



GRANT APPLICATION

(PLEASE PRINT)

Name of Organization	Take a Hike Youth Mental Health Foundation
Address of Organization	728 736 Granville St. Vancouver BC V6Z 1G3
Full Mailing Address FIPPA s.	728 736 Granville St. Vancouver BC V6Z 1G3
Telephone Number & Email 22(1)	[REDACTED], zlauckner@takeahikefoundation.org
Contact Person/Title	Zoe Lauckner, Manager of Philanthropy, Vancouver Island

Primary purpose of organization: Please see attached for organization purpose and description

Category under which greatest portion of services fall:

Social Service Sports Cultural Economic Development Other _____

Services available to all members of community: Yes No

If no, please list criteria for receiving your service:

Our service is available to youth experiencing vulnerability in the SD79 area.

Total Number of people that used your service last year: 18

Approximate number of your clients that reside in North Cowichan: 18

(Please note that North Cowichan includes the communities of Chemainus, Crofton, Maple Bay, and the Duncan area north of the Cowichan River, and outside the one square mile Duncan core.)

Amount of grant requested: \$3000

Describe how the grant will be used: *(e.g. special projects, operations, maintenance, etc.)*

Please see attached for program description and funding request details

In order to be considered for a Municipal grant, please ensure that you enclose the following: the most recent financial statement, and the proposed operating budget.

Other Information: Have you obtained a previous grant from the Municipality? Yes No
Or have you applied to another local government for funding? Yes No

If yes, please list: We received \$1,500 from the Municipality last year.

Applicant's signature: Zoe Lauckner

Digitally signed by Zoe Lauckner
Date: 2023.10.12 15:09:14 -07'00'

Date: _____

In order to be eligible for consideration for a 2024 grant-in-aid, this application and all requested supporting materials must be received no later than October 15th, 2023.

Please submit in person at 7030 Trans Canada Hwy or email to finance@northcowichan.ca

Print Form



Take a Hike Foundation – Municipality of North Cowichan Grant-in-Aid Program Description Attachment

Take a Hike – Primary Purpose

Take a Hike Foundation (TAH) is a leader in providing early intervention and prevention mental health support in partnership with public school districts in BC. Our mission is to empower vulnerable youth with the skills and resilience they need to graduate high school, build healthy relationships, and achieve success— however they define it. We do this by engaging local youth in a full-time mental health and well-being program that incorporates intentional and continuous clinical counselling and outdoor land-based learning in a safe and caring community.

We partner with public school districts because school connectedness is the number one determinant of youth mental health, and school is where youth are more open to receiving mental health supports. Our distinctive approach integrates clinical counselling into a full-time classroom setting, while immersing youth in an outdoor land-based program. This reduces stigma and empowers youth to improve their well-being, academic success, and capacity to choose their own way along the path of life.

Take a Hike Cowichan Program Description

Take a Hike Cowichan is a full-time mental health and well-being program delivered five days per week, 7 hours a day throughout the school year from September to June, and weekly in the Summer. TAH Cowichan is based at the Cowichan Valley Open Learning Co-op. Free of cost for youth, TAH's unique program and distinctive approach integrates clinical therapy supports while immersing youth in a nature-based program to learn self-empowerment and build capacity to succeed - in school and in life.

The same staff and up to twenty youth per group spend substantial shared time together, including multi-day land-based learning trips. This program model builds healthy attachments and creates a unique environment for youth to engage in four key program pillars:

- **Clinical Counselling:** A full-time mental health clinician helps youth build social and emotional skills, find healthy ways to cope with life's stressors, and improve mental health and well-being. Clinicians also provide continuity of support through the summer months. For many youth, our program is their first encounter with therapy.
- **Outdoor Land-based Learning:** Youth benefit from the healing and connective power of the land, spending one day outside the classroom each week and two multi-day wilderness trips taken in the fall and spring.
- **Community Involvement:** Youth build connections to their local communities and gain work experience through regular volunteering. In parallel, local volunteers mentor and tutor youth in the program and youth learn that they are a valued part of their communities.
- **Academics:** Youth complete all classes required for their high school diploma through individual education plans, and cross-curricular/experiential learning integrated into land-based activities.

