

## Letter from our COO and Chair of Finance Committee

Dear Friends of *Power To Be*,

We are pleased to present the 2021 financial statements, as audited by KPMG. *Power To Be* is committed to accountability in our financial practices and considers sound financial management paramount to our organization. We are grateful to have the opportunity to work with KPMG, and our Board, to receive expert advice on improving procedures and mitigating risks. We are proud to note there were no new audit control deficiencies or matters brought forward in 2021.

This past year, we were still navigating the ever-changing landscape of the COVID-19 pandemic and its effect on our programs and our financial management. We continued to adapt to the needs of our participants and community partners, while making prudent financial decisions that resulted in a surplus for our organization and set the path for what we hoped to be an active and impactful 2022.

Building on our learnings from 2020, we kept health and safety front and centre and delivered our life-changing adventures with the comfort of our participants, volunteers, and staff in mind. Our number of in-person adventures went up significantly, while our virtual programs continued to keep us connected when being in person was not feasible. We are proud to say we served **1384 participants**, ran **354 in-person programs** (and 123 virtually), and spent **1031 hours in nature**. We received **\$235,498** of in-kind support for our operations.

Our Catalyst For Good initiative grew, with *Power To Be* directly involved with several organizations, including Get Growing, Victoria, Soap for Hope and Backpack Buddies. Environmental stewardship was also at the forefront in 2021, including building habitat boxes on site at Prospect Lake for screech owls, hikes that incorporated teachings of local flora and fauna, and taking part in the winter bird count at Rocky Point.

Even as we found ourselves in a time of uncertainty, one thing that was evident was the unwavering support of our dedicated volunteers. From supporting with events, to joining on a hike, to taking part in a virtual program, **75** volunteers supported with **2,815 total volunteer hours!**

### FINANCIAL HIGHLIGHTS OF 2021

We started 2021 with an approved budget and revenue goal of **\$3.8M**, expenses of **\$3.795M**, and net income of **\$5K**.

We are pleased to share with you the financial highlights of 2021 and how we rallied as an organization during a continued period of flux. Once again, government funding was substantial, and our in-person events remained on pause while we instead focused on virtual events. We cut back on program costs and reduced expenses required for food, supplies and travel. As a result, our 2021 expenses ended the year lower than anticipated. We are proud to say that even with these cutbacks, the impact on the communities we serve was profound.





We were also able to add \$214k to the reserve in 2021.

### OUR FUNDRAISING RATIO

In 2021, for every \$1 spent on fundraising, we raised \$3.53. These ratios remain within CRA regulations.

### OUR BUILD AT PROSPECT LAKE

2021 was a year of considerable progress on our build at Prospect Lake. We fundraised separately for this project and as of December 2021, had raised \$15.9M specifically towards it. These funds are to build an administrative area, program area and gear storage during Phase 1 of construction. This will be home for our Victoria-based staff and a place of connection for our community. This project keeps accessibility and sustainability at the forefront. We are grateful for the in-kind and donated support received on this project from our generous supporters. As of the end of 2021, we were nearing completion of Phase 1 of the capital asset project.

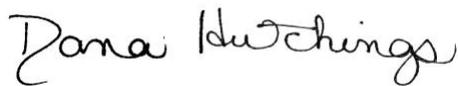
### IN SUMMARY

In 2021, we found ourselves amidst uncertainty once again, and we learned, adapted, and remained optimistic about the unlimited possibilities ahead of us. We are pleased with the financial success and the impact our efforts have had on our community during this time.

We would like to extend our deepest gratitude to our knowledgeable Audit and Finance Committee, our devoted Board of Directors and dedicated team of staff and volunteers, who all rolled up their sleeves and inspired us to successfully conquer another year of pivoting, adapting, and ultimately, thriving.

While this year was certainly challenging, at *Power To Be* we choose to see only possibilities. Removing barriers is what we do best —for our participants, our community partners, and for ourselves. Of course, without the generous support of our volunteers and donors, none of this would be possible. Thank you.

With gratitude,



Dana Hutchings  
COO, *Power To Be*



Lauren McNeil  
Treasurer, Audit and Finance Committee



Financial Statements of

**POWER TO BE ADVENTURE  
THERAPY SOCIETY**

Year ended December 31, 2021

# POWER TO BE ADVENTURE THERAPY SOCIETY

## Financial Statements

Year ended December 31, 2021

### 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 (the 'Entity'), which comprise:

- the statement of financial position as at December 31, 2021
- 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 December 31, 2021, 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.

