OUTWARD BOUND CANADA: FINANCIAL STEWARDSHIP & IMPACT

2025 FINANCIAL SNAPSHOT

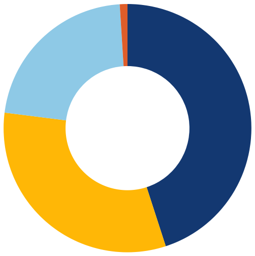
Investing in Youth Across Canada

$5.9 Million

Supporting life-changing outdoor education and workforce development.

Where Funding Came From

- 45%: Government Grants & Program Funding
- 32%: Donors & Fundraising
- 22%: Program Fees
- 1%: Other Revenue



Responsible Financial Stewardship: 2025 Highlights

Returned an operating surplus

$564,379 (after a $1.9M deficit in 2024)

Reduced total liabilities

$1.67M → $1.02M
39% reduction

Eliminated bank operating debt

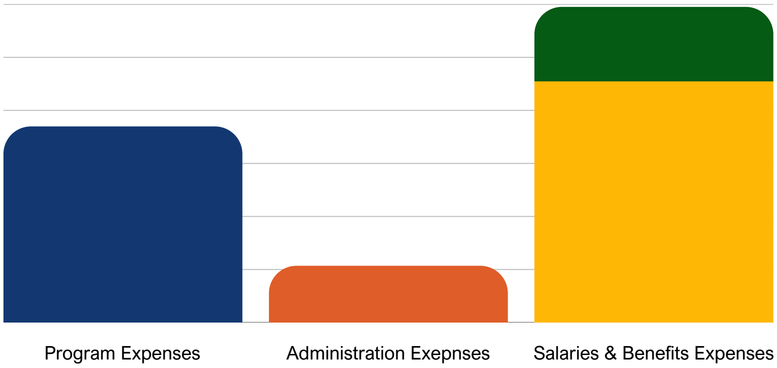
Line of Credit: **$0 Outstanding**

Reduced working capital deficit

$1.28M (2024) to $702K (2025)
45% improvement

Every Dollar Supports Impact

- $1.84M: Program Expenses
- $2.27M: Program Delivery
- $0.53M: Administration Exepnses
- $0.70M: Administrative Salaries



Financial Priorities Moving Forward

- ✓ Continue strengthening financial sustainability
- ✓ Grow philanthropic partnerships
- ✓ Expand access for underserved youth
- ✓ Invest in national program growth
- ✓ Build long-term organizational resilience

OUTWARD BOUND CANADA

Through disciplined financial management and strategic restructuring, Outward Bound Canada strengthened its financial position in 2025 while continuing to deliver transformational outdoor learning experiences to thousands of young people. Every investment helps to ensure that more youth can build resilience, confidence, leadership, and a connection to themselves and nature for years to come.

**Financial information summarized from the 2025 Audited Financial Statements.*

OUTWARD BOUND CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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, 2025, 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, 2025, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Organization has a working capital deficit of $701,758 (2024 - $1,279,944), a deficiency of assets in the amount of $1,427,278 (2024 - $1,700,000) in its unrestricted net assets and an excess of revenues over expenses for the year of $564,379 (2024 - excess of expenditures over revenues of $1,907,266). As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Organization to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Hilborn LLP

