

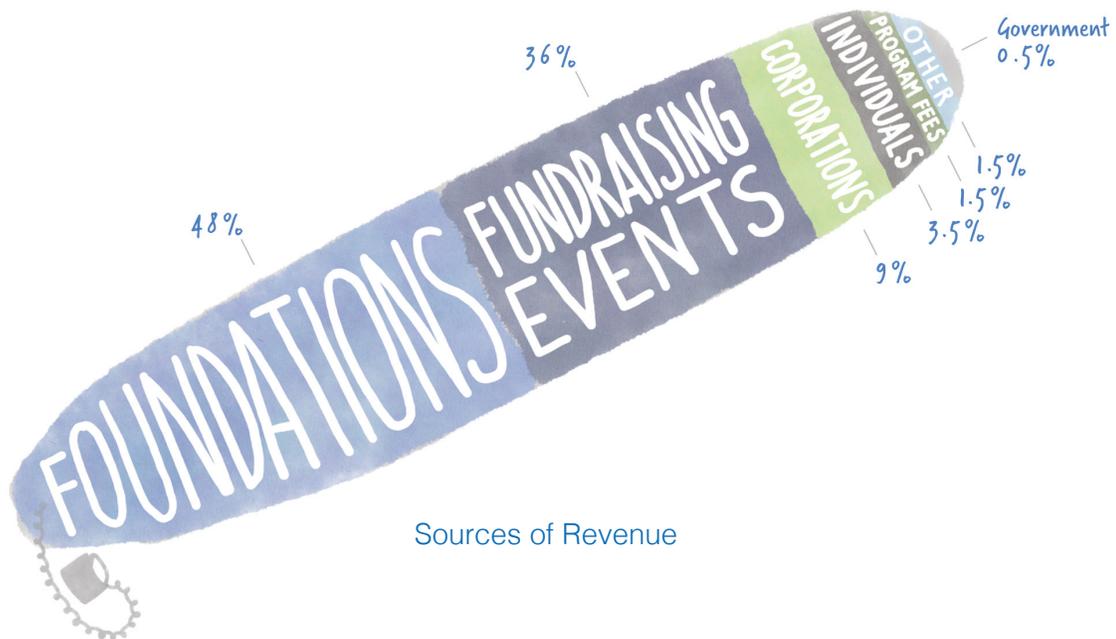
May 29, 2019

Dear Friends of *Power To Be*,

We are pleased to present you our 2018 financial statements audited by KPMG. The audited financials are a key component of our commitment to accountability and evidence of sound financial management. More importantly, the audit process is viewed as an opportunity to engage with experts to further improve our practices and mitigate against emerging risks.

Power To Be is in the business of making a difference. We like to refer to ourselves not as a non-profit organization, but as a business making significant impact in the human services sector. We pride ourselves in spending wisely and effectively to help realize real impact.

In 2018 our operating revenue was up 14.7% from 2017, reaching \$3,490,951, and additional \$392,036 of products and services were donated further enhancing our mission. Expense growth, while under budget, outpaced revenue growth largely due to amortization of capital assets, timing of several year-end donations, investment in our people, and capacity building of our programs and strategic vision. We maintained our operating reserve of \$737,681, which gives us long-term confidence in our operations should we face unforeseen circumstances and provides stability for our commitments to our participants and community. As we continue to grow, we are paying close attention to the financial risks facing all non-profits in our region including escalating construction costs, increasing cost of living, fuel prices, and a tightening labor market. Finding ways to be more financially resilient is an imperative, thus we continue to explore alternative revenue streams such as government funding and social enterprise.

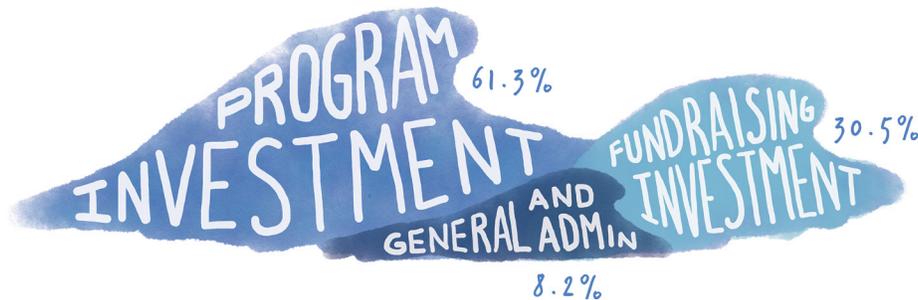


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We are grateful for the generosity and confidence of an anonymous donor for funding more than 70 percent of our overhead. This core funding provides stability to operate and gives confidence to other donors interested in supporting our endeavors. As a result, much of our fundraising efforts go directly to our programs, of which 100% are subsidized for our participants. We continue to invest appropriately in programming and fundraising to respond to the increasing need of the communities we serve. Fundraising investment remains well within Canada Revenue Agency guidelines and for every dollar invested in fundraising we returned \$3.18.



