

**CAREERS: THE NEXT GENERATION
FOUNDATION**

Financial Statements

Year Ended September 30, 2025

CAREERS: THE NEXT GENERATION FOUNDATION
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Year Ended September 30, 2025

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December 12, 2025
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 (CAREERS), which comprise the statement of financial position as at September 30, 2025, 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 CAREERS as at September 30, 2025, 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 CAREERS 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 CAREERS'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 CAREERS or to cease operations, or has no realistic alternative but to do so.

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

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.

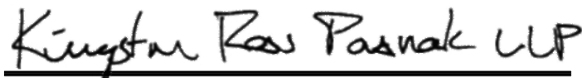
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Independent Auditor's Report to the Members of CAREERS: The Next Generation
Foundation (*continued*)

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 CAREERS'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 CAREERS'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 CAREERS 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 Parnak LLP

Chartered Professional Accountants

CAREERS: THE NEXT GENERATION FOUNDATION
Statement of Revenues and Expenditures
Year Ended September 30, 2025

	2025	2024
REVENUES		
Provincial Government <i>(Note 12)</i>	\$ 6,669,571	\$ 6,162,296
Project-based Government <i>(Note 12)</i>	3,106,376	2,704,497
Municipal Government <i>(Note 12)</i>	50,000	50,000
Federal Government <i>(Note 12)</i>	2,000	14,147
	9,827,947	8,930,940
CORE industry <i>(Notes 11, 13)</i>	1,257,430	1,206,034
Project-based industry	454,049	401,917
Event revenue	279,058	331,969
	1,990,537	1,939,920
TOTAL REVENUES	11,818,484	10,870,860
EXPENSES (Schedule 1)		
Operations (Program delivery) <i>(Note 11)</i>	6,416,808	6,074,021
Marketing	1,322,058	1,337,832
Youth Internship Incentive Program <i>(Note 13)</i>	1,258,012	1,337,804
General and administrative <i>(Note 13)</i>	1,136,384	1,055,631
Stakeholder relations (Fund development and events) <i>(Note 13)</i>	687,056	728,841
Programs development	570,286	258,471
SafeGen	119,021	159,292
Alberta Youth Employment Incentive	9,699	-
	11,519,324	10,951,892
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	299,160	(81,032)
OTHER INCOME (EXPENSES)		
Investment income <i>(Note 5)</i>	379,576	612,006
Interest income	426	522
Foreign exchange (loss) gain	(134)	5,557
Loss on disposal of property and equipment	(3,304)	(6,525)
Rental	(6,679)	(26,520)
Amortization	(28,950)	(27,848)
	340,935	557,192
EXCESS OF REVENUES OVER EXPENSES	\$ 640,095	\$ 476,160



CAREERS: THE NEXT GENERATION FOUNDATION**Statement of Changes in Net Assets****Year Ended September 30, 2025**

	Unrestricted	Invested in property and equipment	Internally restricted reserve funds (Note 10)	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 226,973	\$ 87,178	\$ 2,580,000	\$ 2,894,151	\$ 2,417,991
Excess (deficiency) of revenues over expenses	672,349	(32,254)	-	640,095	476,160
Transfer for property and equipment	(32,948)	32,948	-	-	-
Transfer for internally restricted reserves	(200,000)	-	200,000	-	-
NET ASSETS - END OF YEAR	\$ 666,374	\$ 87,872	\$ 2,780,000	\$ 3,534,246	\$ 2,894,151

CAREERS: THE NEXT GENERATION FOUNDATION
Statement of Financial Position
September 30, 2025

	2025	2024
ASSETS		
CURRENT		
Cash (Note 3)	\$ 659,061	\$ 84,406
Restricted cash (Note 4)	3,696	13,688
Marketable securities (Note 5)	10,259,570	5,649,796
Accounts receivable (Note 6)	6,026,000	35,282
Goods and Service Tax recoverable	37,866	28,749
Prepaid and deposits	179,887	222,525
	17,166,080	6,034,446
PROPERTY AND EQUIPMENT (Note 7)	87,872	87,178
MARKETABLE SECURITIES SUPPORTING INTERNALLY RESTRICTED FUNDS (Note 5)	2,780,000	2,580,000
	\$ 20,033,952	\$ 8,701,624
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 13)	\$ 1,106,377	\$ 1,192,045
Deferred contributions (Note 8)	15,393,329	4,615,428
	16,499,706	5,807,473
LEASE COMMITMENTS (Note 9)		
NET ASSETS		
Internally restricted reserve funds (Note 10)	2,780,000	2,580,000
Unrestricted	666,374	226,973
Invested in property and equipment	87,872	87,178
	3,534,246	2,894,151
	\$ 20,033,952	\$ 8,701,624

