

Letter from our Co-CEO, Director of Finance, and Chair of Finance Committee

Dear Friends of Power To Be,

2022 was a year of change as we further adapted our program stream offerings, celebrated new leadership, and moved into our new home at Prospect Lake. We are pleased with the financial success reflected in our financial statements (as audited by KPMG) and the impact our efforts have had on our community.

Power To Be is committed to accountability in our financial practices and we consider sound financial management paramount to our organization. We view the audit process as an opportunity to engage with the experts at KPMG and to further enhance our financial procedures while mitigating any emerging risks. We are proud to note there were no new audit control deficiencies or matters brought forward in 2022, indicating that our financial processes continue to improve and remain effective.

Our program focus remained strong and we continued to adapt and calibrate our program stream offerings to meet the needs of our participants and community partners. 2022 was a year of financial success and impactful growth, marked by numerous changes and exciting developments, all of which were achieved through prudent financial decision-making.

Our programs spent 1,218 hours in nature in 2022 including time on the water, on the trails, and in tents! We engaged with 1,833 participants throughout 349 programs. For nearly 25 years, we have proudly supported participants of all ages and diverse support needs.

FINANCIAL HIGHLIGHTS OF 2022

We are pleased to report that in 2022, our operating revenue increased by 16.9% to \$3.8 million compared to the previous year (excluding government funding received in 2021). We continue to be predominantly privately funded and in 2022 we were 100% privately funded.

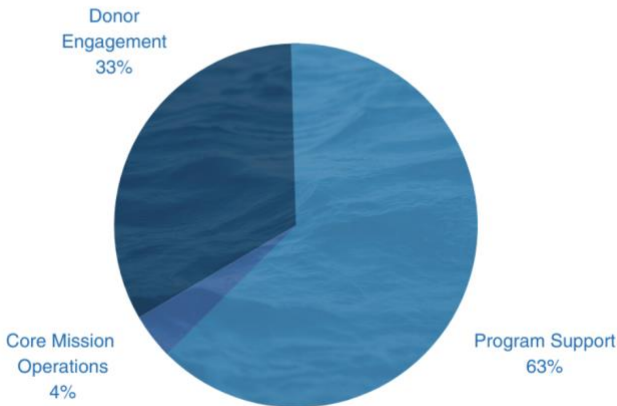
Sources of Revenue



We are pleased to report that both our Annual Campaign and our main fundraising event, Power To Summit, were highly successful again in 2022. Our Annual Campaign raised \$257K, including \$108K in a silent auction and \$72K from individual donations. It was our third year running Power To Summit, a virtual adventure race that encourages our community to connect, fundraise, and gain elevation outdoors in a safe and fun manner. In total, we raised \$340K at Power To Summit. Despite remaining focused on virtual fundraising events, we hope to return to more in-person events in 2023.



Distribution of Expenses



Operating expenses were within budget at \$3.25M, a decrease of 5.4% from 2021. This demonstrates our financial stability, largely due to lower administrative costs from an offsetting insurance payout and lower than expected Prospect Lake operational costs. Our net operating income (before amortization) of \$562K will support the growth of our operating reserve and fund ongoing programs. With these positive financial results, we are well positioned for continued growth and impact in 2023.

OUR OPERATING RESERVE

Our operating reserve was created to serve as a financial cushion that can help mitigate the impact of unforeseen events, while also providing us with the flexibility to pursue new activities and initiatives to further our mission.

In 2022, we transferred funds back into the operating reserve and ended the year \$1.3M and plan to grow this in 2023 with some of our surplus from 2022. The reserve will protect us into the future and ensure we are here for our participants for many years to come.

OUR FUNDRAISING RATIO

In 2022, for every \$1 spent on fundraising, we raised \$3.37. These ratios remain within CRA guidelines.



OUR BUILD AT PROSPECT LAKE

In 2022, we completed our office and program gear hub buildings at Prospect Lake with a grand opening held in September. It has been an incredible experience watching the site become our home with welcoming operational staff back on-site and increased programs on-site. We are so grateful to be operating out of this beautiful space thanks to the in-kind and donated support received from our generous supporters.