COMMUNITY NEED

There is a youth mental health crisis in our communities. Across the Cowichan region we are seeing an increase in the number of people struggling with severe mental health challenges, street entrenchment, substance use, and other significant challenges that impact their overall well-being, quality of life, relationships, and ability to be active participants in community.



Mental health is tied to our general social, economic, and physical well-being. Stresses at school, at home, and in our communities can make the difference between mental health challenges that are manageable and those that are difficult to overcome. Without support, too many young people will enter adulthood with unaddressed challenges and unhealthy coping behaviours, disengaged from school and their communities. Many will also end up in emergency rooms, in the justice system, or face homelessness. These are devastating consequences that will impact their lives, relationships, jobs, communities and so much more. We know that early intervention and prevention are key factors in reducing the impacts of long-term unmanaged mental health challenges, and this is where Take a Hike works. Your support ensures that youth in the Cowichan area have access to upstream, preventative support, focusing on mental wellness, community connectedness, and academic success, that empowers them to transform their lives and succeed in their own way.

PROGRAM YOUTH

Take a Hike serves youth who often face complexity, trauma, and instability in their lives. Many have experienced a lifetime of stresses that make them more vulnerable to mental health challenges like depression, anxiety, and suicidal ideation. As a result, youth who join Take a Hike have often turned to destructive coping behaviours like skipping school, isolating, or using substances, and most are at risk of leaving school without graduating. TAH works to provide youth with a safe environment where they can build resilience and succeed. Youth at Take a Hike are navigating a range of stressors and challenges:

- 87% have significant financial need
- 73% have a Ministry of Education special needs designation
- 63% have experienced three or more Adverse Childhood Experiences (ACEs), including but not limited to neglect, abuse, or household conflict such as substance use or domestic violence, which can increase the risk of physical and mental illness later in life
- 76% have diagnosed or emerging mental health concerns
- 44% struggle with substance use or receiving addictions treatment
- 26% were cared for by the MCFD or had experience with foster care
- 22% had experience with the criminal justice system or had previous involvement with police

Moreover, TAH is an inclusive program designed to impact all youth with vulnerabilities. Of Vancouver Island youth that completed our survey last year, 31% identified as Indigenous, 15% identified as Black or a racialized Canadian, and 14% identified as transgender, gender non-binary, or genderfluid. We expect a similar group of youth for this school year.

These vulnerabilities at such a critical stage of development affect the way young people remember, attend, learn, and make decisions. Funding from the Municipality of North Cowichan will directly support up to 20 youth in the Cowichan program by providing them with the mental health and educational supports they need to overcome the barriers to success that have been holding them back.

OBJECTIVES

Youth who come to Take a Hike are capable and motivated individuals, each with their own background and life experience. They just need the right environment: one that offers supports that meet their individual needs and a space where they can unlock their unique talents and develop skills that will serve them throughout their lives. Through embracing all that Take a Hike has to offer, youth make positive changes and experience growth in their knowledge, skills, attitudes, and values in the following outcome areas:

1. Improvements in mental and physical well-being, relationships, and coping behaviour
2. Improvements in social skills, decision-making, and goal setting
3. Improvements in academic development and success, leading to high school graduation.



Every youth has a different life path. They may turn next to higher education or choose to embark on a meaningful career path. Wherever the journey of their lives may take them, the long-term goal for each Take a Hike youth is that they will become resilient young adults who have the knowledge, skills, attitudes, and values to face and overcome life's challenges, build healthy relationships, and achieve success.

PARTNERSHIPS AND COLLABORATIONS

Take a Hike is made possible due to numerous partnerships within the community, including local school districts. For our Cowichan program, Take a Hike's primary partner is School District #79 (Cowichan Valley). The school district provides substantial in-kind support, including classroom space, a teacher, a youth worker, and support from the District Principal. Take a Hike layers in program elements that are beyond what the public school system can provide, but which are essential to vulnerable participants' success, such as a full-time registered mental health clinician, outdoor land-based learning, and community involvement opportunities. Take a Hike Cowichan collaborates with other local community services to provide additional resources and referrals, such as addictions treatment centres and First Nation communities. This supports our team to build an individualized, wrap around network of care for each youth.