Distribution of Expenses



Return on Investment

As we step into 2019, we are excited to announce we are breaking ground on the “Basecamp” project, our new home at Prospect Lake. This home is being built on the values of inclusion, environmental stewardship, and fiscal and operational responsibility. In 2018 we received a \$5,000,000 anonymous donation and commitment for an additional \$5,000,000 in 2019 to see this dream come true. As a result of these critical funds, we have not had to run a public capital campaign for the project, which keeps our fundraising efforts directed on our programs. In short, we can make building this home possible while still continuing to focus our energy on raising money for our programs. We are grateful for the community support of the project leading up to this point; to the Steele family for our dollar-a-year lease of the property, to the District of Saanich for granting our permissive tax-exempt status, and to the many stakeholders we’ve engaged

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to ensure our vision comes to fruition. Due to the size of investment in Basecamp and the importance of the transparency, all costs attributable to the project are presented separately in the financial statements.

Power To Be couldn't exist without the time, energy, and resources that our staff, board members, supporters, participants and volunteers devote every year. In 2018, volunteers contributed 6,750 hours to our mission. With this generous commitment, we accomplished more, received additional perspectives, and increased the number of ambassadors expanding the notion that everyone belongs in nature.



Volunteer Support

I'm thrilled so many people share our passion and vision for inclusion and outdoor adventure. Through collaboration with all our stakeholders, we anticipate 2019 to be the year we look back on as the year *Power To Be* leapt forward in being a catalyst for good. Thank you very much.

With gratitude,



Brad Williams
Chair of The Finance Committee

Financial Statements of

**POWER TO BE ADVENTURE
THERAPY SOCIETY**

And Independent Auditors' Report thereon

Year ended December 31, 2018

POWER TO BE ADVENTURE THERAPY SOCIETY

Financial Statements

Year ended December 31, 2018

Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the Members of Power To Be Adventure Therapy Society,

Opinion

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, 2018
- the statement of operations for the year then ended
- the statement of changes net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at end of 2018, 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.

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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the financial statements.

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 Entity'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 Entity'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 Entity 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.
- 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 (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting 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 period.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slanted style and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Victoria, Canada
May 14, 2019

POWER TO BE ADVENTURE THERAPY SOCIETY

Statement of Financial Position

December 31, 2018, with comparative information for 2017

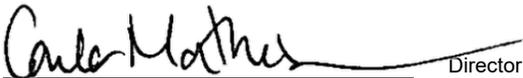
	Operating Fund	Basecamp Fund	2018 Total	2017 Total
Assets				
Current assets:				
Cash	\$ 126,101	\$ 1,781,900	\$ 1,908,001	\$ 213,242
Short term investments restricted for Basecamp	-	3,292,951	3,292,951	-
Accounts receivable	3,555	-	3,555	10,022
Due to/from other funds	111,564	(111,564)	-	-
Due from government agencies	19,667	-	19,667	13,004
Prepaid expenses and deposits	18,691	-	18,691	13,966
	279,578	4,963,287	5,242,865	250,234
Funds restricted for operating reserve (note 2)	737,681	-	737,681	725,692
Capital assets (note 3)	306,613	405,071	711,684	428,469
	\$ 1,323,872	\$ 5,368,358	\$ 6,692,230	\$ 1,404,395