*KPMG LLP*

Chartered Professional Accountants

Victoria, Canada  
June 27, 2022

# POWER TO BE ADVENTURE THERAPY SOCIETY

## Statement of Financial Position

December 31, 2021, with comparative information for 2020

	Operating Fund	Basecamp Fund	2021 Total	2020 Total
<b>Assets</b>				
Current assets:				
Cash	\$ 1,531,556	\$ 5,950,513	\$ 7,482,069	\$ 4,046,069
Short term assets restricted for Basecamp	-	-	-	7,162,188
Accounts receivable	35,184	-	35,184	66,747
Due from government agencies	166,054	-	166,054	90,626
Interfund balances	(516,481)	516,481	-	-
Prepaid expenses and deposits	374,316	67,398	441,714	250,444
	1,590,629	6,534,392	8,125,021	11,616,074
Funds restricted for operating reserve (note 2)	1,087,395	-	1,087,395	864,997
Capital assets (note 3)	352,758	9,147,379	9,500,137	1,886,126
	\$ 3,030,782	\$ 15,681,771	\$ 18,712,553	\$ 14,367,197
<b>Liabilities and Net Assets</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 134,794	\$ 1,317,750	\$ 1,452,544	\$ 89,916
Basecamp holdbacks payable	-	696,156	696,156	-
Due to government agencies	3,236	-	3,236	2,634
Deferred contributions related to operations (note 5)	95,400	-	95,400	49,349
Current portion of obligations under capital lease	2,087	-	2,087	16,575
	235,517	2,013,906	2,249,423	158,474
Obligations under capital lease	4,837	-	4,837	11,532
Deferred contributions related to basecamp (note 7)	-	13,645,427	13,645,427	11,908,929
Deferred contributions related to capital assets (note 6)	245,780	-	245,780	262,119
	486,134	15,659,333	16,145,467	12,341,054
Net assets:				
Invested in capital assets	349,333	-	349,333	368,114
Internally restricted for operating reserve (note 2)	1,122,204	22,438	1,144,642	887,435
Unrestricted	1,073,111	-	1,073,111	770,594
	2,544,648	22,438	2,567,086	2,026,143
Commitments (note 11)				
	\$ 3,030,782	\$ 15,681,771	\$ 18,712,553	\$ 14,367,197

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, 2021, with comparative information for 2020

	Operating Fund	Basecamp Fund	2021 Total	2020 Total
Revenue:				
Fundraising	\$ 3,165,843	\$ 96,364	\$ 3,262,207	\$ 3,160,516
Program fees	23,963	-	23,963	12,898
Amortization of deferred contributions	51,714	21,518	73,232	57,143
Other revenue	15,517	-	15,517	57,347
	<u>3,257,037</u>	<u>117,882</u>	<u>3,374,919</u>	<u>3,287,904</u>
Expenses (note 8):				
Program costs	2,044,675	-	2,044,675	1,948,251
Fundraising	898,088	-	898,088	831,332
General and administrative	490,293	96,364	586,657	310,914
	<u>3,433,056</u>	<u>96,364</u>	<u>3,529,420</u>	<u>3,090,497</u>
Excess (deficiency) of revenue over expenses before undernoted items	(176,019)	21,518	(154,501)	197,407
Amortization of capital assets	(86,974)	(21,518)	(108,492)	(94,223)
Government assistance (note 9)	803,936	-	803,936	1,061,161
Excess of revenue over expenses	<u>\$ 540,943</u>	<u>\$ -</u>	<u>\$ 540,943</u>	<u>\$ 1,164,345</u>

See accompanying notes to financial statements.

# POWER TO BE ADVENTURE THERAPY SOCIETY

## Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Operating Fund				Basecamp Fund		2021 Total	2020 Total
	Invested in capital assets	Internally restricted for operating reserve	Unrestricted	Total	Internally restricted			
Net assets, beginning of year	\$ 368,114	\$ 864,997	\$ 770,594	\$ 2,003,705	\$ 22,438	\$ 2,026,143	\$ 861,798	
Excess of revenue over expenses	(35,260)	213,928	362,275	540,943	-	540,943	1,164,345	
Transfer to internally restricted	-	34,808	(34,808)	-	-	-	-	
Investment in capital assets	16,479	-	(16,479)	-	-	-	-	
Interest income	-	8,471	(8,471)	-	-	-	-	
Net assets, end of year	\$ 349,333	\$ 1,122,204	\$ 1,073,111	\$ 2,544,648	\$ 22,438	\$ 2,567,086	\$ 2,026,143	

See accompanying notes to financial statements.