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements
 CAREERS: The Next Generation Foundation

CAREERS: THE NEXT GENERATION FOUNDATION**Statement of Cash Flow****Year Ended September 30, 2025**

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 640,095	\$ 476,160
Items not affecting cash:		
Amortization of property and equipment	28,950	27,848
Realized gain on disposal of marketable securities	(50,893)	(51,595)
Unrealized gain on marketable securities	(62,956)	(337,527)
Loss on disposal of property and equipment	3,304	6,525
Foreign exchange loss (gain)	134	(5,557)
Reinvested investment income net of investment fees <i>(Note 5)</i>	(266,061)	(222,835)
	292,573	(106,981)
Changes in non-cash working capital:		
Accounts receivable	(5,990,718)	8,760
Goods and Service Tax recoverable	(9,117)	3,157
Prepaid and deposits	42,638	(61,382)
Accounts payable and accrued liabilities	(85,668)	(55,693)
Deferred contributions	10,777,903	2,590,359
	4,735,038	2,485,201
Cash flow from operating activities	5,027,611	2,378,220
INVESTING ACTIVITIES		
Purchase of property and equipment	(33,198)	(33,197)
Proceeds on disposal of property and equipment	250	-
Purchase of marketable securities	(11,405,000)	(5,482,000)
Purchase of marketable securities supporting internally restricted funds	(200,000)	(378,000)
Proceeds on disposal of marketable securities	7,175,000	2,745,000
Cash flow used by investing activities	(4,462,948)	(3,148,197)
INCREASE (DECREASE) IN CASH	564,663	(769,977)
CASH - BEGINNING OF YEAR	98,094	868,071
CASH - END OF YEAR	\$ 662,757	\$ 98,094
CASH CONSISTS OF:		
Cash	\$ 659,061	\$ 84,406
Restricted cash	3,696	13,688
	\$ 662,757	\$ 98,094

CAREERS: The Next Generation Foundation

(Schedule 1)

Expenses by Category

Year Ended September 30, 2025

	Operations	Marketing	Youth Internship Incentive Program	General and administrative	Stakeholder relations	Programs development	SafeGen	Alberta Youth Employment Incentive	2025	2024
Personnel	\$ 4,124,207	\$ 380,740	\$ -	\$ 775,344	\$ 560,811	\$ 433,134	\$ 36,353	\$ 5,816	\$ 6,316,384	\$ 6,265,782
Seconded resources	1,449,330	-	-	-	-	-	-	-	1,449,330	1,128,514
Incentives	-	-	1,258,000	-	-	1,203	-	-	1,259,203	1,342,034
Advertising and promotions	15,308	701,758	-	3,500	1,812	-	3,779	1,077	727,234	740,219
Professional fees	170,509	96,242	-	179,736	9,667	64,157	46,653	2,760	569,724	326,801
Programming and events	249,520	103,047	-	12,773	3,185	29,887	22,119	-	420,531	300,205
Office and other	140,074	21,287	12	133,635	15,144	15,379	3,874	46	329,472	319,515
Travel and subsistence	157,335	6,261	-	13,089	11,365	10,370	1,951	-	200,371	263,984
Occupancy	110,525	12,723	-	18,307	15,212	16,156	4,292	-	177,215	192,009
Fundraising expenses	-	-	-	-	69,860	-	-	-	69,860	72,829
Total expenses	\$ 6,416,808	\$ 1,322,058	\$ 1,258,012	\$ 1,136,384	\$ 687,056	\$ 570,286	\$ 119,021	\$ 9,699	\$ 11,519,324	\$ 10,951,892