Looking ahead, we have exciting plans in place for additional programming space including an outdoor pavilion, indoor/outdoor play space, greenhouse, and barn renovation (in partnership with HeroWork) at Prospect Lake.

IN SUMMARY

This past year was one of transition, we moved into our new home at Prospect Lake and celebrated our CEO moving into a founder position and COO and CSO moving to Co-CEO positions all while keeping our program offerings our focus.

We would like to extend a very special thank you to our talented Audit and Finance Committee, our dedicated Board of Directors, our skilled staff, and volunteer team who continue to inspire and move this organization forward. And to our participants, who inspire us every day by breaking through their own barriers to show us all what's possible.

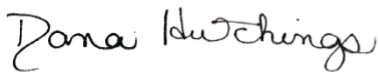
We look forward to 2023, to continue growing our impact and creating access to nature, because everyone belongs in nature and nature belongs in everyone. None of this would be possible without the generous support of our volunteers and donors, we are incredibly thankful to this community.

With gratitude,

Dana Hutchings
Co-CEO, Power To Be

Katie Jackson-Smith
Director of Finance, Power To Be

Lauren McNeil
Treasurer, Audit and Finance Committee



Financial Statements of

**POWER TO BE ADVENTURE
THERAPY SOCIETY**

Year ended December 31, 2022

POWER TO BE ADVENTURE THERAPY SOCIETY

Financial Statements

Year ended December 31, 2022

Financial Statements

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INDEPENDENT AUDITOR'S 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 'Society'), which comprise:

- the statement of financial position as at December 31, 2022
- 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 Society as at December 31, 2022, 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Society 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society 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
May 17, 2023

POWER TO BE ADVENTURE THERAPY SOCIETY

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	Operating Fund	Basecamp Fund	2022 Total	2021 Total
Assets				
Current assets:				
Cash	\$ 1,784,052	\$ 2,841,349	\$ 4,625,401	\$ 7,482,069
Short term assets restricted for Basecamp	-	-	-	-
Accounts receivable	43,349	10,522	53,871	35,184
Due from government agencies	52,551	-	52,551	166,054
Interfund balances	(122,053)	122,053	-	-
Prepaid expenses and deposits	89,317	122,900	212,217	441,714
	1,847,216	3,096,824	4,944,040	8,125,021
Funds restricted for operating reserve (note 2)	1,293,328	-	1,293,328	1,087,395
Capital assets (note 3)	355,041	11,870,151	12,225,192	9,500,137
	\$ 3,495,585	\$ 14,966,975	\$ 18,462,560	\$ 18,712,553

Liabilities and Net Assets

Current liabilities:				
Accounts payable and accrued liabilities	\$ 129,193	\$ 30,749	\$ 159,942	\$ 1,452,544
Basecamp holdbacks payable	-	-	-	696,156
Due to government agencies	3,197	-	3,197	3,236
Deferred contributions related to operations (note 5)	82,095	-	82,095	95,400
Current portion of obligations under capital lease	2,087	-	2,087	2,087
	216,572	30,749	247,321	2,249,423
Obligations under capital lease	3,110	-	3,110	4,837
Deferred contributions related to Basecamp (note 7)	-	14,913,788	14,913,788	13,645,427
Deferred contributions related to capital assets (note 6)	256,660	-	256,660	245,780
	476,342	14,944,537	15,420,879	16,145,467
Net assets:				
Invested in capital assets	345,375	-	345,375	349,333
Internally restricted for operating reserve (note 2)	1,293,329	22,438	1,315,767	1,144,642
Unrestricted	1,380,539	-	1,380,539	1,073,111
	3,019,243	22,438	3,041,681	2,567,086
Commitments (note 11)				
	\$ 3,495,585	\$ 14,966,975	\$ 18,462,560	\$ 18,712,553

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, 2022, with comparative information for 2021