# POWER TO BE ADVENTURE THERAPY SOCIETY

## Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 540,943	\$ 1,164,345
Items not involving cash:		
Amortization of capital assets	108,492	94,222
Amortization of deferred contributions related to capital assets	(51,714)	(32,802)
Amortization of deferred contributions related to Basecamp	(21,518)	(24,341)
(Gain) Loss on disposal of capital assets	8,549	40,929
Recognition of deferred contributions related to operations	(436,899)	(511,706)
Changes in non-cash operating working capital:		
Accounts receivable	31,563	47,141
Due from government agencies	(75,428)	(51,478)
Prepaid expenses and deposits	(191,270)	(206,507)
Accounts payable and accrued liabilities	1,362,628	(113,601)
Due to government agencies	602	1,469
Basecamp holdbacks payable	696,156	-
	<u>1,972,104</u>	<u>407,671</u>
Contributions received related to operations	481,884	528,773
	<u>2,453,988</u>	<u>936,444</u>
Investing:		
Purchase of capital assets	(7,694,609)	(698,408)
Proceeds on disposal of assets	9,329	-
Increase in restricted cash for operating reserve	(222,398)	(407,070)
Contributions received related to capital	-	7,638
Contributions received related to Basecamp	1,748,684	1,522,875
Decrease in restricted cash for basecamp	7,162,188	1,411,810
	<u>1,003,194</u>	<u>1,836,845</u>
Financing:		
Capital lease payments	(21,182)	(18,661)
	<u>(21,182)</u>	<u>(18,661)</u>
Increase in cash	3,436,000	2,754,628
Cash, beginning of year	4,046,069	1,291,441
Cash, end of year	<u>\$ 7,482,069</u>	<u>\$ 4,046,069</u>

See accompanying notes to financial statements.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2021

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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. The Society transitioned to the new Societies Act in 2016.

## 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 capital activity at the 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. Investment income earned on unspent restricted contributions for the purchase of capital assets is added to the restricted contributions balance.

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, 2021

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## 1. Significant accounting policies (continued):

### (b) Allocation of expenses:

The Society engages in program and fundraising activities. The costs of each activity includes 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%
Boats	20%
Computer equipment	30%
Furniture and fixtures	20%
Outdoor equipment	20%
Machinery and equipment	20%
Sheds and yurt	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

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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 from volunteers are not recognized in the financial statements.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2021

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## 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) Government assistance:

Government assistance related to current expenses and revenues is included in the determination of excess of revenue over expenses for the period. Government assistance related to capital expenditures is recorded as a reduction of the cost of the related item of capital assets.

### (i) 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.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2021

## 2. Internally restricted net assets:

The Society's Board of Directors have internally restricted \$1,122,204 (2020 - \$864,997) 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. The internally restricted amounts are not available for use without approval of the Board of Directors. During the year, there were transfers from the Operating Fund unrestricted to the Operating Reserve in the amount of \$434,808 (2020 - \$400,035) and a transfer from the Operating Reserve to the Operating Fund unrestricted in the amount of \$186,072 (2020 - nil).

## 3. Capital assets:

December 31, 2021	Cost	Accumulated amortization	Net book value
Operating Fund:			
Boats	\$ 148,527	\$ 114,158	\$ 34,369
Computer equipment	76,002	35,186	40,816
Furniture and fixtures	55,620	31,786	23,834
Outdoor equipment	127,084	90,266	36,818
Leasehold improvements	30,942	8,522	22,420
Machinery and equipment	23,805	7,258	16,547
Sheds	26,627	6,875	19,752
Vehicles	290,235	136,755	153,480
Photocopiers under capital lease	11,416	6,694	4,722
	790,258	437,500	352,759
Basecamp Fund:			
Basecamp assets under construction	8,951,394	-	8,951,394
Yurt	60,768	11,546	49,222
Leasehold improvements	216,275	69,512	146,763
	9,228,437	81,058	9,658,341
	\$ 10,018,695	\$ 518,558	\$ 9,500,137

During the year, the Society had capital additions of \$7,674,593 which primarily related to construction at Basecamp.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2021