CAREERS: THE NEXT GENERATION FOUNDATION**SafeGen Grant Reporting****(Schedule 2)****Year Ended September 30, 2025****Grant # 23CAREERS-NP-1**

	Grant Period Ending February 28, 2025 <i>Budget</i>	5 Months Ended February 28, 2025 <i>Actuals</i>	9 Months Ended September 30, 2024 <i>Actuals</i>
Program coordination (1 FTE) recognized in Personnel	\$ 107,000	\$ 25,381	\$ 81,107
Travel recognized in Travel and subsistence	2,500	774	1,097
Learning management system platform license recognized in Programming and events	20,000	7,681	10,767
Promotional materials and activities recognized in Advertising and promotions	7,500	141	7,432
Course development and course editing software recognized in Professional fees	38,000	39,688	11,220
Office and other	-	536	-
Total expenses	\$ 175,000	\$ 74,201	\$ 111,623

CAREERS entered into an agreement with the Government of Alberta on March 12, 2024 in support of SafeGen for expenses incurred in the grant period ending February 28, 2025. The funding has been received and deferred up to the related expenses incurred as at year-end (Note 8). The related expenses are included in the SafeGen expenses disclosed on Schedule 1.

The agreement matured in the year, therefore this is the final report for SafeGen.

CAREERS: THE NEXT GENERATION FOUNDATION
Creative Sentence Proposal for Welding Safety
Year Ended September 30, 2025

(Schedule 3)

	Project Period April 30, 2028 <i>Budget</i>	5 Months Ended September 30, 2025 <i>Actual</i>
Project coordination/management recognized in Personnel	\$ 70,000	\$ 10,787
Headsets and accessories recognized in Programming and events	41,200	27,865
Video production recognized in Advertising and promotions	29,800	-
VR safety experience development recognized in Professional fees	84,000	51,372
Total expenses	\$ 225,000	\$ 90,024

CAREERS received funding from Tamarack Valley Energy Ltd. on May 20, 2025 under an Alberta Court of Justice Order creative sentence proposal pursuant to the Occupational Health and Safety Act. The funds have been received and deferred up to the related expenses incurred as at year-end (Note 8). The related expenses are included in the Programs Development expenses disclosed on Schedule 1. The fund period extends to April 30, 2028.

CAREERS: THE NEXT GENERATION FOUNDATION**Alberta Youth Employment Incentive****(Schedule 4)****Year Ended September 30, 2025****Grant # NPG000203**

	Project Period September 30, 2027 <i>Budget</i>	1 Month Ended September 30, 2025 <i>Actual</i>
Staffing recognized in Personnel	\$ 553,000	\$ 5,816
Employer incentives recognized in Incentives	6,800,000	-
Licensing for CRM project users recognized in Programming and events	25,000	-
Marketing and promotion recognized in Advertising and promotions	567,000	1,077
Technology/database development and audit recognized in Professional fees	55,000	2,760
Office and other	-	46
Total expenses	\$ 8,000,000	\$ 9,699

CAREERS entered into an agreement with the Government of Alberta ministry of Jobs, Economy, Trade and Immigration on September 5, 2025 to administer and promote the Alberta Youth Employment Incentive, under which CAREERS is eligible to receive funding up to \$8,000,000. The funding has been deferred up to the related expenses incurred as at year-end (Note 8). The grant period extends to September 30, 2027.

\$6,000,000 (2024 - \$nil) was accrued and included in accounts receivable at year-end. This amount was collected subsequent to year-end (Note 6).

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2025

1. PURPOSE OF OPERATIONS

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

Deferral method

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

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

Donations

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

Interest income is recognised as it is received.

Cash

Cash consist of cash on deposit less cheques issued and outstanding.

(continues)

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2025

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

Marketable securities

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

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 of purchase, amortization on property and equipment is pro-rated based on the available for use date.

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

Financial instruments

All arm's length financial instruments are initially measured at fair value. CAREERS subsequently measures its arm's length financial assets and liabilities at cost or amortized cost.