Toronto, Ontario
June 25, 2026

Chartered Professional Accountants
Licensed Public Accountants

375 University Avenue · Suite 301 · Toronto · ON · CA · M5G 2J5 · P416-364-1359 · F416-364-9503 · hilbornca.com

OUTWARD BOUND CANADA

Statement of Financial Position

December 31	2025 $	2024 $
ASSETS		
Current assets		
Cash	**90,658**	69,075
Short-term investments	**-**	11,345
Accounts receivable	**67,881**	94,931
Prepaid expenses	**89,903**	102,906
	248,442	278,257
Capital assets (note 5)	**225,978**	282,473
	474,420	560,730
LIABILITIES		
Current liabilities		
Bank indebtedness (note 6)	**-**	255,000
Accounts payable and accrued liabilities (note 7)	**845,182**	1,053,554
Deferred course and contract fees	**62,602**	208,503
Current portion of vehicle loans payable (note 8)	**42,416**	41,144
	950,200	1,558,201
Vehicle loans payable (note 8)	**69,456**	112,144
	1,019,656	1,670,345
NET ASSETS (DEFICIENCY IN ASSETS)		
Invested in capital assets	**114,106**	129,185
Restricted for Program Delivery	**201,524**	113,784
Restricted for The Academy (note 12)	**67,265**	48,091
Restricted for YESS grant (note 13)	**499,147**	299,325
Unrestricted (note 9)	**(1,427,278)**	(1,700,000)
	(545,236)	(1,109,615)
	474,420	560,730

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director Name: David Cole G. David Cole

Director Name: Kenneth Corts
Kenneth Corts (Jun 26, 2026 18:56:49 EDT)

OUTWARD BOUND CANADA

Statement of Operations

Year ended December 31	**2025**	**2024**
		(note 14)
	$	**$**
Revenues		
Course fees	**1,307,223**	1,262,734
Contributions, grants and bursaries (notes 12 and 13)	**2,664,903**	2,640,057
Donations and fundraising	**1,899,377**	1,538,240
Other revenue	**52,427**	132,485
	5,923,930	5,573,516
Expenses		
Program (schedule 1)	**1,848,838**	1,886,282
Administration (schedule 2)	**534,869**	806,721
Salaries and benefits (schedule 3)	**2,975,844**	4,858,917
	5,359,551	7,551,920
Excess of revenues over expenses (expenses over revenues) before other income	**564,379**	(1,978,404)
Other income		
Proceeds from insurance (note 5)	**-**	71,138
Excess of revenues over expenses (expenses over revenues) for year	**564,379**	(1,907,266)

The accompanying notes are an integral part of these financial statements

OUTWARD BOUND CANADA

Statement of Changes in Net Assets

Year ended December 31

2025

	Invested in Capital Assets $	Restricted for Program Delivery $	Restricted for The Academy (note 12) $	Sustainability Fund (note 10) $	Restricted for Youth Career Catalyst Program (note 13) $	Unrestricted (note 1) $	Total $
Balance, beginning of year	129,185	113,784	48,091	-	299,325	(1,700,000)	**(1,109,615)**
Excess of revenues over expenses	-	87,740	19,174	-	199,822	257,643	**564,379**
Amortization	(56,495)	-	-	-	-	56,495	**-**
Proceeds received from vehicle loans net of repayments	41,416	-	-	-	-	(41,416)	**-**
Balance, end of year	114,106	201,524	67,265	-	499,147	(1,427,278)	**(545,236)**

2024

	Invested in Capital Assets $	Restricted for Program Delivery $	Restricted for The Academy (note 12) $	Sustainability Fund (note 10) $	Restricted for Youth Career Catalyst Program (note 13) $	Unrestricted (note 1) $	Total $
Balance, beginning of year	129,226	105,249	2,160,725	32,000	-	(1,629,549)	797,651
Excess of revenues over expenses (expenses over revenues)	-	8,535	(2,112,634)	-	299,325	(102,492)	(1,907,266)
Interfund transfer (note 10)	-	-	-	(32,000)	-	32,000	-
Purchase of capital assets	58,077	-	-	-	-	(58,077)	-
Amortization	(51,800)	-	-	-	-	51,800	-
Proceeds received from vehicle loans net of repayments	(6,318)	-	-	-	-	6,318	-
Balance, end of year	129,185	113,784	48,091	-	299,325	(1,700,000)	(1,109,615)