### 3. Capital assets (continued):

December 31, 2020	Cost	Accumulated amortization	Net book value
<b>Operating Fund:</b>			
Boats	\$ 148,527	\$ 105,756	\$ 42,771
Computer equipment	56,899	21,001	35,898
Furniture and fixtures	51,089	27,034	24,055
Outdoor equipment	126,023	81,584	44,439
Leasehold improvements	29,475	6,113	23,362
Machinery and equipment	23,805	1,190	22,615
Sheds	26,627	5,090	21,537
Vehicles	252,041	106,902	145,139
Vehicle under capital lease	76,584	59,449	17,135
Photocopiers under capital lease	11,416	4,443	6,973
	<u>802,486</u>	<u>418,562</u>	<u>383,924</u>
<b>Basecamp Fund:</b>			
Basecamp assets under construction	1,286,744	-	1,286,744
Yurt	60,768	6,078	54,690
Leasehold improvements	214,231	53,463	160,768
	<u>1,561,743</u>	<u>59,541</u>	<u>1,502,202</u>
	<u>\$ 2,364,229</u>	<u>\$ 478,103</u>	<u>\$ 1,886,126</u>

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

### 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:

	2021	2020
Balance, beginning of year	\$ 49,349	\$ 29,878
Amounts recognized as revenue	(436,900)	(511,706)
Transfer from deferred contributions related to capital assets	1,067	2,404
Current year contributions received	481,884	528,773
Balance, end of year	<u>\$ 95,400</u>	<u>\$ 49,349</u>

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2021

## 6. Deferred contributions related to capital assets:

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

	2021	2020
Balance, beginning of year	\$ 262,119	\$ 284,387
Amount transferred from deferred contributions related to operations	(1,067)	(2,404)
Amounts amortized to revenue	(51,714)	(32,802)
Current year contributions received	-	7,638
Contributed capital assets	36,422	5,300
Balance, end of year	\$ 245,780	\$ 262,119

## 7. Deferred contributions related to Basecamp:

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

	2021	2020
Balance, beginning of year	\$ 11,908,929	\$ 10,410,395
Amounts amortized to revenue	(21,518)	(24,341)
Amounts recognized as operating revenue	(96,364)	(58,906)
Current year contributions received	1,854,380	1,581,781
Balance, end of year	\$ 13,645,427	\$ 11,908,929

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2021

## 8. 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, 2021	Program costs	Fundraising	General and administration	Total
Personnel	\$ 1,741,959	\$ 696,784	\$ 241,194	\$ 2,679,937
Marketing	10,652	10,652	-	21,304
General and administration	171,324	68,529	-	239,853
	1,923,935	775,965	241,194	2,941,094
Direct expenses	120,740	122,123	345,463	588,326
	\$ 2,044,675	\$ 898,088	\$ 586,657	\$ 3,529,420

December 31, 2020	Program costs	Fundraising	General and administration	Total
Personnel	\$ 1,664,184	\$ 605,157	\$ 252,149	\$ 2,521,490
Marketing	5,365	5,365	-	10,730
General and administration	193,107	70,221	-	263,328
	1,862,656	680,743	252,149	2,795,548
Direct expenses	85,595	151,099	58,765	294,949
	\$ 1,948,251	\$ 831,842	\$ 310,914	\$ 3,090,497

## 9. Government assistance:

During the year, the Society received \$803,936 (2020 - \$1,061,161) through the Canada Emergency Wage Subsidy (CEWS) program and COVID-19 Rent and Property Expense Support program.

Eligibility for the wage subsidy programs is based on a reduction in revenues compared to pre-COVID periods. Subsidies have been recognized as government assistance grants in the same period as the related salary expense. Amounts claimed but not yet received are recognized as accounts receivable.

The final period for which subsidy and support program government assistance was available and claimed was October 2021.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2021

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

The Society's financial instruments include cash, accounts receivable, short term assets restricted for Basecamp, funds restricted for operating reserve, due to/from government agencies, Basecamp holdbacks payable 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. The ongoing impact of COVID-19 presents uncertainty over future cash flows and the impact on assets, liabilities and operations is being monitored by the Society. Approximately 30% (2020 - 32%) of the fundraising revenue and 71% (2020 - 82%) 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 estimates a provision if realizable value is less than book value. There has been no change to the risk exposures from 2020.

## 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 operating lease arrangements for office space. The total estimated minimum annual lease payments excluding operating costs for the lease is \$12,600.

The Society has a lease for photocopier equipment expiring in May 2024 with monthly lease payments of \$595.

## 12. Related party transaction:

During the year, restricted donations of \$25,605 (2020 - \$33,133) were received from Power To Give Foundation. The Chief Executive Officer of the Society is 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.

# POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2021

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## **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, 2021, the Society paid remuneration of \$663,097 to 6 employees (2020 - \$854,869 to 9 employees), each of whom received total annual remuneration of \$75,000 or greater.