The measurement basis for related party 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.
- Occupancy and 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, 2025

3. CASH

	2025	2024
Bank balance consists of:		
Bank account balances	\$ 1,214,861	\$ 410,373
Cheques issued and outstanding	(555,800)	(325,967)
	\$ 659,061	\$ 84,406

4. RESTRICTED CASH

	2025	2024
Cash - casino account	\$ 3,696	\$ 13,688

The cash in the casino account represents raffle and 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

	2025	2024
Cash and money market funds	\$ 4,119,508	\$ 869,980
Short-term bonds	3,904,909	3,551,437
Mutual funds	3,344,063	2,182,842
Equity securities	1,671,090	1,625,537
	13,039,570	8,229,796
Internally restricted funds	(2,780,000)	(2,580,000)
Marketable securities	\$ 10,259,570	\$ 5,649,796

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

Investment income is comprised of the following:

	2025	2024
Interest and dividends	\$ 319,273	\$ 262,065
Unrealized gain on investments	62,956	337,527
Realized gain on disposal of investments	50,893	51,595
Investment fees	(53,546)	(39,181)
	\$ 379,576	\$ 612,006

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2025

6. ACCOUNTS RECEIVABLE

	2025	2024
Government grant funding	\$ 6,000,000	\$ 760
Industry donations	25,000	34,522
Individual donations	1,000	-
	\$ 6,026,000	\$ 35,282

Included in accounts receivable is \$6,000,000 from the Government of Alberta ministry of Jobs, Economy, Trade & Immigration for administration of the Alberta Youth Education Incentive (2024 - \$nil). This amount was collected subsequent to year-end.

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	\$ 182,468	\$ 103,529	\$ 78,939	\$ 76,011
Furniture and fixtures	52,340	43,407	8,933	11,167
	\$ 234,808	\$ 146,936	\$ 87,872	\$ 87,178

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2025

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	\$ 1,510,000	\$ 11,690,000	\$ 6,500,000	\$ 6,700,000
Alberta Advanced Education Youth Internship Incentive Program	162,210	1,500,000	1,258,000	404,210
Alberta Advanced Education Building Capacity	169,139	-	169,139	-
Government of Alberta School Integration	665,752	-	617,256	48,496
Government of Alberta ministry of Education - School Integration	1,740,210	1,405,000	1,158,090	1,987,120
Government of Alberta ministry of Jobs, Economy, Trade & Immigration SafeGen Grant (Schedule 2)	63,377	-	63,377	-
Government of Alberta ministry of Jobs, Economy, Trade & Immigration Alberta Youth Employment Incentive (Schedule 4)	-	6,000,000	9,653	5,990,347
<u>Industry contributions</u>				
Millar Western Forest Products Forest Resource Improvement Association of Alberta	18,051	345,973	364,024	-
RBC Foundation Building Building Capacity Grant	75,000	75,000	75,000	75,000
EPCOR Donations	50,000	-	50,000	-
Alberta Unionised (RAP) Trust Fund Trades Scholarships Grant	14,500	-	-	14,500
Community Foundation of Lethbridge & Southeastern Alberta Building Capacity - Varley	16,126	-	16,126	-
Cenovus Energy Inc. 2025 Funding	75,000	-	75,000	-
Workforce Development Trust 2025 Funding	25,000	25,000	50,000	-

(continues)

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2025

8. DEFERRED CONTRIBUTIONS *(continued)*

	Balance, beginning of year	Contributions in year	Amounts recognized as revenue in year	Balance, end of year
Tamarack Valley Energy Ltd. (Schedule 3)	-	225,000	90,024	134,976
Imperial Oil Foundation	-	25,000	-	25,000
<u>Gaming Proceeds</u>				
Casino proceeds	10,738	7,846	12,654	5,930
<u>Event Proceeds</u>				
HSASC Event Proceeds	15,075	2,500	15,075	2,500
<u>Other</u>				
Subtenant lease deposit	5,250	5,250	5,250	5,250
	\$ 4,615,428	\$ 21,306,569	\$ 10,528,668	\$ 15,393,329

9. LEASE COMMITMENTS

CAREERS has long term leases obligations with respect to its premises in Edmonton, Calgary and Fort McMurray. The Fort McMurray lease began on September 1, 2024 with an expiry date of August 31, 2029. The Edmonton lease began on November 25, 2018 with an expiry date of January 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 as at September 30, 2025, are as follows:

2026	\$ 165,564
2027	120,170
2028	85,742
2029	47,581
	<u>\$ 419,057</u>

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2025

10. RESERVES

The internally restricted reserve funds consist of:

Board Reserve

The Board of Directors have internally restricted \$1,270,000 (2024 - \$1,270,000) 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 \$1,510,000 (2024 - \$1,310,000) 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.

