OUTWARD BOUND CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2022

HILBORN LLP

HILBORN LLP

Independent Auditor's Report

To the Members of Outward Bound Canada

Opinion

We have audited the financial statements of Outward Bound Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows 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 December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 the 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 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 ability of the Organization 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 financial reporting process of the Organization.

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 the financial statements.

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Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (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 the internal control of the Organization.
- 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 ability of the Organization 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Hilborn LLP

Toronto, Ontario
June 1, 2023

Chartered Professional Accountants
Licensed Public Accountants

OUTWARD BOUND CANADA

Statement of Financial Position

December 31	2022 $	2021 $
ASSETS		
Current assets		
Cash	**93,979**	336,532
Short-term investments	**39,786**	205,218
Accounts receivable (note 10)	**237,898**	158,337
Supplies	**22,505**	16,690
Prepaid expenses	**83,668**	100,942
Due from Outward Bound Canada Foundation (note 3(a))	**400,000**	-
	877,836	817,719
Capital assets (note 4)	**279,202**	228,539
	1,157,038	1,046,258
LIABILITIES		
Current liabilities		
Bank indebtedness (note 5)	**60,000**	-
Accounts payable and accrued liabilities (note 6)	**379,518**	218,087
Deferred course and contract fees	**270,551**	295,083
Current portion of vehicle loans payable (note 7)	**29,000**	28,556
	739,069	541,726
Vehicle loans payable (note 7)	**72,310**	10,743
	811,379	552,469
NET ASSETS (DEFICIENCY IN ASSETS)		
Invested in capital assets	**177,892**	189,240
Restricted for Program Delivery	**447,129**	569,920
Restricted for The Academy (note 11)	**475,743**	-
Sustainability Fund (note 8)	**32,000**	32,000
Unrestricted	**(787,105)**	(297,371)
	345,659	493,789
	1,157,038	1,046,258

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director

Director

OUTWARD BOUND CANADA

Statement of Operations

Year ended December 31	2022 $	2021 $
Revenues		
Course fees	**1,687,145**	1,011,087
Contributions, grants and bursaries (note 11)	**2,644,274**	1,046,788
Donations and fundraising	**912,190**	816,189
Donations from Outward Bound Canada Foundation (note 3(a))	**445,575**	2,250
Other income	**78,709**	5,817
	5,767,893	2,882,131
Expenses		
Program (schedule 1)	**1,431,759**	757,807
Administration (schedule 2)	**835,634**	552,480
Salaries and benefits (schedule 3)	**3,810,172**	2,535,392
	6,077,565	3,845,679
Excess of expenses over revenues before the following	**(309,672)**	(963,548)
Government assistance (note 10)	**161,542**	846,847
Excess of expenses over revenues for year	**(148,130)**	(116,701)

The accompanying notes are an integral part of these financial statements

OUTWARD BOUND CANADA

Statement of Changes in Net Assets

Year ended December 31

						2022
	Invested in Capital Assets $	Restricted for Program Delivery $	Restricted for The Academy (note 11) $	Sustainability Fund (note 8) $	Unrestricted $	Total $
Balance, beginning of year	189,240	569,920	-	32,000	(297,371)	**493,789**
Excess of expenses over revenues	-	(122,791)	475,743	-	(501,082)	**(148,130)**
Purchase of capital assets	108,060	-	-	-	(108,060)	**-**
Amortization	(57,397)	-	-	-	57,397	**-**
Proceeds received from vehicle loans net of repayments	(62,011)	-	-	-	62,011	**-**
Balance, end of year	177,892	447,129	475,743	32,000	(787,105)	**345,659**

						2021
	Invested in Capital Assets $	Restricted for Program Delivery $	Restricted for The Academy (note 11) $	Sustainability Fund (note 8) $	Unrestricted $	Total $
Balance, beginning of year	211,220	-	-	32,000	(142,420)	100,800
Adjustment on change in accounting policy	-	509,690	-	-	-	509,690
Balance, beginning of year as restated	211,220	509,690	-	32,000	(142,420)	610,490
Excess of expenses over revenues	-	60,230	-	-	(176,931)	(116,701)
Amortization	(67,124)	-	-	-	67,124	-
Repayment of vehicle loans	45,144	-	-	-	(45,144)	-
Balance, end of year	189,240	569,920	-	32,000	(297,371)	493,789