The accompanying notes are an integral part of these financial statements

OUTWARD BOUND CANADA

Statement of Cash Flows

Year ended December 31	2025 $	2024 $
Cash flows from operating activities		
Excess of revenues over expenses (expenses over revenues) for year	**564,379**	(1,907,266)
Adjustments to determine net cash provided by (used in) operating activities		
Amortization of capital assets	**56,495**	51,800
	620,874	(1,855,466)
Change in non-cash working capital items		
Decrease in short-term investments	**11,345**	8,308
Decrease (increase) in accounts receivable	**27,050**	(47,902)
Decrease in inventory	**-**	22,505
Decrease in prepaid expenses	**13,003**	14,630
Increase (decrease) in accounts payable and accrued liabilities	**(208,372)**	439,840
Decrease in deferred course and contract fees	**(145,901)**	(21,993)
	317,999	(1,440,078)
Cash flows from investing activities		
Purchase of capital assets	**-**	(58,077)
Cash flows from financing activities		
Proceeds received from line of credit, net of repayments	**(255,000)**	255,000
Proceeds received from vehicle loans	**-**	41,246
Repayment of vehicle loans	**(41,416)**	(34,928)
	(296,416)	261,318
Net change in cash	**21,583**	(1,236,837)
Cash, beginning of year	**69,075**	1,305,912
Cash, end of year	**90,658**	69,075

The accompanying notes are an integral part of these financial statements

Schedules to Financial Statements

Year ended December 31

Schedule of program expenses **Schedule 1**

	2025 $	2024 $
Program supplies and services	**1,612,169**	1,308,676
Food	**142,984**	334,131
Transportation	**37,190**	191,675
Amortization	**56,495**	51,800
	1,848,838	1,886,282

Schedule of administration expenses **Schedule 2**

	2025 $	2024 *(note 14)* $
Office and communications	**71,326**	116,736
Marketing	**78,240**	144,065
Fundraising	**10,879**	29,908
Travel	**665**	40,327
Insurance	**76,980**	95,949
Dues and fees (note 4)	**126,944**	217,070
Interest and credit card charges	**72,596**	49,691
Professional fees	**82,625**	35,164
Rent	**5,915**	49,554
Board expenditures	**8,699**	28,257
	534,869	806,721

Schedule of salaries and benefits (note 7) **Schedule 3**

	2025 $	2024 $
Direct program delivery	**2,273,846**	4,063,496
Administration and program supervision	**701,998**	795,421
	2,975,844	4,858,917

The accompanying notes are an integral part of these financial statements

Approved in behalf of the Board:

Director ___________________________

Director___________________________

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. **Going concern**

The Organization has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") on a going concern basis, which contemplates that the Organization will continue its operations in the foreseeable future and will realize its assets and settle its liabilities in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast doubt upon the Organization's ability to continue as a going concern.

The Organization’s working capital deficit has improved from $1,279,944 at December 31, 2024 to $701,758 at December 31, 2025. Additionally, the Organization’s deficiency in unrestricted net assets has improved from $1,700,000 at December 31, 2024 to $1,427,278 at December 31, 2025. These improvements were a result of a significant organizational restructuring implemented by management which included a reduction in the number of year-round operating bases and a significant reduction in overall staffing. These measures resulted in year over year improvement in operating results from 2024 to 2025 of $2,471,645 (2025 – excess of revenue over expenses of $564,379; 2024 – excess of expenses over revenues of $1,907,266). Management and the Board of Directors believe that the organizational restructuring taken to date have put the Organization in a position where it has the ability to realize its assets and discharge its liabilities and commitments in the normal course of operations for the next 12 months.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Management feels that the measures taken to date will mitigate the effect of the conditions and facts that raise doubt about the appropriateness of this assumption. However, if adjustments were necessary, such adjustments could be material.

2. **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).

Restricted for YESS Grant
These funds are used by the Organization to deliver training under the Youth Employment and Skills Strategy program (note 13).

Course fee revenue is recognized on a pro-rata basis over the term of the related course. Payments received for courses that have not been held are recognized as deferred course and contract fees on the statement of financial position.

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

(b) **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.

(c) **Financial instruments**

(i) **Measurement of financial instruments**

The Organization initially measures its financial assets and financial liabilities, except for related party financial instruments (note 2(c)(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.

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

(c) **Financial instruments (continued)**

(i) **Measurement of financial instruments (continued)**

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.

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.

The Organization does not have any related party financial instruments at December 31, 2025.

(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:

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

(c) **Financial instruments (continued)**

(iii) **Impairment (continued)**

- 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.

(d) **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 declining balance 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	20%
Vehicles	20%

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.

(e) **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.

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

(f) **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.

(g) **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.

