

**CAREERS: THE NEXT GENERATION
FOUNDATION**

Financial Statements

Year Ended September 30, 2023

CAREERS: THE NEXT GENERATION FOUNDATION
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Year Ended September 30, 2023

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December 14, 2023
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Members of CAREERS: The Next Generation Foundation

Opinion

We have audited the financial statements of CAREERS: The Next Generation Foundation (the Organization), which comprise the statement of financial position as at September 30, 2023, and the statements of revenues and expenditures, changes in net assets and cash flow 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 September 30, 2023, and the results of its operations and cash flow 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.

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.

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Independent Auditor's Report to the Members of CAREERS: The Next Generation
Foundation (*continued*)

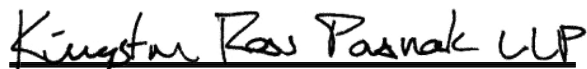
Auditor's Responsibilities for the Audit of the Financial Statements

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.


Kingston Ross Pasnak LLP
Chartered Professional Accountants

CAREERS: THE NEXT GENERATION FOUNDATION
Statement of Revenues and Expenditures
Year Ended September 30, 2023

	2023	2022
REVENUES		
Provincial Government <i>(Note 12)</i>	\$ 8,631,690	\$ 6,638,389
Municipal Government <i>(Note 12)</i>	50,000	50,000
Federal Government <i>(Note 12)</i>	14,142	42,264
	8,695,832	6,730,653
Industry and individual contributions <i>(Notes 11, 13)</i>	1,463,169	1,291,049
Event revenue	250,782	334,443
School division contributions	-	218,111
Campaign revenue <i>(Note 13)</i>	-	15,000
	1,713,951	1,858,603
TOTAL REVENUES	10,409,783	8,589,256
EXPENSES (Schedule 1)		
Operations (Program delivery)	4,753,178	3,638,540
Youth Internship Incentive Program <i>(Note 13)</i>	2,083,975	1,325,950
Marketing	1,458,603	1,014,264
General and administrative <i>(Note 13)</i>	945,945	954,276
Stakeholder relations (Fund development and events) <i>(Note 13)</i>	695,337	644,642
Program research and development	450,275	912,510
SafeGen program <i>(Note 15)</i>	31,211	-
	10,418,524	8,490,182
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	(8,741)	99,074
OTHER INCOME (EXPENSES)		
Investment income (loss) <i>(Note 5)</i>	206,911	(198,830)
Foreign exchange gain	6,277	-
Interest income	466	-
Gain on disposal of asset	114	-
Rental	(5,064)	(13,060)
Amortization	(27,946)	(27,830)
	180,758	(239,720)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 172,017	\$ (140,646)

CAREERS: THE NEXT GENERATION FOUNDATION**Statement of Changes in Net Assets****Year Ended September 30, 2023**

	Unrestricted	Invested in property and equipment	Internally restricted reserve funds (Note 10)	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 293,050	\$ 92,924	\$ 1,860,000	\$ 2,245,974	\$ 2,386,620
Excess (deficiency) of revenues over expenses	199,849	(27,832)	-	172,017	(140,646)
Transfer for property and equipment	(23,262)	23,262	-	-	-
Transfer for internally restricted reserves	(342,000)	-	342,000	-	-
NET ASSETS - END OF YEAR	\$ 127,637	\$ 88,354	\$ 2,202,000	\$ 2,417,991	\$ 2,245,974

CAREERS: THE NEXT GENERATION FOUNDATION
Statement of Financial Position
September 30, 2023

