



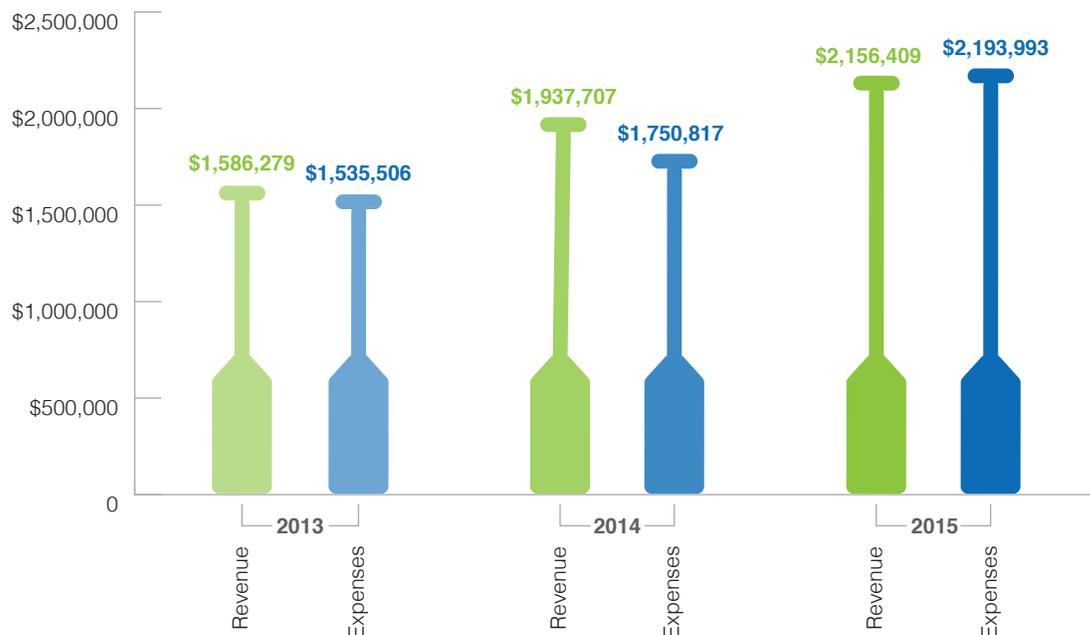
June 15, 2016

Dear *Power To Be* stakeholder,

We are pleased to present you the 2015 audited financial statements which in the opinion of KPMG are fairly presented. As an entrepreneurial non-profit the audited financials are a key component of our commitment to accountability and evidence of sound financial management.

2015 was both a record-setting year for *Power To Be* and a year that required diligent decision-making. Revenue exceeded \$2 million for the first time in our history and we managed cash flow well in light of the challenging timing of revenue. While 2015 resulted in a small net loss, the three-year trend remains remarkably positive and the operating reserve fund was preserved in its entirety. The capacity of the team was increasingly stretched in 2015 and to that end 2016 saw the introduction of a Director of Advancement and Communications with particular emphasis being paid to major gift cultivation, stakeholder engagement via signature events, exploring new funding opportunities, and unleashing the talent of our tremendous staff and volunteers.

**| REVENUE AND EXPENSES: THREE-YEAR TREND |**

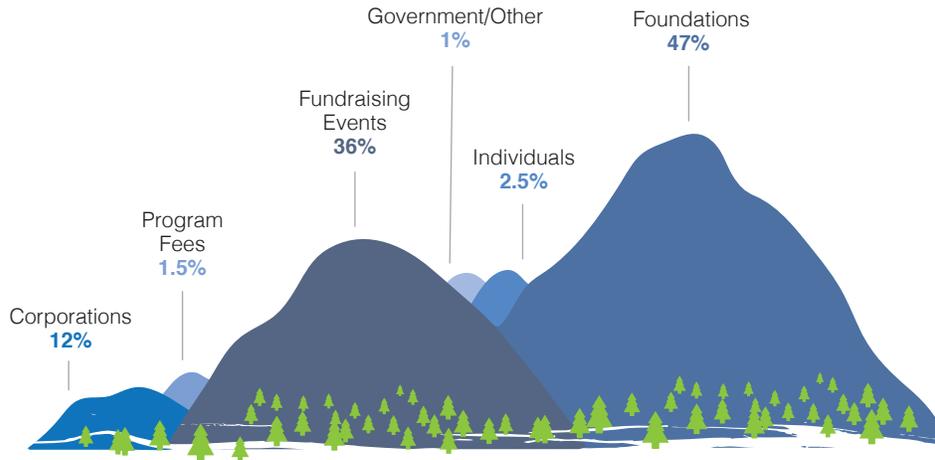


Foundation gifts and fundraising events have continued to grow and are the largest shares of revenue. The ratio of current assets to current liabilities was at 119.65 per cent as of Dec. 31, 2016 ensuring we are in a position to meet the commitments we have made to our stakeholders.