Liabilities and Net Assets

Current liabilities:				
Accounts payable and accrued liabilities	\$ 209,778	\$ 4,129	\$ 213,907	\$ 139,659
Due to government agencies	1,639	-	1,639	18,986
Deferred contributions related to operations (note 5)	2,142	-	2,142	24,172
Current portion of obligations under capital lease (note 6)	21,620	-	21,620	13,167
	235,179	4,129	239,308	195,984
Obligations under capital lease (note 6)	36,373	-	36,373	32,338
Deferred contributions related to Basecamp (note 8)	-	5,341,791	5,341,791	-
Deferred contributions related to capital assets (note 7)	317,266	-	317,266	377,375
	588,818	5,345,920	5,934,738	605,697
Net assets:				
Invested in capital assets	81,566	-	81,566	5,589
Internally restricted for operating reserve (note 2)	737,681	22,438	760,119	748,130
Unrestricted	(84,193)	-	(84,193)	44,979
	735,054	22,438	757,492	798,698
Commitments (note 10)				
	\$ 1,323,872	\$ 5,368,358	\$ 6,692,230	\$ 1,404,395

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:

 Director

 Director

POWER TO BE ADVENTURE THERAPY SOCIETY

Statement of Operations

Year ended December 31, 2018, with comparative information for 2017

	Operating Fund	Basecamp Fund	2018 Total	2017 Total
Revenue:				
Fundraising	\$ 3,377,980	\$ 20,109	\$ 3,398,089	\$ 2,925,599
Program fees	50,620	-	50,620	53,037
Amortization of deferred contributions	28,142	12,481	40,623	19,391
Other revenue	34,209	-	34,209	24,542
	<u>3,490,951</u>	<u>32,590</u>	<u>3,523,541</u>	<u>3,022,569</u>
Expenses (note 9):				
Program costs	2,132,602	20,109	2,152,711	1,790,479
Fundraising	1,061,247	-	1,061,247	926,956
General and administrative	284,803	-	284,803	281,134
Amortization of capital assets	53,505	12,481	65,986	50,556
	<u>3,532,157</u>	<u>32,590</u>	<u>3,564,747</u>	<u>3,049,125</u>
Deficiency of revenue over expenses	\$ (41,206)	\$ -	\$ (41,206)	\$ (26,556)

See accompanying notes to financial statements.

POWER TO BE ADVENTURE THERAPY SOCIETY

Statement of Changes in Net Assets

Year ended December 31, 2018, with comparative information for 2017

	Operating Fund				Basecamp Fund		2018 Total	2017 Total
	Invested in capital assets	Internally restricted for operating reserve	Unrestricted	Total	Internally restricted			
Net assets, beginning of year	\$ 5,589	\$ 725,692	\$ 44,979	\$ 776,260	\$ 22,438	\$ 798,698	\$ 825,254	
Deficiency of revenue over expenses	(28,797)	-	(12,409)	(41,206)	-	(41,206)	(26,556)	
Investment in capital assets	104,774	-	(104,774)	-	-	-	-	
Interest income	-	11,989	(11,989)	-	-	-	-	
Net assets, end of year	\$ 81,566	\$ 737,681	\$ (84,193)	\$ 735,054	\$ 22,438	\$ 757,492	\$ 798,698	

See accompanying notes to financial statements.

POWER TO BE ADVENTURE THERAPY SOCIETY

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (41,206)	\$ (26,556)
Items not involving cash:		
Amortization of capital assets	65,986	50,556
Amortization of deferred contributions related to capital assets	(40,623)	(19,391)
Recognition of deferred contributions related to operations	(182,400)	(77,614)
Changes in non-cash operating working capital:		
Accounts receivable	6,467	1,401
Due from government agencies	(6,663)	(2,857)
Prepaid expenses and deposits	(4,725)	8,724
Accounts payable and accrued liabilities	74,248	25,622
Due to government agencies	(17,347)	4,144
Other liabilities	-	(30,000)
	(146,263)	(65,971)
Contributions received related to operations	234,508	275,000
Contributions received related to Basecamp	5,078,677	-
Contributions received related to capital	160,370	67,968
	5,327,292	276,997
Investing:		
Purchase of capital assets	(307,235)	(250,184)
Increase in restricted cash for operating reserve	(11,989)	(188,555)
Purchase of short-term investments	(3,292,951)	-
	(3,612,175)	(438,739)
Financing:		
Capital lease payments	(20,358)	(11,152)
Increase (decrease) in cash	1,694,759	(172,894)
Cash, beginning of year	213,242	386,136
Cash, end of year	\$ 1,908,001	\$ 213,242

See accompanying notes to financial statements.

POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

Power To Be Adventure Therapy Society ("the Society") 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. The Society was incorporated under the B.C. Society Act, January 17, 2003, and is a registered charity under the Income Tax Act. On November 26, 2016, the new Societies Act (British Columbia) became effective. On January 20, 2016, the Society transitioned to the new 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:

The financial statements include the following funds:

The Operating Fund accounts for the assets, liabilities, net assets and transactions related to the ongoing delivery of programs.

The Basecamp Fund accounts for the assets, liabilities, net assets and transactions related to the Society's Prospect Lake Basecamp site.

The Society 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.

POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

(b) Allocation of expenses:

The Society 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.

The Society 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.

(c) Short-term investments:

Short-term investments include guaranteed investment certificates with terms to maturity of less than one year at date of purchase, held with investment managers for investing purposes.

(d) 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
Basecamp	10%
Boat	20%
Computer equipment	30%
Furniture and fixtures	20%
Outdoor equipment	20%
Shed	10%
Vehicles	20%
Leased vehicle	Lesser of useful life and term of the lease
Leasehold improvements	Lesser of useful life and term of the lease

When a capital asset no longer has any long-term service potential to the Society or the value of future economic benefits is less than net carrying amount, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

(e) Pledges and contributed services:

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

The Society 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

Year ended December 31, 2018

1. Significant accounting policies (continued):

(f) 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 excess of revenue over expenses 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. The Society 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, the Society 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 the Society 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.

(g) Leases:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(h) 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.

2. Internally restricted net assets:

The Society's Board of Directors have internally restricted \$737,681 (2017 - \$725,692) 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. Basecamp funds of \$22,438 is restricted as operating reserve. These internally restricted amounts are not available for use without approval of the Board of Directors.

POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

3. Capital assets:

December 31, 2018	Cost	Accumulated amortization	Net book value
Operating Fund:			
Boats	\$ 131,498	\$ 87,698	\$ 43,800
Computer equipment	39,558	20,242	19,316
Furniture and fixtures	54,094	16,064	38,030
Outdoor equipment	106,521	65,940	40,581
Vehicles	151,285	97,888	53,397
Leasehold improvements	31,269	7,493	23,776
Sheds	26,627	1,821	24,806
Vehicle under capital lease	76,584	18,733	57,851
Photocopiers under capital lease	12,151	7,095	5,056
	<u>629,587</u>	<u>322,974</u>	<u>306,613</u>
Basecamp Fund:			
Basecamp	274,722	-	274,722
Leasehold improvements	148,728	18,379	130,349
	<u>423,450</u>	<u>18,379</u>	<u>405,071</u>
	<u>\$ 1,053,037</u>	<u>\$ 341,353</u>	<u>\$ 711,684</u>
<hr/>			
December 31, 2017	Cost	Accumulated amortization	Net book value
Operating Fund:			
Boats	\$ 108,661	\$ 84,917	\$ 23,744
Computer equipment	28,309	16,008	12,301
Furniture and fixtures	41,989	9,832	32,157
Outdoor equipment	73,074	56,250	16,824
Vehicles	123,671	86,679	36,992
Leasehold improvements	31,330	4,869	26,461
Vehicle under capital lease	48,019	12,805	35,214
Photocopiers under capital lease	12,151	3,623	8,528
	<u>467,204</u>	<u>274,983</u>	<u>192,221</u>
Basecamp Fund:			
Basecamp	122,163	-	122,163
Leasehold improvements	119,983	5,898	114,085
	<u>242,146</u>	<u>5,898</u>	<u>236,248</u>
	<u>\$ 709,350</u>	<u>\$ 280,881</u>	<u>\$ 428,469</u>

Basecamp assets under construction are not amortized until assets are available for use.

POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

3. Capital assets (continued):

During the year, the Society received mobile phones as contributed tangible capital assets, valued at \$9,120, which represents the estimated fair value of the assets at the date of contribution.

4. Bank indebtedness:

The Society 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.

5. 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:

	2018	2017
Balance, beginning of year	\$ 24,172	\$ 46,930
Amount recognized as revenue	(182,400)	(77,614)
Amount transferred to deferred contributions related to capital assets	-	(220,144)
Current year contributions received	160,370	275,000
Balance, end of year	\$ 2,142	\$ 24,172

6. Obligation under capital lease:

The Society has entered into capital leases as follows: two truck leases, expiring in July 2021 and May 2022, and two photocopier leases, expiring in May 2020 and February 2020. Total annual minimum lease payments are listed below:

2019	\$ 21,620
2020	18,454
2021	14,850
2022	3,522
Total minimum lease payments	58,446
Less amount representing interest at 4.85%	453
	57,993
Less current portion	21,620
	\$ 36,373

POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

6. Obligation under capital lease (continued):

Total interest expense during the year was \$2,562 (2017 - \$1,893). Subsequent to year end, the Society entered into a capital lease for a photocopier expiring in April 2024.