	2023	2022
ASSETS		
CURRENT		
Cash (Note 3)	\$ 864,907	\$ 549,945
Restricted cash (Note 4)	3,164	-
Marketable securities (Note 5)	2,295,282	1,164,406
Accounts receivable (Note 6)	44,042	114,219
Goods and Service Tax recoverable	31,906	53,324
Prepaid and deposits	144,793	129,205
	3,384,094	2,011,099
PROPERTY AND EQUIPMENT (Note 7)	88,354	92,924
MARKETABLE SECURITIES SUPPORTING INTERNALLY RESTRICTED FUNDS (Note 5)	2,202,000	1,860,000
	\$ 5,674,448	\$ 3,964,023
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 13)	\$ 1,231,388	\$ 986,240
Deferred contributions (Note 8)	2,025,069	731,809
	3,256,457	1,718,049
LEASE COMMITMENTS (Note 9)		
NET ASSETS		
Internally restricted reserve funds (Note 10)	2,202,000	1,860,000
Unrestricted	127,637	293,050
Invested in property and equipment	88,354	92,924
	2,417,991	2,245,974
	\$ 5,674,448	\$ 3,964,023

ON BEHALF OF THE BOARD

 _____ Director
 _____ Director

CAREERS: THE NEXT GENERATION FOUNDATION**Statement of Cash Flow****Year Ended September 30, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 172,017	\$ (140,646)
Items not affecting cash:		
Amortization of property and equipment	27,946	27,830
Realized loss on disposal of marketable securities (Note 5)	101,994	180,762
Reinvested investment income net of investment fees (Note 5)	(102,352)	(54,181)
Unrealized (gain) loss on marketable securities (Note 5)	(206,241)	71,812
Gain on disposal of asset	(114)	-
Foreign exchange gain	(6,277)	-
	(13,027)	85,577
Changes in non-cash working capital:		
Accounts receivable	70,177	290,449
Goods and Service Tax recoverable	21,418	(18,054)
Prepaid and deposits	(15,588)	(104,481)
Accounts payable and accrued liabilities	245,148	410
Deferred contributions	1,293,260	(2,735,141)
	1,614,415	(2,566,817)
Cash flow from (used by) operating activities	1,601,388	(2,481,240)
INVESTING ACTIVITIES		
Purchase of property and equipment	(26,762)	(40,930)
Proceeds on disposal of property and equipment	3,500	-
Proceeds on disposal of marketable securities	3,554,666	700,000
Purchase of marketable securities supporting internally restricted funds	(342,000)	(300,000)
Purchase of marketable securities	(4,472,666)	(1,000,000)
Cash flow used by investing activities	(1,283,262)	(640,930)
INCREASE (DECREASE) IN CASH	318,126	(3,122,170)
CASH - BEGINNING OF YEAR	549,945	3,672,115
CASH - END OF YEAR	\$ 868,071	\$ 549,945
CASH CONSISTS OF:		
Cash	\$ 864,907	\$ 549,945
Restricted cash	3,164	-
	\$ 868,071	\$ 549,945

CAREERS: THE NEXT GENERATION FOUNDATION
Expenses by Category
Year Ended September 30, 2023

(Schedule 1)

	Operations	General and administrative	Stakeholder relations	Marketing	Program research and development	Youth Internship Incentive Program	SafeGen program	2023	2022
Personnel	\$ 3,624,211	\$ 713,763	\$ 547,512	\$ 374,815	\$ 324,590	\$ -	\$ 20,232	\$ 5,605,123	\$ 4,976,662
Seconded resources	236,906	-	-	-	75,332	-	-	\$ 312,238	\$ 57,227
Professional fees	146,351	62,868	18,925	21,588	8,013	-	8,221	\$ 265,966	170,883
Incentives	319	-	-	100	1,550	2,083,975	-	\$ 2,085,944	1,326,000
Programming and events	216,081	19,463	1,092	43,907	1,466	-	1,466	\$ 283,475	617,318
Advertising and promotion	2,373	37	326	973,133	22	-	692	\$ 976,583	687,864
Fundraising expenses	570	-	78,119	-	-	-	-	\$ 78,688	2,440
Occupancy	168,006	17,643	17,417	19,825	11,393	-	8	\$ 234,291	240,107
Office and other	145,400	108,104	16,008	19,558	12,205	-	593	\$ 301,868	253,422
Travel & subsistence	212,960	24,066	15,940	5,677	15,705	-	-	\$ 274,348	158,259
	\$ 4,753,178	\$ 945,945	\$ 695,337	\$ 1,458,603	\$ 450,275	\$ 2,083,975	\$ 31,211	\$ 10,418,524	\$ 8,490,182

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2023

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 enable youth on their path to rewarding careers. CAREERS accomplishes this by providing awareness, exploration and experience to encourage youth to engage in learning, stay in school and discover career passion in trades, technologies, health and occupations in high demand.

