

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

Summary Financial Statements

Year Ended March 31, 2014

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

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Year Ended March 31, 2014

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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

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, 2014, 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, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated July 24, 2014. These summary financial statements do not reflect any events subsequent to the auditor's report date of July 24, 2014 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, 2014 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, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 1,028,002	\$ 584,202
Restricted cash	122,476	40,000
Investments	1,725,335	1,622,246
Accounts receivable	3,426,181	243,139
Recoverable from government authorities - GST/HST	24,791	53,298
Prepaid expenses	19,035	5,801
	6,345,820	2,548,686
RESTRICTED CASH	5,201,075	5,279,480
RESTRICTED INVESTMENTS	-	200,000
CAPITAL ASSETS	97,044	97,585
	\$ 11,643,939	\$ 8,125,751
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 282,477	\$ 246,983
Payable to government authorities - payroll deductions	13,602	14,118
Current portion of deferred revenue	122,476	40,000
	418,555	301,101
DEFERRED CAPITAL CONTRIBUTION	9,328	11,993
DEFERRED REVENUE	7,045,296	4,105,163
	7,473,179	4,418,257
NET ASSETS - page 4		
Unrestricted	2,927,265	2,247,585
Internally restricted	1,243,495	1,259,909
Endowment	-	200,000
	4,170,760	3,707,494
	\$ 11,643,939	\$ 8,125,751

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

Summary Statement of Changes in Net Assets

Year Ended March 31, 2014

	Unrestricted	Internally Restricted	Endowment	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 2,247,585	\$ 1,259,909	\$ 200,000	\$ 3,707,494	\$ 1,222,774
Endowment restriction change	-	-	(200,000)	(200,000)	-
Excess (deficiency) of revenue over expenses - page 5	687,734	(24,468)	-	663,266	2,484,720
Net assets transfers	(8,054)	8,054	-	-	-
NET ASSETS - END OF YEAR - page 3	\$ 2,927,265	\$ 1,243,495	\$ -	\$ 4,170,760	\$ 3,707,494

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

Summary Statement of Operations

Year Ended March 31, 2014

	2014	2013
REVENUE		
Research grants	\$ 2,358,286	\$ 2,206,556
Donations	1,404,770	1,137,207
Fundraising	148,119	1,226
Interest and other	139,784	109,347
Unrealized gains on investments	41,830	36,270
Gaming grants	40,445	35,000
Revenue from other societies	-	2,295,542
Clinical trials	-	77,660
	<u>4,133,234</u>	<u>5,898,808</u>
EXPENSES		
Research		
Salaries and benefits	1,456,206	1,339,667
Direct project costs	1,129,916	1,186,060
Fundraising		
Salaries and benefits	157,332	138,910
Direct costs	142,971	69,580
Administrative salaries and benefits	276,128	274,534
Premises	152,504	106,530
Operations	128,359	198,547
Amortization	24,468	18,453
Clinical trials		
Direct project costs	2,084	7,986
Salaries and benefits	-	73,821
	<u>3,469,968</u>	<u>3,414,088</u>
EXCESS OF REVENUE OVER EXPENSES - page 4	<u>\$ 663,266</u>	<u>\$ 2,484,720</u>

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

Summary Statement of Cash Flows

Year Ended March 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses - page 5	\$ 663,266	\$ 2,484,720
Items not affecting cash:		
Amortization	24,468	18,453
Endowment restriction change	(200,000)	-
	<u>487,734</u>	<u>2,503,173</u>
Changes in non-cash working capital:		
Accounts receivable	(3,183,042)	146,896
Recoverable from government authorities - GST/HST	28,507	(10,658)
Prepaid expenses	(13,234)	(2,554)
Accounts payable and accrued liabilities	35,491	47,611
Payable to government authorities - payroll deductions	(516)	(7,306)
Deferred revenue	3,022,610	105,984
	<u>(110,184)</u>	<u>279,973</u>
Cash flow from operating activities	<u>377,550</u>	<u>2,783,146</u>
INVESTING ACTIVITIES		
Decrease (increase) in investments	96,911	(1,270,041)
Purchase of capital assets	(23,925)	(104,444)
Cash flow from (used by) investing activities	<u>72,986</u>	<u>(1,374,485)</u>
FINANCING ACTIVITY		
Increase (decrease) in deferred capital contribution	(2,665)	11,993
INCREASE IN CASH FLOW	447,871	1,420,654
Cash - beginning of year	<u>5,903,682</u>	<u>4,483,028</u>
CASH - END OF YEAR	\$ 6,351,553	\$ 5,903,682
CASH CONSISTS OF:		
Unrestricted cash	\$ 1,028,002	\$ 584,202
Restricted cash - current	122,476	40,000
Restricted cash - long term	5,201,075	5,279,480
	<u>\$ 6,351,553</u>	<u>\$ 5,903,682</u>