113,380	\$ 48,394	\$ 59,627
Computer equipment	197,219	173,421	23,798	28,454
Computer software	14,068	14,013	55	110
	<b>\$ 373,061</b>	<b>\$ 300,814</b>	<b>\$ 72,247</b>	<b>\$ 88,191</b>

Amortization provided for in the current period totaled \$21,278; (2014 - \$25,915), of which \$5,710 (2014 - \$6,148) is included in information technology expense, \$12,121 (2014 - \$15,788) is included in CAREERS Online project and \$3,447 (2014 - \$3,979) is included in general and administrative expenses.

## CAREERS: THE NEXT GENERATION FOUNDATION

### Notes to Financial Statements

Year Ended September 30, 2015

#### 7. DEFERRED CONTRIBUTIONS

Deferred contributions consist of grants received from government and industry that are restricted for specific programs. These contributions will be recognized as revenue in the year the related program expenditures are incurred.

	Balance, beginning of year	Contributions in year	Amounts recognized as revenue in year	Balance, end of year
<u>Alberta government contributions</u>				
Alberta Innovation and Advanced Education - CORE	\$ 707,000	\$ 495,000	\$ 1,082,000	\$ 120,000
Alberta Education	250,000	-	250,000	-
Alberta Gaming and Liquor Commission	80,904	-	53,849	27,055
Aboriginal Relations	40,000	-	40,000	-
Alberta Innovation and Advanced Education - Aboriginal Initiative	-	1,200,000	420,000	780,000
<u>Corporate contributions</u>				
Various programs	31,364	-	25,000	6,364
Syncrude	-	125,000	115,000	10,000
Shell - Women in the Trades	-	250,000	60,000	190,000
College of Alberta School Superintendents	-	135,000	35,000	100,000
Pacific Western Transportation	-	25,000	-	25,000
	\$ 1,109,268	\$ 2,230,000	\$ 2,080,849	\$ 1,258,419

CAREERS receives specific funding under the Alberta Innovation and Advanced Education - CORE agreement each year to hold 3 career expos. In 2015 due to venue scheduling issues, 2 career expos had to be held just after year end. The revenue pertaining to these 2 expos has been deferred.

#### 8. SHORT TERM DEBT

CAREERS has a \$350,000 revolving line of credit of which \$nil was used as at September 30, 2015. Bank advances on the credit line are payable on demand and bears interest at 0.5% over prime. The credit line is secured by a general security agreement providing a first security interest over all property owned by CAREERS.

## CAREERS: THE NEXT GENERATION FOUNDATION

### Notes to Financial Statements

Year Ended September 30, 2015

#### 9. UNAMORTIZED EXTERNAL CAPITAL CONTRIBUTIONS

Unamortized external capital contributions related to property and equipment represent restricted contributions received from the Alberta Gaming and Liquor Commission in prior years and from various organization regarding CAREERS Online project. The changes in the unamortized contributions balance over the year are as follows:

	Alberta Gaming and Liquor Commission	CAREERS Online Project	2015	2014
Unamortized external capital contributions, beginning of year	\$ 4,059	\$ 42,391	\$ 46,450	\$ 63,978
Amounts amortized to revenue	(1,218)	(12,121)	(13,339)	(17,528)
	\$ 2,841	\$ 30,270	\$ 33,111	\$ 46,450

#### 10. INTERNALLY RESTRICTED FOR CONTINGENCY FUND

The Board of Directors internally restricted \$420,000 (2014- \$350,000) for the establishment of a contingency fund for the purpose of meeting any obligations arising from an unexpected event. Such a fund would allow for the winding down of CAREERS in an orderly manner and for meeting any unexpected obligations. Upon management review and board approval, it was determined that the fund should be increased by \$70,000 during the year. This internally restricted amount is not available for other purposes without approval of the Board of Directors.

## CAREERS: THE NEXT GENERATION FOUNDATION

### Notes to Financial Statements

Year Ended September 30, 2015

#### 11. GOVERNMENT CONTRIBUTIONS

Government contributions recognized in each fiscal year reflect the actual amounts received, adjusted for restricted contributions. Restricted contributions are recognized in the year in which the related expenses are incurred.

	Received in year	Deferred to 2016	Received in previous years	2015	2014
<u>Alberta government and related agency contributions</u>					
Alberta Innovation and Advanced Education	495,000	120,000	707,000	<b>1,082,000</b>	707,000
Alberta Human Services	-	-	-	-	620,000
Alberta Liquor and Gaming Commission	-	-	53,858	<b>53,858</b>	-
Alberta Aboriginal Relations	-	-	40,000	<b>40,000</b>	40,000
Alberta Education	-	-	250,000	<b>250,000</b>	500,000
Alberta Innovation and Advanced Education - Aboriginal Initiative	1,200,000	780,000	-	<b>420,000</b>	-
Amortization of external capital contributions (Note 9)	1,218	-	-	<b>1,218</b>	1,739
	<b>1,696,218</b>	<b>900,000</b>	<b>1,050,858</b>	<b>1,847,076</b>	<b>1,868,739</b>
<u>Municipal government contributions</u>					
Various municipal bodies	124,116	-	31,364	<b>155,480</b>	103,865

## **CAREERS: THE NEXT GENERATION FOUNDATION**

### **Notes to Financial Statements**

**Year Ended September 30, 2015**

---

#### **12. FINANCIAL INSTRUMENTS**

CAREERS is exposed to various risks through its financial instruments. The following analysis provides information about CAREERS's risk exposure and concentration as of September 30, 2015.

##### **Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. CAREERS is exposed to credit risk from contributors, and the maximum exposure to this risk is the carrying value of accounts receivable on the balance sheet. CAREERS has a significant number of customers which minimizes concentration of credit risk. As September 30, 2015, the five largest contributors made up 64% of accounts receivable.

##### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. CAREERS is exposed to market risk as a result of its \$135,000 invested in equities.

##### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the market interest rates. CAREERS is exposed to interest rate risk primarily through its interest bearing marketable securities.

#### **13. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation and the comparative figures have not been audited under Accounting Standards for Not-For-Profit Organizations. The prior year comparative figures were originally prepared under Canadian Generally Accepted Accounting Principles. Users may refer to the prior year statements which are available.