CAREERS is registered as a charitable organization under the Income Tax Act (Canada) 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.

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.

Event revenue is recognized into income when an event has occurred and the dollar amount is measurable.

Donations of materials and services are recorded by CAREERS at fair value at the date of the contribution if the fair value can be reasonably estimated and when the materials and services are used in the normal course of CAREERS operations and would otherwise have been purchased.

Interest income is earned as it is received.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit less cheques issued and outstanding and net of draws on the operating line of credit.

Marketable securities

Marketable securities consists of cash, money market funds, short-term bonds, mutual funds and equity securities and are recorded at fair value.

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CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2023

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

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	30% declining balance method
Furniture and fixtures	20% declining balance method

In the year available for use, amortization and equipment is pro-rated based on the available for use date.

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

Financial instruments

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

The measurement basis for related party financial instruments is disclosed in Note 13.

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. The following amounts are subject to measurement uncertainty: the useful lives of property and equipment, collectibility of accounts receivable, accruals for expenses and the allocations of general expenses, administrative expenses and deferred contributions. These estimates are periodically reviewed and any necessary adjustments are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Allocated expenditures

Expenditures that benefit more than one department are systematically allocated among functions on the basis determined and approved by management at least annually. General support expenses are allocated on the following basis:

- Salary and wages including related benefits, certain consulting fees paid to team members, travel, subsistence and allowances are attributed to the function where the team member's efforts are made.
- Rent, other office costs and shared software costs are allocated to each function based on the estimated proportionate number of team members expected to be assigned to each department throughout the year.

Expenditures allocated to each department are detailed in Schedule 1 to these financial statements.

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2023

3. CASH

	2023	2022
Bank balance consists of:		
Bank account balances	\$ 1,384,876	\$ 759,130
Cheques issued and outstanding	(519,969)	(209,185)
	\$ 864,907	\$ 549,945

CAREERS has a \$350,000 revolving line of credit of which \$nil (2022- \$nil) was used as at September 30, 2023. Bank advances on the credit line are payable on demand and bear interest at prime plus 0.5% (2022- prime plus 0.5%). The credit line is secured by a general security agreement providing a first security interest over all present and after acquired property to be registered in all appropriate jurisdictions.

4. RESTRICTED CASH

	2023	2022
Cash - casino account	\$ 3,164	\$ -

The cash in the casino account represents casino proceeds that are externally restricted by the Alberta Gaming, Liquor and Cannabis Commission to assist in the payments of approved expenses.

5. MARKETABLE SECURITIES

	2023	2022
Cash and money market funds	\$ 620,339	\$ 708,612
Short-term bonds	2,430,171	1,051,722
Mutual funds	1,069,430	442,044
Equity securities	377,342	822,028
	4,497,282	3,024,406
Internally restricted funds	(2,202,000)	(1,860,000)
Marketable securities	\$ 2,295,282	\$ 1,164,406

Additional information on the restriction can be found in Note 10.