The accompanying notes are an integral part of these financial statements

OUTWARD BOUND CANADA

Statement of Cash Flows

Year ended December 31	2022 $	2021 $
Cash flows from operating activities		
Excess of expenses over revenues for year	**(148,130)**	(116,701)
Adjustments to determine net cash provided by (used in) operating activities		
Amortization of capital assets	**57,397**	67,124
	(90,733)	(49,577)
Change in non-cash working capital items		
Decrease (increase) in short term investments	**165,432**	(165,069)
Increase in accounts receivable	**(79,561)**	(59,086)
Decrease (increase) in inventory	**(5,815)**	1,072
Decrease (increase) in prepaid expenses	**17,274**	(32,224)
Increase in accounts payable and accrued liabilities	**161,431**	2,534
Decrease in deferred course and contract fees	**(24,532)**	(11,433)
	143,496	(313,783)
Cash flows from investing activities		
Purchase of capital assets	**(108,060)**	-
	(108,060)	-
Cash flows from financing activities		
Increase in due from Outward Bound Canada Foundation	**(400,000)**	-
Proceeds received from line of credit, net of repayments	**60,000**	-
Proceeds received from vehicle loans	**98,307**	-
Repayment of vehicle loans	**(36,296)**	(45,144)
	(277,989)	(45,144)
Net change in cash	**(242,553)**	(358,927)
Cash, beginning of year	**336,532**	695,459
Cash, end of year	**93,979**	336,532

The accompanying notes are an integral part of these financial statements

OUTWARD BOUND CANADA

Schedules to Financial Statements

Year ended December 31

Schedule of program expenses **Schedule 1**

	2022 $	2021 $
Program supplies and services	**943,703**	546,895
Food	**270,486**	127,866
Transportation	**217,570**	83,046
	1,431,759	757,807

Schedule of administration expenses **Schedule 2**

	2022 $	2021 $
Office and communications	**181,558**	135,119
Marketing	**167,925**	85,680
Fundraising	**2,791**	4,086
Travel	**71,935**	27,853
Insurance	**78,667**	56,409
Amortization	**57,397**	67,124
Dues and fees (note 3(b))	**182,116**	96,543
Interest and credit card charges	**29,336**	20,504
Professional fees	**27,110**	24,000
Rent	**35,706**	34,352
Board expenditures	**1,093**	810
	835,634	552,480

Schedule of salaries and benefits **Schedule 3**

	2022 $	2021 $
Direct program delivery	**2,848,610**	1,588,769
Administration and program supervision	**961,562**	946,623
	3,810,172	2,535,392

The accompanying notes are an integral part of these financial statements

December 31, 2022

Purpose of the organization

Outward Bound Canada (the "Organization") was incorporated as a not-for-profit corporation without share capital under the Canada Corporations Act, and received its certificate of continuance under the Canada Not-for-profit Corporations Act. The Organization is a registered charity in Canada and is exempt from income taxes.

The Organization's mission is to cultivate resilience, leadership, connections and compassion through inspiring and challenging journeys of self-discovery in the natural world. The Organization's experiential educational process is based upon the philosophy that learning and understanding take place when people engage in and reflect upon experiences in challenging environments in which they must acquire new skills and work with each other.

The Organization is partnered with high schools, universities, community groups, government agencies, corporate groups and learning institutes across Canada to provide a wide range of services that enhance capacity and leadership and assist youth and adults in challenging times of transition in urban and wilderness settings.

1. **Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. These financial statements have been prepared within the framework of the significant accounting policies summarized below:

(a) **Revenue recognition**

The Organization follows the restricted fund method of accounting for contributions, grants and burseries whereby all contributions, grants and burseries are recorded as revenue of the applicable fund when received or receivable (note 1(i)). The Organization maintains the following externally restricted funds:

<u>Restricted for Program Delivery</u>
These funds are used by the Organization to deliver its core outdoor education programs.

<u>Restricted for The Academy</u>
These funds are used by the Organization to deliver training under The Academy program (note 11).

Course fee revenue is recognized on a pro-rata basis over the term of the related course.