3. **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				
Short-term investments	X			X	
Accounts receivable	X				
Bank indebtedness		X		X	
Accounts payable and accrued liabilities		X			
Vehicle loans payable		X			

December 31, 2025

3. **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:

	2025	**2024**
	$	**$**
Cash	90,658	69,075
Short-term investments	-	11,345
Accounts receivable	67,881	94,931
	158,539	175,351

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 6) to repay its trade creditors as they become due, anticipating investing and financing activities and holding assets that can be readily converted into cash. During the current year, the Organization was also required to extend its payables beyond its normal payment terms, utilize its credit facilities and continue to temporarily borrow from restricted funds (note 9) to manage its liquidity risk (note 1). The maximum exposure of the Organization to liquidity risk is as follows:

	2025	**2024**
	$	**$**
Bank indebtedness	-	255,000
Accounts payable and accrued liabilities	845,182	1,053,554
Vehicle loans payable	111,872	153,288
	957,054	1,461,842

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.

December 31, 2025

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

Market risk (continued)

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 and on 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 liquidity risk has decreased during the year as a result of the reduction in bank indebtedness and accounts payable and accrued liabilities. Although temporary interfund loans from restricted funds increased during the year to support unrestricted operating requirements (note 9), the overall reduction in external liabilities resulted in a decrease in liquidity risk overall.

4. **Related party transactions**

Included in dues and fees expense are annual membership dues paid by the Organization to Outward Bound International ("OBI"), a membership organization of all the Outward Bound Centres worldwide, in the amount of $12,480 (2024 - $50,180).

5. **Capital assets**

			2025
	Cost $	**Accumulated Amortization** $	**Net** $
Program and computer equipment	98,596	69,538	29,058
Vehicles (note 8)	379,830	182,910	196,920
	478,426	252,448	225,978

December 31, 2025

5. **Capital assets (continued)**

	2024		
	Cost $	Accumulated Amortization $	Net $
Program and computer equipment	98,596	62,273	36,323
Vehicles (note 8)	379,830	133,680	246,150
	478,426	195,953	282,473

In the prior year, a fully amortized truck with a cost base of $47,140 was written off after being damaged in a flood. No gain or loss was recognized on disposition; however, the Organization received $22,758 of insurance proceeds as a result of the flood damage incurred. The other insurance proceeds received in 2024 relate to other non-capital assets that were damaged in the flood that were required to be repaired or replaced.

6. **Credit facilities**

Under the terms of a credit facility agreement dated July 18, 2025 with the Royal Bank of Canada ("RBC") the Organization has available to it a revolving demand facility to a maximum of $200,000. Under the terms of this credit facility agreement, RBC continued to allow for a temporary increase to the Organization's borrowing limit to $500,000 until July 31, 2025. Effective August 1, 2025, the maximum borrowings available to the Organization under the revolving demand facility returned $200,000 which remains as the maximum amount that can be borrowed at December 31, 2025. 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 (2024 - $255,000) outstanding under this facility.

Additionally, the Organization has available to it a Visa Business card with a credit limit of $110,000. Included in accounts payable and accrued liabilities (note 7) at year end is $87,620 (2024 - $71,832) 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.

7. **Accounts payable and accrued liabilities**

	2025 $	2024 $
Accounts payable and accrued liabilities (notes 1 and 6)	741,592	739,656
Government remittances	103,590	313,898
	845,182	1,053,554

Included in accounts payable and accrued liabilities is $nil (2024 - $83,611) of salary continuance payments resulting from previous year staffing restructuring (note 1). Current year severance accruals payable of $42,070 (2025 - $nil) are also included in accounts payable and accrued liabilities at December 31, 2025. These severance costs are included in salaries and benefits expense in the year the severance obligation was incurred.

8. Vehicle loans payable

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

	2025 $	2024 $
Ford F250 - bearing interest at 4.49%, repayable in blended monthly payments of $1,196, maturing in June 2027	20,784	33,884
Ford F250 - bearing interest at 3.99%, repayable in blended monthly payments of $534, maturing in May 2028	14,734	20,428
Ford F150 - bearing interest at 0.99%, repayable in blended bi-weekly payments of $652, maturing in November 2028	43,885	59,673
Ford Ranger - bearing interest at 7.49%, repayable in blended bi-weekly payments of $381, maturing in August 2029	32,469	39,303
	111,872	153,288
Less: current portion	42,416	41,144
	69,456	112,144

These loans are secured by the vehicles for which the loans were advanced. The net book value of these vehicles is $153,915 (2024 - $192,394).