Program Budget and Funding Request

Thanks to long-standing support from a community of dedicated donors, TAH has a strong foundation on which to build upon and scale our program, however, with the surging demands for more youth mental health support, the need for programs like TAH remains high. **A grant of \$3,000 from the Municipality of North Cowichan would go toward outdoor land-based learning (LBL) costs in our Cowichan program.**

These costs include gear and equipment for up to 20 youth, such as boots, tents, backpacks, and jackets, so they can participate in weekly outdays and two multi-day wilderness trips. Some examples of activities that funding will facilitate for youth throughout the year include, hiking, camping, kayaking, and paddling. TAH also explores opportunities to partner with local organizations, when appropriate, for these LBL trips. Last year, youth were able to participate in a joint sailing trip in partnership with SALTS. Outdoor land-based learning support youth in their mental well-being, relationship-building, and academic learning, and for the Cowichan program, these activities will all be held within local Vancouver Island parks and nature areas.

FUNDING IMPACT

Being outdoors allows staff and youth to interact through shared experience, which builds healthy and secure attachment and supports mental health and counselling work with youth. Spending time in nature takes youth away from daily stressors and distractions, as well as helps them to self-regulate and engage in self-reflection. Cross-curricular academics covering sciences, math, and other subjects are also incorporated into outdoor LBL activities, allowing youth to learn hands-on and with real-life applications.

At TAH, we believe that being in nature has a restorative power and for many youth in the TAH program, this is their first experience in the outdoors. It is on these outdoor trips, when youth are away from their negative coping mechanisms and habits, that they begin to fully benefit from the TAH program and actively choose to make changes in their lives for the better.

The deep transformation experienced by each individual is a direct result of the intentional, evidence-based program TAH delivers. This investment in each youth leads to ripple effects that extend to communities and society at large. Graduates rely less on medical support services and problematic substance use. They stay clear of criminal behaviour and they're far less likely to experience homelessness.

Moreover, these ripple effects have been quantified by the accountancy and professional services company PwC: every dollar invested in TAH generates \$5.60 to \$13.40 in social return to communities. **Based on this, funding of**



TAKE A HIKE
FOUNDATION

\$3,000 from the Municipality of North Cowichan could generate at least \$16,800 and up to \$40,200 in social value, highlighting the far-reaching impacts of our programs.

We are deeply grateful for the past support from the Municipality of North Cowichan with a \$1,500 grant-in-aid provided in 2023. Your support not only provides life-changing opportunities but sets a standard for all local governments to ensure they invest in upstream prevention work to support vulnerable youth across the region. A final report on these funds was provided on September 5, 2023 by email to Mr. John Steenkamp.

**Take a Hike Cowichan Program
2023-24 Program Budget**

Expenses

Direct Program

Mental Health Clinician Salary & Benefits	99,875
Transportation Salary & Benefits	6,000
Equipment and Supplies	4,500
Weekly Out Days	5,500
Multi-day Trips	12,000
Vehicle Maintenance and Gas	2,000
Vehicle Insurance	1,600
Youth Engagement	1,500
Meal Program	3,500
Indigenous Education Expenses	2,000

Program Support

Front line Managers and Support	55,049
Program Management Staff	39,514
Expenses (training, travel, conferences, etc.)	47,110
Total	280,148

Anticipated Revenues

Organization Name	Amount	Status
Municipality of North Cowichan - this request	3,000	Requested
Island Health	12,000	Confirmed
Allan & Gill Gray Philanthropy	23,000	Confirmed
McCall MacBain Foundation	25,000	Confirmed
Coastal Community Credit Union	2,500	Requested
Mid Island Co-op	5,000	Requested
Other individual, corporate, and community donors	209,648	Requested
Total	280,148	