Subsequent to year-end, the Board of Directors have internally restricted a further \$350,000 toward this fund.

11. DONATIONS OF MATERIALS AND SERVICES

CAREERS occasionally receives donations of materials and services. In the current year, the most significant donations of materials and services included:

	2025	2024
Transportation Services recognized CORE industry revenues and Programming and events expense	\$ 21,399	\$ 35,234

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.

CAREERS: THE NEXT GENERATION FOUNDATION

Notes to Financial Statements

Year Ended September 30, 2025

12. GOVERNMENT CONTRIBUTIONS

	2025	2024
<u>Provincial government contributions</u>		
Alberta Government CORE agreement funding:		
CORE Program	\$ 6,500,000	\$ 5,935,000
Building Capacity	169,139	195,861
Government of Alberta - Job Grant	432	31,435
	6,669,571	6,162,296
<u>Project-based government contributions</u>		
Alberta Government CORE agreement funding:		
Youth Internship Incentive Program	1,258,000	1,337,790
Government of Alberta Ministry of Education - School Integration	1,158,090	924,944
Government of Alberta - School Integration	617,256	330,140
Government of Alberta ministry of Jobs, Economy, Trade & Immigration SafeGen Grant	63,377	111,623
Government of Alberta ministry of Jobs, Economy, Trade & Immigration		
Alberta Youth Employment Incentive	9,653	-
	3,106,376	2,704,497
<u>Municipal government contributions</u>		
City of Edmonton	50,000	50,000
<u>Federal government contributions</u>		
Government of Canada Occupational Health & Safety - SafeGen		
Scholarships	2,000	-
Job Grants	-	14,147
	2,000	14,147
	\$ 9,827,947	\$ 8,930,940

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13. RELATED PARTY TRANSACTIONS

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

	2025	2024
<i>Directors and management contributions</i> (included in CORE industry)	\$ 78,642	\$ 121,596
(Included in event revenues)	23,178	22,499
<i>Director and management consulting fees</i> (included in general and administrative)	\$ -	\$ (206,736)
(included in stakeholder relations)	-	(127,475)
<i>Incentive funding provided to a director</i> (included in incentive program)	\$ -	\$ (1,800)

Included in the accounts receivable and accounts payable of the CAREERS are the following related party balances:

Accounts receivable	\$ -	\$ 7,174
Accounts payable	33,281	56,958

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

14. COMPARATIVE FIGURES

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

15. FINANCIAL INSTRUMENTS

CAREERS is exposed to various risks through its financial instruments. The following analysis provides information about CAREERS' risk exposure and concentration as of September 30, 2025. Unless otherwise noted, CAREERS'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. CAREERS is exposed to credit risk from customers. CAREERS has a concentration of credit risk due to the fact that 1 account represents 99% of accounts receivable at year-end (2024 - 1 account made up 71% 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. CAREERS is mainly exposed to market risks through its marketable securities and long term investments.

(continues)

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15. FINANCIAL INSTRUMENTS *(continued)*

(c) Currency risk

Currency risk is the risk to CAREERS' earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. CAREERS is exposed to foreign currency exchange risk on cash, marketable securities and accounts payable held in U.S. dollars. CAREERS does not use derivative instruments to reduce its exposure to foreign currency risk.

At year-end, CAREERS' cash includes US dollars translated to \$5,496 CAD (2024 - \$nil).

At year-end, CAREERS' marketable securities includes US dollars translated to \$780 CAD (2024 - \$756). Included in other expenses is \$23 CAD (2024 - \$5,557) of foreign exchange loss on marketable securities.

During the year CAREERS' settled accounts payable to US vendors totaling \$65,705 (2024 - \$70,000 CAD).

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk through its marketable securities and long term investments.

(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. CAREERS is exposed to other price risk through its investment in quoted shares.