

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA /  
ARTHRITE-RECHERCHE CANADA**

**Summary Financial Statements**

**Year Ended March 31, 2013**

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

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**Year Ended March 31, 2013**

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## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

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To the Members of Arthritis Research Centre Society of Canada / Arthrite-Recherche Canada

The accompanying summary financial statements, which comprise the summary statement of financial position as at March 31, 2013, the summary statements of changes in net assets and operations and summary statement of cash flows for the year then ended, are derived from the audited financial statements of Arthritis Research Centre Society of Canada / Arthrite-Recherche Canada for the year ended March 31, 2013. We expressed an unmodified audit opinion on those financial statements in our report dated July 25, 2013. These summary financial statements do not reflect any events subsequent to the auditor's report date of July 25, 2013 of the audited financial statements.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Arthritis Research Centre Society of Canada / Arthrite-Recherche Canada.

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

Management is responsible for the preparation of a summary of the audited financial statements.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

### *Opinion*

In our opinion, the summary financial statements derived from the audited financial statements of Arthritis Research Centre Society of Canada / Arthrite-Recherche Canada for the year ended March 31, 2013 are a fair summary of those financial statements.

Burnaby, British Columbia  
December 16, 2014

  
Chartered Accountants

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

*Statement of Management Responsibility*

Management is responsible for preparing the accompanying summarized financial statements and is responsible for their integrity and objectivity. The basis of presentation adopted is not in conformity with Canadian accounting standards for not-for-profit organizations in that the summary financial statements do not contain all the disclosures required. The basis of presentation is considered by management to be most appropriate for the broad communication of financial information to Arthritis Research Centre Society of Canada / Arthrite-Recherche Canada members and other users but readers are cautioned that these statements may not be appropriate for their specific purposes. Complete financial statements have been prepared and are available to members and other users upon request.



Shauneen Kellner  
Executive Director

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITIS-RECHERCHE  
CANADA**

**Summary Statement of Financial Position**

**March 31, 2013**

	March 31, 2013	March 31, 2012	April 1, 2011
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 584,202	\$ -	\$ -
Restricted cash	40,000	35,000	-
Investments	1,622,246	53,481	203,669
Accounts receivable	243,139	390,035	189,916
Recoverable from government authorities - HST	53,298	42,640	22,226
Prepaid expenses	5,801	3,247	9,612
	<b>2,548,686</b>	524,403	425,423
RESTRICTED CASH	<b>5,279,480</b>	4,448,028	4,320,853
RESTRICTED INVESTMENTS	<b>200,000</b>	498,725	270,086
CAPITAL ASSETS	<b>97,585</b>	11,594	14,018
	<b>\$ 8,125,751</b>	\$ 5,482,750	\$ 5,030,380
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 246,983	\$ 199,373	\$ 252,354
Payable to government authorities - payroll deductions	14,118	21,424	15,250
Deferred gaming grant	40,000	35,000	-
	<b>301,101</b>	255,797	267,604
DEFERRED CAPITAL CONTRIBUTION	<b>11,993</b>	-	-
DEFERRED REVENUE	<b>4,105,163</b>	4,004,179	3,747,712
	<b>4,418,257</b>	4,259,976	4,015,316
NET ASSETS - page 4			
Unrestricted	<b>2,247,585</b>	268,606	157,819
Internally restricted	<b>1,259,909</b>	754,168	657,245
Endowment	<b>200,000</b>	200,000	200,000
	<b>3,707,494</b>	1,222,774	1,015,064
	<b>\$ 8,125,751</b>	\$ 5,482,750	\$ 5,030,380

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Summary Statement of Changes in Net Assets**

**Year Ended March 31, 2013**

	Unrestricted	Internally Restricted	Endowment	2013	2012
<b>NET ASSETS - BEGINNING OF YEAR - unadjusted</b>	\$ 268,606	\$ 754,168	\$ 200,000	<b>\$ 1,222,774</b>	\$ 571,837
Adjustment for correction of error	-	-	-	-	443,227
<b>NET ASSETS - BEGINNING OF YEAR - adjusted</b>	268,606	754,168	200,000	<b>1,222,774</b>	1,015,064
Excess (deficiency) of revenue over expenses - page 5	2,503,173	(18,453)	-	<b>2,484,720</b>	207,710
Net asset transfers	(524,194)	524,194	-	-	-
<b>NET ASSETS - END OF YEAR - page 3</b>	<b>\$ 2,247,585</b>	<b>\$ 1,259,909</b>	<b>\$ 200,000</b>	<b>\$ 3,707,494</b>	<b>\$ 1,222,774</b>

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Summary Statement of Revenues and Expenses**

**Year Ended March 31, 2013**

	<b>2013</b>	<b>2012</b>
<b>REVENUE</b>		
Revenue from other societies	\$ 2,295,542	\$ 532,762
Research grants	2,206,556	1,815,243
Donations	1,138,433	200,986
Interest and other	109,347	91,582
Clinical trials	77,660	182,041
Unrealized gain on investments	36,270	30,989
Gaming grants	35,000	35,000
	<b>5,898,808</b>	<b>2,888,603</b>
<b>EXPENSES</b>		
Research		
Salaries and benefits	1,339,667	1,432,300
Direct project costs	1,186,060	611,010
Administrative salaries and benefits	413,444	209,755
Operations	268,127	140,626
Premises	106,530	67,230
Clinical trials		
Salaries and benefits	73,821	186,574
Direct project costs	7,986	25,172
Amortization	18,453	8,226
	<b>3,414,088</b>	<b>2,680,893</b>
<b>EXCESS OF REVENUE OVER EXPENSES - page 4</b>	<b>\$ 2,484,720</b>	<b>\$ 207,710</b>

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITIS-RECHERCHE  
CANADA**

**Summary Statement of Cash Flows**

**Year Ended March 31, 2013**

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses - page 5	\$ 2,484,720	\$ 207,710
Item not affecting cash:		
Amortization	18,453	8,226
	<u>2,503,173</u>	<u>215,936</u>
Changes in non-cash working capital:		
Accounts receivable	146,896	(200,119)
Recoverable from government authorities - HST	(10,658)	(20,414)
Prepaid expenses	(2,554)	6,365
Accounts payable and accrued liabilities	47,611	(52,982)
Payable to government authorities - payroll deductions	(7,306)	6,174
Deferred gaming grant	5,000	35,000
Deferred revenue	100,984	256,467
	<u>279,973</u>	<u>30,491</u>
Cash flow from operating activities	<u>2,783,146</u>	<u>246,427</u>
<b>INVESTING ACTIVITIES</b>		
Increase in investments	(1,270,041)	(78,450)
Purchase of capital assets	(104,444)	(5,802)
Cash flow used by investing activities	<u>(1,374,485)</u>	<u>(84,252)</u>
<b>FINANCING ACTIVITY</b>		
Increase in deferred capital contribution	11,993	-
<b>INCREASE IN CASH FLOW</b>	<u>1,420,654</u>	<u>162,175</u>
Cash - beginning of year	<u>4,483,028</u>	<u>4,320,853</u>
<b>CASH - END OF YEAR</b>	<u>\$ 5,903,682</u>	<u>\$ 4,483,028</u>
<b>CASH CONSISTS OF:</b>		
Unrestricted cash	\$ 584,202	\$ -
Restricted cash - current	40,000	35,000
Restricted cash - long term	5,279,480	4,448,028
	<u>\$ 5,903,682</u>	<u>\$ 4,483,028</u>