

OUTWARD BOUND CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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, 2023, 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, 2023, 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.

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.



Toronto, Ontario
June 26, 2024

Chartered Professional Accountants
Licensed Public Accountants

OUTWARD BOUND CANADA

Statement of Financial Position

December 31	2023 \$	2022 \$
ASSETS		
Current assets		
Cash	1,305,912	93,979
Short-term investments	19,653	39,786
Accounts receivable	47,029	237,898
Supplies	22,505	22,505
Prepaid expenses	117,536	83,668
Due from Outward Bound Canada Foundation (note 3(a))	-	400,000
	1,512,635	877,836
Capital assets (note 4)	276,196	279,202
	1,788,831	1,157,038
LIABILITIES		
Current liabilities		
Bank indebtedness (note 5)	-	60,000
Accounts payable and accrued liabilities (note 6)	613,714	379,518
Deferred course and contract fees	230,496	270,551
Current portion of vehicle loans payable (note 7)	32,984	29,000
	877,194	739,069
Vehicle loans payable (note 7)	113,986	72,310
	991,180	811,379
NET ASSETS (DEFICIENCY IN ASSETS)		
Invested in capital assets	129,226	177,892
Restricted for Program Delivery	105,249	447,129
Restricted for The Academy (note 12)	2,160,725	475,743
Sustainability Fund (note 9)	32,000	32,000
Unrestricted (note 8)	(1,629,549)	(787,105)
	797,651	345,659
	1,788,831	1,157,038

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	2023 \$	2022 \$
Revenues		
Course fees	1,911,059	1,687,145
Contributions, grants and bursaries (note 12)	5,311,581	2,644,274
Donations and fundraising	1,101,809	912,190
Donations from Outward Bound Canada Foundation (note 3(a))	8,237	445,575
Other income	116,990	78,709
	8,449,676	5,767,893
Expenses		
Program (schedule 1)	2,110,140	1,431,759
Administration (schedule 2)	1,019,366	835,634
Salaries and benefits (schedule 3)	4,868,178	3,810,172
	7,997,684	6,077,565
Excess of revenues over expenses (expenses over revenues) before the following	451,992	(309,672)
Government assistance (note 11)	-	161,542
Excess of revenues over expenses (expenses over revenues) for year	451,992	(148,130)

The accompanying notes are an integral part of these financial statements

OUTWARD BOUND CANADA

Statement of Changes in Net Assets

Year ended December 31

2023

	Invested in Capital Assets \$	Restricted for Program Delivery \$	Restricted for The Academy (note 12) \$	Sustainability Fund (note 9) \$	Unrestricted \$	Total \$
Balance, beginning of year	177,892	447,129	475,743	32,000	(787,105)	345,659
Excess of revenues over expenses (expenses over revenues)	-	(341,880)	1,684,982	-	(891,110)	451,992
Purchase of capital assets	74,013	-	-	-	(74,013)	-
Amortization	(77,019)	-	-	-	77,019	-
Proceeds received from vehicle loans net of repayments	(45,660)	-	-	-	45,660	-
Balance, end of year	129,226	105,249	2,160,725	32,000	(1,629,549)	797,651

2022

	Invested in Capital Assets \$	Restricted for Program Delivery \$	Restricted for The Academy (note 12) \$	Sustainability Fund (note 9) \$	Unrestricted \$	Total \$
Balance, beginning of year	189,240	569,920	-	32,000	(297,371)	493,789
Excess of revenues over expenses (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

The accompanying notes are an integral part of these financial statements

OUTWARD BOUND CANADA

Statement of Cash Flows

Year ended December 31	2023 \$	2022 \$
Cash flows from operating activities		
Excess of revenues over expenses (expenses over revenues) for year	451,992	(148,130)
Adjustments to determine net cash provided by (used in) operating activities		
Amortization of capital assets	77,019	57,397
	529,011	(90,733)
Change in non-cash working capital items		
Decrease in short term investments	20,133	165,432
Decrease (increase) in accounts receivable	190,869	(79,561)
Increase in inventory	-	(5,815)
Decrease (increase) in prepaid expenses	(33,868)	17,274
Increase in accounts payable and accrued liabilities	234,196	161,431
Decrease in deferred course and contract fees	(40,055)	(24,532)
	900,286	143,496
Cash flows from investing activities		
Purchase of capital assets	(74,013)	(108,060)
	(74,013)	(108,060)
Cash flows from financing activities		
Decrease (increase) in due from Outward Bound Canada Foundation	400,000	(400,000)
Proceeds received from line of credit, net of repayments	(60,000)	60,000
Proceeds received from vehicle loans	82,716	98,307
Repayment of vehicle loans	(37,056)	(36,296)
	385,660	(277,989)
Net change in cash	1,211,933	(242,553)
Cash, beginning of year	93,979	336,532
Cash, end of year	1,305,912	93,979

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

	2023 \$	2022 \$
Program supplies and services	1,514,903	943,703
Food	334,705	270,486
Transportation	260,532	217,570
	2,110,140	1,431,759

Schedule of administration expenses

Schedule 2

	2023 \$	2022 \$
Office and communications	169,700	181,558
Marketing	243,375	167,925
Fundraising	5,783	2,791
Travel	109,260	71,935
Insurance	83,059	78,667
Amortization	77,019	57,397
Dues and fees (note 3(b))	232,656	182,116
Interest and credit card charges	33,859	29,336
Professional fees	28,590	27,110
Rent	32,566	35,706
Board expenditures	3,499	1,093
	1,019,366	835,634

Schedule of salaries and benefits

Schedule 3

	2023 \$	2022 \$
Direct program delivery	4,066,293	2,848,610
Administration and program supervision	801,885	961,562
	4,868,178	3,810,172

The accompanying notes are an integral part of these financial statements

OUTWARD BOUND CANADA

Notes to Financial Statements

December 31, 2023

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 bursaries whereby all contributions, grants and bursaries are recorded as revenue of the applicable fund when received or receivable. The Organization maintains the following externally restricted funds:

Restricted for Program Delivery

These funds are used by the Organization to deliver its core outdoor education programs.