	Operating Fund	Basecamp Fund	2022 Total	2021 Total
Revenue:				
Fundraising	\$ 3,634,115	\$ 89,661	\$ 3,723,776	\$ 3,262,207
Program fees	58,209	-	58,209	23,963
Amortization of deferred contributions	57,857	235,942	293,799	73,232
Other revenue	57,852	-	57,852	15,517
	<u>3,808,033</u>	<u>325,603</u>	<u>4,133,636</u>	<u>3,374,919</u>
Expenses (note 8):				
Program costs	2,059,584	-	2,059,584	2,044,675
Fundraising	1,079,634	-	1,079,634	898,088
General and administrative	107,188	89,661	196,849	586,657
	<u>3,246,406</u>	<u>89,661</u>	<u>3,336,067</u>	<u>3,529,420</u>
Excess (deficiency) of revenue over expenses before undernoted items	561,627	235,942	797,569	(154,501)
Amortization of capital assets	87,032	235,942	322,974	108,492
Government assistance (note 9)	-	-	-	803,936
Excess of revenue over expenses	\$ 474,595	\$ -	\$ 474,595	\$ 540,943

See accompanying notes to financial statements.

POWER TO BE ADVENTURE THERAPY SOCIETY

Statement of Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

	Operating Fund				Basecamp Fund		2022 Total	2021 Total
	Invested in capital assets	Internally restricted for operating reserve	Unrestricted	Total	Internally restricted			
Net assets, beginning of year	\$ 349,333	\$ 1,122,204	\$ 1,073,111	\$ 2,544,648	\$ 22,438	\$ 2,567,086	\$ 2,026,143	
Excess of revenue over expenses	(29,175)	-	503,770	474,595	-	474,595	540,943	
Transfer to (from) internally restricted	-	148,756	(148,756)	-	-	-	-	
Investment in capital assets	25,217	-	(25,217)	-	-	-	-	
Interest income	-	22,369	(22,369)	-	-	-	-	
Net assets, end of year	\$ 345,375	\$ 1,293,329	\$ 1,380,539	\$ 3,019,243	\$ 22,438	\$ 3,041,681	\$ 2,567,086	

See accompanying notes to financial statements.

POWER TO BE ADVENTURE THERAPY SOCIETY

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 474,595	\$ 540,943
Items not involving cash:		
Amortization of capital assets	322,974	108,492
Amortization of deferred contributions related to capital assets	(57,857)	(51,714)
Amortization of deferred contributions related to Basecamp	(235,942)	(21,518)
Loss on disposal of capital assets	4,002	8,549
Recognition of deferred contributions related to operations	(308,820)	(436,899)
Changes in non-cash operating working capital:		
Accounts receivable	(18,687)	31,563
Due from government agencies	113,503	(75,428)
Prepaid expenses and deposits	229,497	(191,270)
Accounts payable and accrued liabilities	(1,292,602)	1,362,628
Due to government agencies	(39)	602
Basecamp holdbacks payable	(696,156)	696,156
	(1,465,532)	1,972,104
Contributions received related to operations	236,423	481,884
	(1,229,109)	2,453,988
Investing:		
Purchase of capital assets	(2,983,247)	(7,694,609)
Proceeds on disposal of assets	-	9,329
Increase in restricted cash for operating reserve	(205,933)	(222,398)
Contributions received related to Basecamp	1,563,348	1,748,684
Decrease in restricted cash for Basecamp	-	7,162,188
	(1,625,832)	1,003,194
Financing:		
Capital lease payments	(1,727)	(21,182)
	(1,727)	(21,182)
Increase in cash	(2,856,668)	3,436,000
Cash, beginning of year	7,482,069	4,046,069
Cash, end of year	\$ 4,625,401	\$ 7,482,069

See accompanying notes to financial statements.

POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

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, 2022

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	4%
Boats	20%
Buildings	10%
Computer equipment	30%
Furniture and fixtures	20%
Outdoor equipment	20%
Machinery and equipment	20%
Sheds	10%
Totem poles	4%
Vehicles	20%
Leasehold Improvements	10%

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, 2022

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, 2022

2. Internally restricted net assets:

The Society's Board of Directors have internally restricted \$1,293,328 (2021 - \$1,122,204) 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 \$218,372 (2021 - \$434,808) and a transfer from the Operating Reserve to the Operating Fund unrestricted in the amount of nil (2021 - \$186,072).