Donations, fundraising and other revenue are recognized as revenue when received or, if the amount to be received can be reasonably estimated and collection is reasonably assured, when receivable.

(b) **Government assistance**

Government assistance is recognized in income when the related expenses are incurred, the application to receive the funding has been made, there is reasonable assurance that the Organization has complied or will comply with the conditions of the assistance and collection is reasonably assured.

1. **Significant accounting policies (continued)**

(c) **Short-term investments**

Short-term investments consist of guaranteed investment certificates that are readily convertible into cash and are not subject to significant risk of change in values.

(d) **Financial instruments**

(i) **Measurement of financial instruments**

The Organization initially measures its financial assets and financial liabilities, except for related party financial instruments (note 1(d)(ii)), at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost. Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Financial assets measured at amortized cost include cash, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities and vehicle loans payable.

(ii) **Related Party Financial Instruments**

The Organization initially measures its related party financial instruments as follows:

- at fair value if a derivative contract or quoted in an active market;
- at cost, determined using undiscounted cash flows excluding interest and dividend payments, less any impairment losses previously recognized by the transferor, if the financial instrument has repayment terms;
- at cost, determined using the amount of consideration transferred or received, if the financial instrument does not have repayment terms.

Subsequently, all related party financial instruments quoted in an active market and derivatives are measured at fair value. All other related party financial instruments are subsequently measured at cost less impairment.

1. **Significant accounting policies (continued)**

(d) **Financial instruments (continued)**

(ii) **Related Party Financial Instruments (continued)**

Related party financial assets and liabilities that are forgiven are recognized in net income if the original transaction was in the normal course of operations, and within equity if the original transaction was not in the normal course of operations.

The Organization initially measures non-financial items transferred in a related party transaction at the carrying amount, unless the transaction meets all of the following criteria, as defined in Section 3840, Related Party Transactions;

- the transaction has commercial substance,
- the change in ownership interests is substantive, and
- the amount of consideration is supported by independent evidence.

Related party financial instruments measured at cost include due from Outward Bound Canada Foundation.

(iii) **Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

1. **Significant accounting policies (continued)**

(e) **Capital assets**

The costs of capital assets are capitalized upon meeting the criteria for recognition as an asset; otherwise, costs are expensed as incurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Capital assets are measured at cost less accumulated amortization and accumulated impairment losses.

The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The estimated useful lives are as follows:

Program and computer equipment	5 - 7 years
Vehicles	6 years

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statements of operations when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value. Any impairment of capital assets is charged to income in the period in which the impairment occurs.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

(f) **Related parties**

For the purposes of these financial statements, a party is considered to be related to the Organization if such party or the Organization has the ability to, directly or indirectly, control or exercise significant influence over the other entity's financial and operating decisions, or if the Organization and such party are subject to common significant influence. Related parties may be individuals or other entities.

(g) **Contributed materials and services**

Volunteers contributed time to assist the Organization in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

December 31, 2022

1. **Significant accounting policies (continued)**

(h) **Management estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on information available as of the date of issuance of the financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

(i) **Accounting changes - Restricted Fund method of accounting**

On January 1, 2022, the Organization changed its accounting policy with respect to externally restricted contributions from the deferral method to the restricted fund method. This change in accounting standards was applied retrospectively with the following impact on the comparative figures:

	As Previously Reported	Adjustment	As Restated
Statement of financial position - as at December 31, 2021			
Deferred contributions, grants and bursaries	$ 569,920	$ (569,920)	$ -
Net assets restricted for program delivery	-	569,920	569,920
Statement of Operations - year ended December 31, 2021			
Contributions, grants and burseries	986,558	60,230	1,046,788
Excess of expenses over revenues for year	(1,023,778)	60,230	(963,548)
Statement of changes in net assets - year ended December 31, 2021			
Net assets restricted for program delivery	-	509,690	509,690
Excess of revenue over expenses for year	(176,931)	60,230	(116,701)
Net assets restricted for program delivery	-	569,920	569,920

2. **Financial instrument risk management**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Organization's financial instruments.