Investment income (loss) is comprised of the following:

Interest and dividends	\$ 124,856	\$ 74,276
Unrealized gain (loss) on investments	206,241	(71,812)
Realized gain (loss) on disposal of investments	(101,804)	(180,762)
Investment fees	(22,382)	(20,532)
	\$ 206,911	\$ (198,830)

CAREERS: THE NEXT GENERATION FOUNDATION**Notes to Financial Statements****Year Ended September 30, 2023****6. ACCOUNTS RECEIVABLE**

	2023	2022
Industry donations	\$ 29,900	\$ 94,094
Government of Canada grant funding	14,142	-
Government of Alberta grant funding	-	20,125
	\$ 44,042	\$ 114,219

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 163,644	\$ 89,751	\$ 73,893	\$ 74,848
Furniture and fixtures	57,980	43,519	14,461	18,076
	\$ 221,624	\$ 133,270	\$ 88,354	\$ 92,924

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2023

8. DEFERRED CONTRIBUTIONS

Deferred contributions consist of grants received from government and industry that are restricted for specific programs, or future events. These contributions will be recognized as revenue in the year in which the related program expenditures are incurred, or the event takes place.

	Balance, beginning of year	Contributions in year	Amounts recognized as revenue in year	Balance, end of year
<u>Government contributions</u>				
Alberta Advanced Education CORE Agreement	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -
Youth Internship Incentive Program	583,750	1,500,000	2,083,750	-
Alberta Advanced Education Integrated Internship Model	-	165,000	165,000	-
Alberta Advanced Education Building Capacity	-	935,000	935,000	-
Government of Alberta School Integration	-	805,000	264,108	540,892
Government of Alberta - Advanced Education School Integration	-	1,405,000	144,846	1,260,154
<u>Industry contributions</u>				
Millar Western Forest Products Forest Resource Improvement Association of Alberta	48,059	345,973	320,036	73,996
RBC Foundation Building Building Capacity Grant	75,000	75,000	75,000	75,000
Imperial Oil Foundation 2023 Donation	25,000	-	25,000	-
EPCOR 2024 Donation	-	50,000	-	50,000
Alberta Unionised (RAP) Trust Fund Trades Scholarships Grant	-	16,000	500	15,500
<u>Gaming Proceeds</u>				
July 2023 Raffle proceeds	-	3,189	662	2,527
<u>Event Proceeds</u>				
HSASC Event Proceeds	-	5,000	-	5,000
<u>Other</u>				
Subtenant lease deposit	-	2,000	-	2,000
	\$ 731,809	\$ 10,307,162	\$ 9,013,902	\$ 2,025,069

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2023

9. LEASE COMMITMENTS

CAREERS has long term lease obligations with respect to its premises in Edmonton, Calgary and Fort McMurray. The Fort McMurray lease began on January 1, 2023 with an expiry date of December 31, 2023, The Edmonton lease began on November 25, 2018 with an expiry date of March 31, 2027. The Calgary lease began on November 5, 2019 with an expiry date of February 28, 2026. A second Calgary lease began on August 1, 2023 with an expiry date of July 31, 2028.

Future minimum lease payments are as follows:

2024	\$	165,338
2025		147,043
2026		126,441
2027		73,164
2028		33,836
		<hr/>
	\$	545,822

10. RESERVES

The internally restricted reserve funds consist of:

Board Reserve

The Board of Directors have internally restricted \$1,002,000 (2022 - \$960,000) to establish a fund to meet the obligations of the organization required to wind down CAREERS in an orderly manner if dissolution were required. The targeted Board Reserve fund balance is calculated annually based on the estimated costs to extinguish all obligations including one month of personnel costs.

Sustainability & Opportunity Fund (S&O)

The Board of Directors have internally restricted \$1,200,000 (2022 - \$900,000) to establish a fund to ensure the organization has resources available to weather unexpected losses, or take advantage of unplanned opportunities requiring investment. The targeted Sustainability & Opportunity fund balance is calculated annually to approximate three months of operating expenditures.

11. DONATIONS OF MATERIALS AND SERVICES

In the current year, donations of materials and services were provided to CAREERS. Of these transactions, the most significant donations included transportation in the amount of \$47,458 (2022 - \$33,530) recognized in Industry Revenues and Programming & events expense included in Operations and a Calgary office sublease of \$62,279 (2022 - \$83,882) recognized in Industry Revenues and Occupancy expense included in Operations and Stakeholder relations. The Calgary office sublease was provided by a Corporation sharing a common director with CAREERS. Refer to Note 13 for further information on Related Party Transactions.