3. Capital assets:

December 31, 2022	Cost	Accumulated amortization	Net book value
Operating Fund:			
Boats	\$ 153,422	\$ 120,962	\$ 32,460
Computer equipment	87,612	42,304	45,308
Furniture and fixtures	53,249	34,420	18,829
Outdoor equipment	126,477	96,962	29,515
Leasehold improvements	29,277	14,570	14,707
Machinery and equipment	26,432	17,415	9,017
Sheds	26,627	8,482	18,145
Vehicles	353,868	169,279	184,589
Photocopiers under capital lease	11,416	8,945	2,471
	868,380	513,339	355,041
Basecamp Fund:			
Basecamp	11,278,123	187,969	11,090,154
Yurt	66,871	16,926	49,945
Leasehold improvements	216,275	79,321	136,954
Computer equipment	47,545	5,943	41,602
Furniture and fixtures	272,561	22,159	250,402
Totem poles	280,934	4,682	276,252
Assets under construction	24,842	-	24,842
	12,187,151	317,000	11,870,151
	\$ 13,055,531	\$ 830,339	\$ 12,225,192

During the year, the Society had capital additions of \$3,036,834 which primarily related to construction at Basecamp.

POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

3. Capital assets (continued):

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	352,758
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	9,147,379
	\$ 10,018,695	\$ 518,558	\$ 9,500,137

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:

	2022	2021
Balance, beginning of year	\$ 95,400	\$ 49,349
Amounts recognized as revenue	(219,159)	(436,900)
Transfer from deferred contributions related to capital assets	47	1,067
Transfer to deferred contributions related to Basecamp	(30,616)	-
Current year contributions received	236,423	481,884
Balance, end of year	\$ 82,095	\$ 95,400

POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

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:

	2022	2021
Balance, beginning of year	\$ 245,780	\$ 262,119
Transfer to deferred contributions related to operations	(47)	(1,067)
Amounts amortized to revenue	(57,857)	(51,714)
Contributed capital assets	68,784	36,442
Balance, end of year	\$ 256,660	\$ 245,780

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:

	2022	2021
Balance, beginning of year	\$ 13,645,427	\$ 11,908,929
Amounts amortized to revenue	(235,942)	(21,518)
Amounts recognized as operating revenue	(89,661)	(96,364)
Transfer from deferred contributions related to operations	30,616	-
Current year contributions received	1,563,348	1,854,380
Balance, end of year	\$ 14,913,788	\$ 13,645,427

POWER TO BE ADVENTURE THERAPY SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

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, 2022	Program costs	Fundraising	General and administration	Total
Personnel	\$ 1,711,437	\$ 748,754	\$ 213,930	\$ 2,674,121
Marketing	9,342	9,342	-	18,684
General and administration	105,583	46,192	-	151,775
	1,826,362	804,288	213,930	2,844,580
Direct expenses	233,222	275,346	(17,081)	491,487
	\$ 2,059,584	\$ 1,079,634	\$ 196,849	\$ 3,336,067

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

9. Government assistance:

During 2021, the Society received \$803,936 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.

There were no COVID-19 subsidies received in 2022.

POWER TO BE ADVENTURE THERAPY SOCIETY

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Year ended December 31, 2022

10. Financial instruments and concentration of credit risk:

The Society's financial instruments include cash, accounts receivable, 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. Approximately 27% (2021 - 30%) of the fundraising revenue and 14% (2021 - 71%) 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 2021.

11. Commitments:

The Society has entered into a land and building lease used for program delivery for a term of 30 years expiring 2047 with total payments of \$25.

The Society 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 \$175,000 (2021 - \$25,605) were received from Power To Give Foundation (the 'Foundation'). The Society's Chief Executive Officer for the early portion of the year 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.

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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, 2022, the Society paid remuneration of \$741,541 to 7 employees (2021 - \$663,097 to 6 employees), each of whom received total annual remuneration of \$75,000 or greater.