Restricted for The Academy

These funds are used by the Organization to deliver training under The Academy program (note 12).

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

Donations, fundraising and other income 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.

OUTWARD BOUND CANADA

Notes to Financial Statements (continued)

December 31, 2023

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.

OUTWARD BOUND CANADA

Notes to Financial Statements (continued)

December 31, 2023

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.

OUTWARD BOUND CANADA

Notes to Financial Statements (continued)

December 31, 2023

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.

OUTWARD BOUND CANADA

Notes to Financial Statements (continued)

December 31, 2023

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.

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:

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

OUTWARD BOUND CANADA

Notes to Financial Statements (continued)

December 31, 2023

2. Financial instrument risk management (continued)

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:

	2023 \$	2022 \$
Cash	1,305,912	93,979
Short-term investments	19,653	39,786
Accounts receivable	47,029	237,898
Due from Outward Bound Canada Foundation	-	400,000
	<u>1,372,594</u>	<u>771,663</u>

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 \$760,684 (2022 - \$540,828).

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.

OUTWARD BOUND CANADA

Notes to Financial Statements (continued)

December 31, 2023

2. Financial instrument risk management (continued)

Market risk (continued)

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 liquidity risk has decreased during the year as a result of its repayment of 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, OBCF transferred all of its remaining assets to the Organization. OBCF transferred \$424,246 to the Organization in respect of current and prior year donations receivable and other intercompany balances receivable. OBCF also transferred to the Organization its collection of photographic works which had a net book value of \$nil.

(b) During the year, the Organization paid dues to OBI in the amount of \$52,807 (2022 - \$48,539).

4. Capital assets

	2023		
	Cost	Accumulated Amortization	Net
	\$	\$	\$
Program and computer equipment	422,311	374,519	47,792
Vehicles	368,894	140,490	228,404
	791,205	515,009	276,196

OUTWARD BOUND CANADA

Notes to Financial Statements (continued)

December 31, 2023

4. Capital assets (continued)

	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

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 \$nil (2022 - \$60,000) outstanding under this facility.

Additionally, the Organization has available to it a Visa Business card with a credit limit of \$85,000. Included in accounts payable and accrued liabilities at year end is \$8,175 (2022 - \$30,288) 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

	2023	2022
	\$	\$
Accounts payable and accrued liabilities (note 5)	498,224	359,652
Government remittances	115,490	19,866
	613,714	379,518

OUTWARD BOUND CANADA

Notes to Financial Statements (continued)

December 31, 2023

7. Vehicle loans payable

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

	2023 \$	2022 \$
Ford F150 - bearing interest at 2.99%, repayable in blended bi-weekly payments of \$595, matured in June 2023	-	11,765
Ford F250 - bearing interest at 3.99%, repayable in blended monthly payments of \$534, maturing in May 2028	25,900	31,158
Ford F250 - bearing interest at 4.49%, repayable in blended monthly payments of \$1,196, maturing in June 2027	46,410	58,387
Ford F150 - bearing interest at 0.99%, repayable in blended bi-weekly payments of \$652, maturing in November 2028	74,660	-
	146,970	101,310
Less: current portion	32,984	29,000
	113,986	72,310

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:

	\$
2024	32,984
2025	33,930
2026	34,912
2027	28,688
2028	16,456
	146,970

8. Interfund loans

The Organization may temporarily utilize funds from internally and externally restricted resources to fund current operations. These interfund loans fluctuate throughout the year and do not have fixed terms of repayment. At December 31, 2023, the unrestricted fund has utilized \$992,062 (2022 - \$860,893) of funds otherwise restricted.

9. 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.

OUTWARD BOUND CANADA

Notes to Financial Statements (continued)

December 31, 2023

10. Commitments

The Organization is committed to the following minimum lease payments for various premises with commitments expiring at various dates until December 2027:

	\$
2024	98,546
2025	99,619
2026	100,714
2027	57,456
	<u>356,335</u>

11. Government assistance

During the year, the Organization received \$nil (2022 - \$161,542) under the 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 COVID-19 pandemic. The THRP provides a subsidy of up to 75% of qualifying expenditures made for wages and rent. The assistance received under this program is 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.

12. The Training Academy for Outdoor Professionals

The Organization has 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 \$8,640,975 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	3,238,144
April 1, 2024 to March 7, 2025	1,971,874
	<u>8,640,975</u>

During the year, the Organization collected \$4,852,542 (2022 - \$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.

OUTWARD BOUND CANADA

Notes to Financial Statements (continued)

December 31, 2023

13. **Subsequent event**

Subsequent to year end, the Organization was approved for project funding, to a maximum of \$5,000,000, for a youth based skills and experience training program. The Organization is in the process of working with the funder to finalize the scope of the project and to finalize the terms of this agreement.