**TAKE A HIKE YOUTH AT RISK FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

INDEPENDENT AUDITORS' REPORT

To the Members of Take a Hike Youth at Risk Foundation

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Take a Hike Youth at Risk Foundation (the "Foundation"), which comprise the statement of financial position as at June 30, 2022, and the statements of operations and 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, assets, and changes in net assets as at June 30, 2022 and for the year then ended. Our audit opinion on the financial statements for the period ended June 30, 2021 was also modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

 **FIPPA s. 22(1)**

Chartered Professional Accountants
Vancouver, British Columbia
November 9, 2022

TAKE A HIKE YOUTH AT RISK FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 1,213,716	\$ 1,679,090
Accounts receivable	-	7,124
GST receivable	11,550	5,873
Government subsidies receivable	-	155,945
Prepaid expenses and other current assets	32,270	17,276
	1,257,536	1,865,308
VEHICLE DEPOSIT	-	51,527
CAPITAL ASSETS (Note 4)	223,971	176,910
	\$ 1,481,507	\$ 2,093,745
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 101,784	\$ 153,598
Current portion of deferred contributions (Note 5)	149,859	914,914
	251,643	1,068,512
DEFERRED CONTRIBUTIONS (Note 5)	135,351	134,878
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 6)	248,433	109,654
	635,427	1,313,044
COMMITMENT (Note 7)		
NET ASSETS	846,080	780,701
	\$ 1,481,507	\$ 2,093,745

Approved by the Board

_____ Director

_____ Director

TAKE A HIKE YOUTH AT RISK FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

	<i>Year ended</i> June 30, 2022	<i>10-month</i> <i>period ended</i> June 30, 2021 <i>(Note 2)</i>
REVENUE		
Donations	\$ 2,039,593	\$ 1,300,451
Deferred contributions recognized <i>(Note 5)</i>	713,055	188,746
Interest revenue	8,208	2,359
	2,760,856	1,491,556
DIRECT PROGRAM EXPENSES		
Clinical counselling	624,743	434,448
Program support	474,966	354,873
Adventure-based learning	309,657	311,219
Expansion	282,785	194,513
Student engagement and other	22,558	19,462
Total direct program expenses	1,714,709	1,314,515
INDIRECT PROGRAM EXPENSES		
Fund development	757,871	539,620
Administration	317,880	256,861
Total indirect program expenses	1,075,751	796,481
	2,790,460	2,110,996
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(29,604)	(619,440)
OTHER INCOME (EXPENSES)		
Government subsidies	108,434	674,495
Amortization of deferred contributions related to capital assets <i>(Note 6)</i>	42,542	27,414
Amortization expense	(55,993)	(44,227)
Gain on disposal of capital assets	-	22,583
	94,983	680,265
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	65,379	60,825
NET ASSETS, BEGINNING OF YEAR	780,701	719,876
NET ASSETS, END OF YEAR	\$ 846,080	\$ 780,701

TAKE A HIKE YOUTH AT RISK FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Year ended June 30, 2022	<i>10-month period ended June 30, 2021 (Note 2)</i>
OPERATING ACTIVITIES		
Cash receipts from donors for operations	\$ 2,154,366	\$ 1,190,271
Cash paid to suppliers, employees and contractors	(2,763,122)	(1,967,590)
Interest received	8,208	2,359
Government subsidies	108,434	605,667
	(492,114)	(169,293)
INVESTING AND FINANCING ACTIVITIES		
Receipt of deferred contributions from donors	-	683,074
Receipt of deferred contributions related to capital assets	129,794	76,202
Purchase of capital assets	(103,054)	(94,777)
Proceeds on disposal of capital assets	-	24,500
	26,740	688,999
(DECREASE) INCREASE IN CASH	(465,374)	519,706
CASH, BEGINNING OF YEAR	1,679,090	1,159,384
CASH, END OF YEAR	\$ 1,213,716	\$ 1,679,090

TAKE A HIKE YOUTH AT RISK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

PURPOSE OF THE FOUNDATION

Take a Hike Youth at Risk Foundation (the "Foundation") was incorporated on October 5, 2000, under the Society Act of the Province of British Columbia, and subsequently transitioned to the British Columbia Societies Act. The Foundation is a registered charity under the Income Tax Act (Canada) and is accordingly exempt from income taxes (charity number: 89139 4611 RR 0001).