Donations are only recognized in the financial statements when the fair value can be reasonably estimated and when the materials would otherwise have been purchased. In the year, there were other smaller unidentified donations where fair value could not be determined, such donated materials are not recognized in the financial statements.

Volunteers contribute numerous hours in carrying out the activities for CAREERS. Due to the difficulty in determining the fair value, such donated services are not recognized in the financial statements.

CAREERS: THE NEXT GENERATION FOUNDATION
Notes to Financial Statements
Year Ended September 30, 2023

12. GOVERNMENT CONTRIBUTIONS

	2023	2022
<u>Provincial government contributions</u>		
Alberta Government CORE agreement funding		
Core Program	\$ 5,000,000	\$ 4,050,000
Youth Internship Incentive Program	2,083,750	1,325,950
Integrated Internship Model	935,000	245,000
Building Capacity	165,000	950,000
Government of Alberta - School Integration	264,108	-
Government of Alberta - Advanced Education School Integration	144,846	-
Government of Alberta - Job Grant	38,986	67,439
	8,631,690	6,638,389
<u>Municipal government contributions</u>		
City of Edmonton	50,000	50,000
<u>Federal government contributions</u>		
Job Grants	14,142	42,264
	\$ 8,695,832	\$ 6,730,653

CAREERS: THE NEXT GENERATION FOUNDATION
Notes to Financial Statements
Year Ended September 30, 2023

13. RELATED PARTY TRANSACTIONS

The following is a summary of the Organization's related party transactions:

	2023	2022
<i>Directors and management contributions</i> (included in industry and individual contributions) (included in campaign revenue)	\$ 51,553 -	\$ 87,209 5,000
<i>Director and management consulting fees</i> (included in general and administrative) (included in stakeholder relations)	\$ (168,505) (106,143)	\$ (124,240) (123,548)
Of this amount, \$22,988 was payable at year-end.		
<i>Incentive funding provided to a director</i> (included in incentive program)	\$ (16,800)	\$ (9,000)
Of this amount, \$15,000 was payable at year-end.		

The transactions with related parties are measured at cost, which is equal to the undiscounted cash flows received, or expected to be received, not including expected interest and dividends, less any previously recognized impairment losses.

14. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of September 30, 2023. Unless otherwise noted, the Organization's risk exposure has not changed from the prior year.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization has a concentration of credit risk due to the fact that 2 accounts represent 88% of accounts receivable at year-end (2022 - 3 accounts made up 97% of accounts receivable).

(b) 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. The Organization is exposed to market risks through its marketable securities and long term investments.

(continues)

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2023

14. FINANCIAL INSTRUMENTS *(continued)*

(c) Currency risk

Currency risk is the risk to the Organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on marketable securities and accounts payable held in U.S. dollars. The Organization does not use derivative instruments to reduce its exposure to foreign currency risk. At year end, the Organization's marketable securities included US dollars translated to \$561,277 CAD. Included in other expenses is \$6,277 of foreign exchange loss on marketable securities. During the year, the organization settled accounts payable to US Vendors totaling \$190,000 CAD.

(d) 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 interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investment in quoted shares.

15. SAFEGEN ACQUISITION

On August 25, 2023, the Organization assumed control for and began delivering the programs of another charitable organization, The Job Safety Skills Society o/a SafeGen. SafeGen's Board made the decision to dissolve their organization. SafeGen and CAREERS are driven by a shared commitment to empowering youth in their journey toward safe and fulfilling careers. Together, Careers and SafeGen provide work-integrated learning opportunities as well as the necessary accreditation to promote safety, thereby streamlining processes for educators and youth as they engage in career exploration. No financial assets or liabilities were acquired nor recognized in these financial statements.

16. COMPARATIVE FIGURES

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