7. 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:

	2018	2017
Balance, beginning of year	\$ 377,375	\$ 33,993
Amount transferred to deferred contributions related to Basecamp	(275,595)	-
Amount transferred from deferred contributions related to operations	-	220,144
Amounts amortized to revenue	(28,142)	(19,391)
Current year contributions received	234,508	67,968
Contributed capital assets	9,120	74,661
Balance, end of year	\$ 317,266	\$ 377,375

8. Deferred contributions related to Basecamp:

Deferred contributions related to Basecamp represent externally restricted contributions for acquisition of tangible capital assets for Basecamp 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:

	2018	2017
Balance, beginning of year	\$ -	\$ -
Amount transferred from deferred contributions related to capital assets	275,595	-
Amounts amortized to revenue	(12,481)	-
Current year contributions received	5,078,677	-
Balance, end of year	\$ 5,341,791	\$ -

POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

9. Allocation of expenses:

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

December 31, 2018	Program costs	Fundraising	General and Administration	Total
Personnel	\$ 1,580,195	\$ 508,994	\$ 224,420	\$ 2,313,609
Marketing	33,523	33,523	-	67,046
General and administration	181,572	58,486	-	240,058
	1,795,290	601,003	224,420	2,620,713
Direct expenses	357,421	460,244	60,383	878,048
	\$ 2,152,711	\$ 1,061,247	\$ 284,803	\$ 3,498,761

December 31, 2017	Program costs	Fundraising	General and Administration	Total
Personnel	\$ 1,304,450	\$ 481,643	\$ 220,753	\$ 2,006,846
Marketing	16,591	16,591	-	33,182
General and administration	182,750	67,477	-	250,227
	1,503,791	565,711	220,753	2,290,255
Direct expenses	286,688	361,245	60,381	708,314
	\$ 1,790,479	\$ 926,956	\$ 281,134	\$ 2,998,569

10. Financial instruments and concentration of credit risk:

The Society's financial instruments include cash, accounts receivable, short term investments, funds restricted for operating reserve, due to/from government agencies accounts payable and accrued liabilities and other 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. Approximately 29% of the fundraising revenue and 88% of the deferred contributions received by the Society are received from one donor. The Society 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. The Society monitors credit risk by reviewing accounts receivable and estimated a provision if realizable value is less than book value. There has been no change to the risk exposures from 2017.

POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2018

11. Commitments:

The Society has entered into a land and building lease used for program delivery for a term of 25 years with total payments of \$25. It has multiple operating lease arrangements for office space and vehicles. The total estimated minimum annual lease payments including operating and tax costs for the leases noted above are as follows:

2019	\$	47,300
2020		51,600
2021		51,600
2022		4,300

12. Related party transaction:

During the year, restricted donations of \$102,000 (2017 - \$8,000) were received from Power To Give Foundation, a registered charity with 1 of its 3 Directors also being Directors of the Society. The Executive Director of the Society is also a Director of Power To Give Foundation. The purpose of the Foundation is to receive and maintain funds to apply all or in part of the principal and income therefrom to qualified donees. The Foundation is not controlled by the Society because the Society does not have the right to appoint the Foundation's Board of Directors and the Foundation is not obliged to provide resources to the Society.

The Society leases premises from a company controlled by a Director of the Board. The terms of the lease are arm's length, in the normal course of business and measured at the exchange amount of rent paid.

13. Employee and contractor remuneration:

The BC Societies Act came into effect on November 28, 2016. The Act has a requirement for the disclosure in the financial statements of the remuneration of directors, employees and contractors for financial statements prepared after November 28, 2016. For employee and contractor remuneration the requirement is to disclose amounts paid to individuals whose remuneration was greater than \$75,000. For the fiscal year ending December 31, 2018, the Society paid remuneration of \$409,041 to 4 employees (2017 - \$389,091 to 4 employees), each of whom received total annual remuneration of \$75,000 or greater.