The purpose of the Foundation is to fund and deliver the full-time mental health and emotional well-being program it operates in partnership with the Vancouver, Kootenay-Columbia, Burnaby, Delta, Nanaimo/Ladysmith, Cowichan Valley, and Saanich school districts. The Foundation's 2021-2026 Strategic Plan calls for the Foundation to grow to 16 programs in the Lower Mainland, Vancouver Island, and Thompson-Okanagan region. The Foundation's future growth plan is to partner with every school district in British Columbia with the desire, need, and capacity to offer the Take a Hike program.

The Foundation empowers youth experiencing vulnerability to change the trajectory of their lives with a full-time mental health and emotional well-being program embedded in an alternate education classroom. The Foundation engages youth with intentional, continuous clinical counselling, outdoor experiential learning, and community. Our public school district partners provide high quality education. Together we empower youth with the skills and resilience they need to graduate high school, build healthy relationships, and achieve success – however they define it.

The continued operation of the Foundation's programs is dependent on the contributions received from donors and requires the Foundation to make ongoing commitments to youth, school districts, staff members and communities. The Foundation's fundraising revenues are uncertain from year-to-year, while committed expenses are certain. It has set a goal of having cash reserves at least equal to five months of operating expenses.

The COVID-19 health pandemic has continued to impact the Foundation's operations and the delivery of its programs. The Foundation has continued the use of the COVID-19 Response and Recovery Fund which provides much needed mental health support to vulnerable youth across British Columbia and will help recover the Foundation's organizational capacity once the pandemic is over. However, the continuing impact of the COVID-19 health pandemic on the Foundation remains indeterminable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP"). These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

(a) Financial instruments

The Foundation's financial instruments consist of cash and accounts payable. The Foundation initially measures all of its financial assets and liabilities at fair value. The Foundation subsequently measures all of its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

TAKE A HIKE YOUTH AT RISK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

(b) Cash

Cash consists of cash on deposit and guaranteed investment certificates.

(c) Capital assets

Capital assets are recorded at historical cost and amortized over their estimated useful lives applying the following annual rates and methods:

Automobiles	20%	declining balance method
Computer software	3 years	straight-line method
Equipment	30%	declining balance method

The Foundation's policy is to record a write-down of a capital asset's fair value or replacement cost when conditions indicate that a capital asset is impaired. Such conditions include when the capital asset no longer contributes to the Foundation's ability to provide goods and services or when the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. Write-downs are recognized in the statement of operations and are not reversed.

(d) Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are amortized to revenue at the same rate as the related capital assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

The Foundation records contributed materials and services at their fair value when fair value is readily determinable and when the materials and services are used in the normal course of operations and would otherwise have been purchased. In accordance with this policy, the Foundation does not record the contributions of its partner school districts that are provided to operate the alternative education program at their respective district. Such contributions include providing the teacher and youth worker, classroom space and administrative support. The Foundation has otherwise recognized contributed materials with a fair value of \$42,619 (2021 - \$113,991) which have been recognized as a revenue and expense during the current fiscal year.

(e) Allocation of expenses

The Foundation reports its expenses by function with each of the functions being allocated a portion of the Foundation's total salaries and benefits and overhead costs. The allocation of salaries and benefits is based on the relative amount of time the Foundation's employees work on each function. The allocation of overhead costs is based on each function's proportionate usage of the Foundation's office space. Details of the amounts allocated are disclosed in Note 8.

TAKE A HIKE YOUTH AT RISK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

(f) Use of estimates

The preparation of the financial statements in conformity with ASNPO requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the useful lives of capital assets used for calculating amortization, recognition of deferred contributions, and the amounts recorded as accrued liabilities.

2. CHANGE OF YEAR END

During the prior year, the Foundation received approval from the Canada Revenue Agency to change its fiscal year-end from August 31 to June 30. Accordingly, the financial statements present the Foundation's results of operations and cash flows for the year ended June 30, 2022 and the ten-month period ended June 30, 2021.