The financial instruments of the Organization and the nature of the risks to which it may be subject are as follows:

	Risks				
			Market risk		
Financial instrument	Credit	Liquidity	Currency	Interest rate	Other price
Cash	X		X		
Short-term investments	X			X	
Accounts receivable	X				
Due from Outward Bound Canada Foundation	X				
Bank indebtedness		X			
Accounts payable and accrued liabilities		X			
Vehicle loans payable		X			

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Organization reduces its exposure to credit risk associated with cash and short-term investments by holding these balances in a major Canadian institutions. The Organization reduces its exposure to credit risk associated with accounts receivable by performing credit evaluations on a regular basis, granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The maximum exposures of the Organization to credit risk are as follows:

	2022	**2021**
	$	**$**
Cash	93,979	336,532
Short-term investments	39,786	205,218
Accounts receivable	237,898	158,337
Due from Outward Bound Canada Foundation	400,000	-
	771,663	700,087

Liquidity risk

Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, maintains adequate credit facilities (note 5) to repay its trade creditors as they become due, anticipating investing and financing activities and holding assets that can be readily converted into cash. The Organization has liquidity risk in bank indebtedness, accounts payable and accrued liabilities and vehicle loans payable to a maximum of $540,828 (2021 - $257,386).

2. **Financial instrument risk management (continued)**

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 is comprised of currency risk, interest rate risk and other price risk.

i) **Currency risk**
Currency risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made to the Organization by a customer, or that an obligation in a foreign currency was entered into by the Organization to a supplier, is different at the time of settlement than it was at time that the obligation originated. The Organization's exposure to foreign exchange risk is minimal as it does not have any significant foreign denominated financial instruments at year end.

ii) **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 on its bank indebtedness the maturity of its short-term investments.

iii) **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 not exposed to other price risk as it has no investments in marketable securities.

Changes in risk

The Organization's exposure to credit risk has increased as a result of the amount due from Outward Bound Canada Foundation ("OBCF"); however, OBCF is an entity under common control (note 3) with sufficient assets to settle this obligation, which effectively mitigates the increase in credit risk. Additionally, the Organization's exposure to liquidity risk has increase during the year as a result of its bank indebtedness.

3. **Related party transactions**

The Organization has related party transactions with OBCF, an entity under common control, which was established to help the Organization reach its fundraising and other objectives, and Outward Bound International ("OBI"), a membership organization of all the Outward Bound Centres worldwide, as follows:

(a) During the year, the Organization recognized a donation commitment from OBCF in the amount of $445,575 (2021 - $2,250). At December 31, 2022, $400,000 (2021 - $nil) remains uncollected. Subsequent to year end, the remaining balance was collected in full.

(b) During the year, the Organization paid dues to OBI in the amount of $48,539 (2021 - $37,753).

4. **Capital assets**

			2022
	Cost $	Accumulated Amortization $	Net $
Program and computer equipment	422,311	334,241	88,070
Vehicles	341,039	149,907	191,132
	763,350	484,148	279,202

			2021
	Cost $	Accumulated Amortization $	Net $
Program and computer equipment	422,311	304,535	117,776
Vehicles	271,606	160,843	110,763
	693,917	465,378	228,539

5. **Credit facilities**

Under the terms of a credit facility agreement dated December 27, 2017 with the Royal Bank of Canada ("RBC") the Organization has available to it a revolving demand facility to a maximum of $200,000.

Borrowings under this facility are due on demand with no specific terms of repayment and bear interest at RBC prime rate plus 1.80%. At year end, the Organization has $60,000 (2021 - $nil) outstanding under this facility.

Additionally, the Organization has available to it a Visa Business card with a credit limit of $85,000 (2021 - $60,000). Included in accounts payable and accrued liabilities at year end is $30,288 (2021 - $1,811) outstanding on this card.

All borrowings under these facilities are secured by a general security agreement constituting a first ranking security interest on all of the Organization's assets.

6. **Accounts payable and accrued liabilities**

	2022 $	2021 $
Accounts payable and accrued liabilities (note 5)	359,652	199,792
Government remittances	19,866	18,295
	379,518	218,087

December 31, 2022

7. **Vehicle loans payable**

The Company has entered into the following vehicle loan agreements to finance the purchase of the following vehicles:

	2022 $	2021 $
Vehicle loans maturing during the year	-	13,660
Ford F150 - bearing interest at 2.99%, repayable in blended bi-weekly payments of $595, maturing in June 2023.	11,765	25,639
Ford F250 - bearing interest at 3.99%, repayable in blended monthly payments of $534, maturing in May 2028.	31,158	-
Ford F250 - bearing interest at 4.49%, repayable in blended monthly payments of $1,196, maturing in June 2027.	58,387	-
	101,310	39,299
Less: current portion	29,000	28,556
	72,310	10,743

These loans are secured by the vehicles for which the loans were advanced.