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

	$
2026	42,416
2027	37,067
2028	25,485
2029	6,904
	111,872

9. 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, 2025, the unrestricted fund has utilized $677,278 (2024 - $392,125) of funds otherwise restricted.

10. 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. In 2024, these funds were transferred to the Organization's unrestricted fund to reduce the deficit in unrestricted net assets (note 1).

December 31, 2025

11. Commitments

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

	$
2026	31,662
2027	2,486
	34,148

12. The Training Academy for Outdoor Professionals

In March 2022, 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 $8,640,975 over the period from March 7, 2022 through March 31, 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 31, 2025	1,971,874
	8,640,975

During the year, the Organization recognized the following revenues and expenditures related to the operations of The Academy:

	2025 $	2024 $
Restricted net assets, beginning of year	48,091	2,160,725
Funding collected during the year	311,001	1,559,874
Program expenditures incurred	(291,827)	(3,672,508)
Restricted net assets, end of year	67,265	48,091

Funding collected during the year is recognized as revenue in contributions, grants and bursaries and expenditures are recognized as program, administration or salaries and benefits cost, as applicable, in the statement of operations.

12. **The Training Academy for Outdoor Professionals (continued)**

In October 2024, the Organization was informed by ESDC that this project would not be extended beyond March 31, 2025. During the year, the operations of The Academy ceased and the Organization submitted a final report to the ESDC on the use of the funds received during the course of the project. As at the date of these financial statements, ESDC has not confirmed with the Organization if the unspent funds at December 31, 2025 should be returned, or if they can be retained and used for other purposes.

The funding received under this program is not subject to any specific future terms or conditions; however, the Government of Canada has the right to conduct an audit, at any time from the completion of the project to March 31, 2031, to verify compliance with the terms and conditions of the Agreement and verify expenses claimed by the Organization are eligible expenditures as defined in the Agreement.

13. **Youth Career Catalyst Program**

In 2024, the Organization entered into an agreement (the "Agreement") with Employment and Social Development Canada ("ESDC") to receive funding under the Youth Employment and Skills Strategy ("YESS") funding program. Funding received from YESS is to be used by the Organization to establish the Youth Career Catalyst program (the "Program"). This Program helps youth develop foundational employable skills by providing core outdoor education.

Under the terms of the Agreement, the Organization is eligible to receive non-repayable contributions of up to $4,999,993 over the period from November 25, 2024 through January 28, 2028. Funding to the Organization is paid on a quarterly basis based on the anticipated spending of the Organization related to the Project.

During the year, the Organization recognized the following revenues and expenditures related to the Project:

	2025 **$**	**2024** **$**
Restricted net assets, beginning of year	299,325	-
Funding collected during the year	1,625,000	375,000
Program expenditures incurred	(1,425,178)	(75,675)
Restricted net assets, end of year	499,147	299,325

Funding collected during the year is recognized as revenue in contributions, grants and bursaries and expenditures are recognized as program, administration or salaries and benefits cost, as applicable, in the statement of operations.

December 31, 2025

13. **Youth Career Catalyst Program (continued)**

The funding received under this program is not subject to any specific future terms or conditions; however, the Government of Canada has the right to conduct an audit, at any time from the completion of the project to January 28, 2034, to verify compliance with the terms and conditions of the Agreement and verify expenses claimed by the Organization are eligible expenditures as defined in the Agreement.

14. **Comparative figures**

The financial statements have been reclassified, where applicable, to conform the presentation used in the current year. The changes to not affect prior year net assets.

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375 University Avenue · Suite 301 · Toronto · ON · CA · M5G 2J5 · P416-364-1359 · F416-364-9503 · hilbornca.com

Outward Bound Canada 12-31-25 - Final FS

Final Audit Report 2026-06-26

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