TAKE A HIKE YOUTH AT RISK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3. FINANCIAL INSTRUMENTS RISKS

The Foundation's financial instruments are described in Note 1(a). In management's opinion, the Foundation is not exposed to significant financial instruments risk except as outlined below. In addition, the Foundation is not exposed to any material concentrations of risk and there have been no changes in risk exposure from the prior year.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is not exposed to significant credit risk from its receivables as government remittances recoverable from the Canada Revenue Agency are at no risk of default.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable. The Foundation mitigates this risk by maintaining sufficient cash reserves and monitoring timely collections of its donations.

The COVID-19 health pandemic could impact the timing of cash inflows from donors that support the Foundation. The Foundation has proactively worked with its donors to manage any disruption to its regular balance of working capital and anticipates that its cash reserves will adequately minimize liquidity risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

(d) Currency risk

Currency risk arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation is not exposed to currency risk as all of its financial instruments are denominated in Canadian dollars.

(e) 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 interest rates. The Foundation is not exposed to interest rate risk.

(f) 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 currency risk or interest rate 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 Foundation is not exposed to other price risk.

TAKE A HIKE YOUTH AT RISK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Automobiles	\$ 390,374	\$ 168,408	\$ 221,966	\$ 174,404
Computer software	18,450	18,450	-	-
Equipment	21,158	19,153	2,005	2,506
	\$ 429,982	\$ 206,011	\$ 223,971	\$ 176,910

5. DEFERRED CONTRIBUTIONS

Deferred contributions of \$285,210 (2021 - \$1,049,792) represent donations which have certain use restrictions set by the donors. As at June 30, 2022, the use restrictions relate to the Foundation's planned expansion of its programs to additional school districts and the Foundation's COVID-19 Response and Recovery Fund.

The continuity of deferred contributions received and spent during the year is as follows:

	2022	2021
Opening balance	\$ 1,049,792	\$ 574,039
Contributions received during the year	-	683,074
Amounts spent during the year	(713,055)	(188,746)
Transfer to deferred contributions related to capital assets	(51,527)	(18,575)
	285,210	1,049,792
Current portion of deferred contributions	(149,859)	(914,914)
	\$ 135,351	\$ 134,878

The current portion of deferred contributions are anticipated by management to be spent within the following fiscal year.

6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2022	2021
Opening balance	\$ 109,654	\$ 67,035
Received during the year	129,794	76,202
Transfer from deferred contributions	51,527	18,575
Amortized to revenue	(42,542)	(27,414)
Deferred contributions recognized on sale of contributed capital assets	-	(24,744)
	\$ 248,433	\$ 109,654

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7. COMMITMENT

The Foundation leases its office premises under an agreement with an expiration date of April 30, 2027. Minimum payments including basic rent and occupancy costs over the next five years are anticipated to be as follows:

2023	\$	84,375
2024		88,585
2025		92,094
2026		92,795
2027		80,253
		<u>438,102</u>
	\$	<u>438,102</u>

8. ALLOCATION OF EXPENSES

Pursuant to the policy described in Note 1(e), the Foundation's administration expenditures which have been allocated to other programs are as follows:

	Program Support	Fund Development	Expansion	Administration
Overhead costs	\$ 44,816	\$ 38,050	\$ 45,925	\$ (128,791)
Salaries and benefits	107,817	90,618	158,741	(357,176)
	\$ 152,633	\$ 128,668	\$ 204,666	\$ (485,967)

9. SOCIETIES ACT OF BRITISH COLUMBIA

In accordance with the Societies Act of British Columbia, the Foundation is required to provide the total number of employees and/or contractors, including corporations, whose annual remuneration is greater than \$75,000.

During the year ended June 30, 2022, the Foundation's employees included six staff members who were remunerated greater than \$75,000 per annum, for a total of \$658,373 (2021 - six staff members for a total of \$611,458).

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation. Such reclassification does not have any impact on the excess of revenues over expenses, total assets, and net assets previously reported.