The annual principal repayments on the vehicle loans payable are as follows:

	$
2023	29,000
2024	17,998
2025	18,794
2026	19,626
2027	13,250
Thereafter	2,642
	101,310

8. **Sustainability fund**

The sustainability fund was established in recognition of the need to maintain working capital for continuing operations, and for the purpose of putting income aside in surplus years in order to offset deficits in other years. This fund is represented by internally restricted net assets as directed by the Board.

December 31, 2022

9. Commitments

The Organization is committed to the following minimum lease payments for various premises with commitments expiring at various dates until August 31, 2026:

	$
2023	42,000
2024	42,000
2025	42,000
2026	28,000
	154,000

10. Impact of Global Pandemic and government assistance

The global pandemic of the virus known as COVID-19 led the Canadian Federal government, as well as provincial and local governments, to impose measures, such as restricting foreign travel, mandating self-isolations and physical distancing and closing non-essential businesses. These restrictions restricted the Organization's ability to offer its regular schedule of courses.

Because of the high level of uncertainty related to the outcome of this pandemic, it is difficult to estimate the financial effect on the Organization. As such, no adjustments have been made in the financial statements as a result of these events.

During the year, the Organization received the following government assistance as a result of COVID-19:

	2022 $	2021 $
Canada Emergency Wage Subsidy	-	678,102
Canada Emergency Rent Subsidy	-	65,173
Tourism and Hospitality Recovery Program	161,542	103,572
	161,542	846,847

Canada Emergency Wage Subsidy ("CEWS")
The CEWS provides a subsidy of up to 75% of eligible remuneration, paid by the Organization, to each eligible employee – up to a pre-determined maximum per period.

Canada Emergency Rent Subsidy (“CERS”)
The CERS provides a subsidy to cover a portion of the commercial rent paid by the Organization, to a maximum of $75,000 per location and an overall maximum of $300,000 for the Organization and any affiliated entities.

December 31, 2022

10. **Impact of Global Pandemic and government assistance (continued)**

Funding under the CEWS and CERS programs ended on October 23, 2021. Subsequently, the Organization received government assistance under the Tourism and Hospitality Recovery Program, one of the programs that replaced the CEWS and CERS:

Tourism and Hospitality Recovery Program ("THRP")
The THRP provides both wage and rent subsidies to organizations who received revenues from tourism, hospitality and recreation activities prior to the pandemic. The THRP provides a subsidy of up to 75% of qualifying expenditures made for wages and rent.

The assistance received under the CEWS, CERS and THRP programs are not subject to any specific future terms or conditions; however, the Canadian Revenue Agency may require additional reporting in a future period to verify the Organization's eligibility and compliance with terms and conditions.

Included in accounts receivable is $nil (2021 - $91,692) of government assistance receivable under these programs.

11. **The Training Academy for Outdoor Professionals**

During the year, the Organization entered into an agreement (the "Agreement") with Employment and Social Development Canada ("ESDC") to receive funding under the Sectoral Initiatives Program (the "Program"). Funding received from this Program is to be used by the Organization to increase access to employment in the outdoor leadership industry through the creation of an innovative recruitment and training program titled The Training Academy for Outdoor Professionals ("The Academy").

Under the terms of the Agreement, the Organization is eligible to receive non-repayable contributions of up to $7,680,481 over the period from March 7, 2022 through March 7, 2025. The maximum amount payable to the Organization by government funded year is as follows:

	$
March 7, 2022 to March 31, 2022	669,738
April 1, 2022 to March 31, 2023	2,761,219
April 1, 2023 to March 31, 2024	2,277,650
April 1, 2024 to March 7, 2025	1,971,874
	7,680,481

During the year, the Organization collected $1,816,559 from ESDC under the terms of the Agreement which has been recognized as revenue in contributions, grants and bursaries in the statement of operations.

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