We continue to invest appropriately in programming and fundraising to respond to the increasing need of the communities we serve. We operate well within the standards articulated by the Canada Revenue Agency and for every dollar invested in fundraising we return \$3.15.

| SOURCES OF REVENUE |



| DISTRIBUTION OF EXPENSES |



Maintaining revenue and funding from our valued donors, while extending our network of support is of paramount importance as we put down roots at our Prospect Lake site in Victoria and extend our reach in the Lower Mainland. It is also vital that we continue to build trust with the community we serve by delivering quality programs, investing in infrastructure, spending judiciously and growing the operating reserve fund.

Sincerely,

Jennifer Garrett,  
Director of Finance and Operations

Financial Statements of

**POWER TO BE ADVENTURE  
THERAPY SOCIETY**

Year ended December 31, 2015



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## INDEPENDENT AUDITORS' REPORT

*To the Members of Power To Be Adventure Therapy Society*

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Power To Be Adventure Therapy Society, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Power To Be Adventure Therapy Society as at December 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Report on Other Legal and Regulatory Requirements**

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*KPMG LLP*

Chartered Professional Accountants

May 16, 2016  
Victoria, Canada

# POWER TO BE ADVENTURE THERAPY SOCIETY

## Financial Statements

Year ended December 31, 2015

### Financial Statements

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# POWER TO BE ADVENTURE THERAPY SOCIETY

## Statement of Financial Position

December 31, 2015, with comparative information for 2014

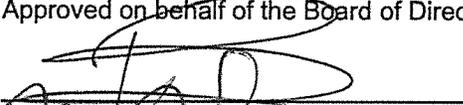
	2015	2014
<b>Assets</b>		
Current assets:		
Cash	\$ 257,228	\$ 407,590
Accounts receivable	51,185	3,219
Due from government agencies	8,626	16,851
Other receivables	-	14,986
Prepaid expenses and deposits	18,095	15,183
	<u>335,134</u>	<u>457,829</u>
Cash restricted for operating reserve (note 6)	281,118	179,157
Capital assets (note 2)	91,335	92,968
	<u>\$ 707,587</u>	<u>\$ 729,954</u>

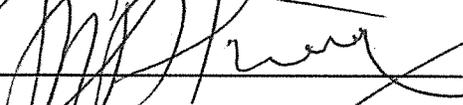
## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 94,064	\$ 69,427
Due to government agencies	10,744	7,531
Deferred contributions related to operations (note 4)	19,068	28,814
	<u>123,876</u>	<u>105,772</u>
Deferred contributions related to capital assets (note 5)	32,354	35,241
	<u>156,230</u>	<u>141,013</u>
Net assets:		
Invested in capital assets	58,982	57,727
Internally restricted for operating reserve (note 6)	281,118	279,157
Unrestricted	211,257	252,057
	<u>551,357</u>	<u>588,941</u>
Commitments (note 9)		
	<u>\$ 707,587</u>	<u>\$ 729,954</u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

2016-05-16

# POWER TO BE ADVENTURE THERAPY SOCIETY

## Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Fundraising	\$ 2,104,161	\$ 1,838,978
Program fees	34,585	23,713
Government funding	6,520	54,459
Amortization of deferred contributions	8,873	18,706
Interest	2,270	1,851
	<u>2,156,409</u>	<u>1,937,707</u>
Expenses: (note 7)		
Program costs	1,336,293	1,095,984
Fundraising	668,472	480,602
General and administrative	159,719	124,983
Amortization of capital assets	29,509	49,248
	<u>2,193,993</u>	<u>1,750,817</u>
Excess (deficiency) of revenue over expenses	\$ (37,584)	\$ 186,890

See accompanying notes to financial statements.

# POWER TO BE ADVENTURE THERAPY SOCIETY

## Statement of Changes in Net Assets

Year ended December 31, 2015, with comparative information for 2014

	Invested in capital assets	Internally restricted for operating reserve	Unrestricted	2015 Total	2014 Total
Net assets, beginning of year	\$ 57,727	\$ 279,157	\$ 252,057	\$ 588,941	\$ 402,051
Excess (deficiency) of revenue over expenses	(22,426)	-	(15,158)	(37,584)	186,890
Investment in capital assets	29,667	-	(29,667)	-	-
Transfer from unrestricted to invested in capital assets	(5,986)	-	5,986	-	-
Interest income	-	1,961	(1,961)	-	-
Net assets, end of year	\$ 58,982	\$ 281,118	\$ 211,257	\$ 551,357	\$ 588,941

See accompanying notes to financial statements.

# POWER TO BE ADVENTURE THERAPY SOCIETY

## Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (37,584)	\$ 186,890
Items not involving cash:		
Amortization of capital assets	29,509	49,248
Amortization of deferred contributions related to capital assets	(8,873)	(18,707)
Loss on disposal of capital assets	1,790	-
Recognition of deferred contributions related to operations	(28,760)	(48,280)
Changes in non-cash operating working capital:		
Accounts receivable	(47,966)	(576)
Due from government agencies	8,225	(10,735)
Other receivables	14,986	(14,986)
Prepaid expenses and deposits	(2,912)	(3,990)
Accounts payable and accrued liabilities	24,638	51,937
Due to government agencies	3,213	4,001
	(43,734)	194,802
Contributions received related to operations	25,000	53,700
	(18,734)	248,502
Investing:		
Purchases of capital assets	(29,667)	(12,935)
Financing:		
Increase in restricted cash for operating reserve	(101,961)	(21,748)
Contributions received for capital assets	-	8,000
	(101,961)	(13,748)
Increase in cash	(150,362)	221,819
Cash, beginning of year	407,590	185,771
Cash, end of year	\$ 257,228	\$ 407,590

See accompanying notes to financial statements.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2015

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Power To Be Adventure Therapy Society ("Power To Be") inspires youth and families in need of support to discover their limitless abilities through nature-based programs. The Power To Be Adaptive Recreation program is a positive response to the community need for inclusive, nature-based recreation activities for people living with a barrier or disability. The Power To Be Wilderness School is a multi-year program for youth that fosters positive social and life skills development through outdoor adventure activities. Power To Be was incorporated under the B.C. Society Act, January 17, 2003, and is a registered charity under the Income Tax Act.

## 1. Significant accounting policies:

The financial statements of the Society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following is a summary of the significant accounting policies used in the preparation of the financial statements.

### (a) Revenue recognition:

Power To Be follows the deferral method of accounting for contributions:

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Program fees are recognized in the year in which the services are rendered.

Donations of materials and services that would have otherwise been purchased are recorded at their fair value at the date of contribution.

### (b) Allocation of expenses:

Power To Be engages in program and fundraising activities. The costs of each activity include the costs of personnel and other expenses that are directly related to the function.

Power To Be also incurs and attributes general support expenses that are common to the administration of the organization and each of its activities. The allocation is based on the relative time and distribution of staff across program fundraising and administration activities.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 1. Significant accounting policies (continued):

### (c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a declining basis over the assets' estimated useful lives as follows:

Asset	Rate
Boat	20%
Computer equipment	30%
Furniture and fixtures	20%
Outdoor equipment	20%
Shed	10%
Vehicles	20%

When a capital asset no longer has any long-term service potential to Power To Be, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

### (d) Pledges and contributed services:

Pledges from donors are recorded when payment is received by Power To Be or the transfer of property is completed.

Power to Be acknowledges the substantial and significant services provided by its many volunteers. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 1. Significant accounting policies (continued):

### (e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value and all changes in the fair value are recognized in net income in the period incurred. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Power To Be has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, Power To Be determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount Power To Be expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

### (g) Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation for the current year.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2015

## 2. Capital assets:

December 31, 2015	Cost	Accumulated amortization	Net book value
Boats	\$ 118,042	\$ 90,858	\$ 27,184
Computer equipment	31,357	16,045	15,312
Furniture and fixtures	18,209	15,380	2,829
Outdoor equipment	62,072	49,604	12,468
Shed	11,831	6,738	5,093
Vehicles	101,571	73,122	28,449
	<u>\$ 343,082</u>	<u>\$ 251,747</u>	<u>\$ 91,335</u>

December 31, 2014	Cost	Accumulated amortization	Net book value
Boats	\$ 115,198	\$ 84,062	\$ 31,136
Computer equipment	25,286	13,934	11,352
Furniture and fixtures	18,209	15,054	3,155
Outdoor equipment	49,955	41,715	8,240
Shed	11,831	6,172	5,659
Vehicles	99,436	66,010	33,426
	<u>\$ 319,915</u>	<u>\$ 226,947</u>	<u>\$ 92,968</u>

During the year equipment with a net book value of \$1,790 (2014 - \$25,146) was written off.

## 3. Bank indebtedness:

Power To Be has an undrawn business line of credit, with an authorized amount of \$75,000, bearing interest at 2.0% over the bank prime rate and due on demand.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2015

## 4. Deferred contributions related to operations:

Deferred contributions related to operations represent unspent externally restricted resources received that will be expended in a subsequent year. Changes in the deferred contributions balance are as follows:

	2015	2014
Balance, beginning of year	\$ 28,814	\$ 27,500
Amount recognized as revenue	(28,760)	(48,280)
Amount transferred to deferred contributions related to capital assets	(5,986)	(4,106)
Current year contributions received	25,000	53,700
Balance, end of year	\$ 19,068	\$ 28,814

## 5. Deferred contributions related to capital assets:

Deferred contributions related to capital assets represent externally restricted contributions for acquisition of tangible capital assets that will be recognized as revenue in future periods over the remaining useful life of the assets. Changes in the deferred contributions balance for the year are as follows:

	2015	2014
Balance, beginning of year	\$ 35,241	\$ 41,842
Current year contributions received	-	8,000
Amount transferred from deferred contributions related to operations	5,986	4,106
Amounts amortized to revenue	(8,873)	(18,707)
Balance, end of year	\$ 32,354	\$ 35,241

## 6. Internally restricted net assets:

Power To Be's Board of Directors have internally restricted \$281,118 (2014 - \$279,157) of unrestricted net assets to be held for the purpose of providing an operating reserve. Interest earned on internally restricted assets is restricted for the same purpose and added to the reserve as earned. This internally restricted amount is not available for use without approval of the Board of Directors. During the year, the board approved a transfer of \$nil (2014 - \$100,000) cash to restricted for operating reserve.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2015

## 7. Allocation of expenses:

As described in note 1(b) Power To Be attributes certain common expenses to its activities. Total personnel, marketing and general and administration costs attributed during the year are as follows:

December 31, 2015	Program costs	Fundraising	General and administration	Total
Personnel	\$ 1,008,225	\$ 280,062	\$ 112,025	\$ 1,400,312
Marketing	18,336	12,224	-	30,560
General and administration	128,055	35,571	-	163,626
	1,154,616	327,857	112,025	1,594,498
Direct expenses	181,678	340,615	47,694	569,987
	\$ 1,336,294	\$ 668,472	\$ 159,719	\$ 2,164,485

December 31, 2014	Program costs	Fundraising	General and administration	Total
Personnel	\$ 854,884	\$ 202,473	\$ 67,491	\$ 1,124,848
Marketing	15,898	10,599	-	26,497
General and administration	93,014	22,030	-	115,044
	963,796	235,102	67,491	1,266,389
Direct expenses	132,188	245,500	57,492	435,180
	\$ 1,095,984	\$ 480,602	\$ 124,983	\$ 1,701,569

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 8. Financial instruments and concentration of credit risk:

Power To Be's financial instruments include cash, accounts receivable, other receivables, cash restricted for operating reserve, due to/from government agencies and accounts payable and accrued liabilities.

It is management's opinion that the Society is not exposed to significant interest, currency, liquidity or credit risk arising from its financial instruments. Power to Be manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. For accounts receivable, the Society assesses, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value. There has been no change to the risk exposures from 2014.

## 9. Commitments:

On February 29, 2016, the organization entered into a three-year lease agreement to lease recreation space for program use. In addition, Power to Be leases premises in Victoria and Vancouver for office and program uses. Total estimated minimum annual lease payments are as follows plus proportionate share of operating and tax costs:

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2016	\$	142,566
2017		104,336
2018		62,000
2019		10,333

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