PINE RIVER INSTITUTE
STATEMENT OF FINANCIAL POSITION

At March 31	2014	2013
ASSETS		
Current		
Cash and cash equivalents	$ 462,223	$ 334,704
Accounts receivable	52,700	51,972
Sales tax rebate recoverable	55,053	51,779
Prepaid expenses and sundry	27,656	36,955
	597,632	475,410
Capital assets *(Note 3)*	177,264	242,107
	$ 774,896	$ 717,517
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 157,435	$ 116,833
Government remittances payable	65,019	60,780
Student deposits and unearned revenue	48,085	25,472
	270,539	203,085
Commitments *(Note 6)*		
NET ASSETS		
Net assets	504,357	514,432
	$ 774,896	$ 717,517

The accompanying notes are an integral part of the financial statements

On behalf of the Board

Director

Director

PINE RIVER INSTITUTE
STATEMENT OF CHANGES IN NET ASSETS
Year ended March 31

	2014	2013
Net assets, beginning of year	**$ 514,432**	$ 511,145
Excess (deficiency) of revenue over expenditures	**(10,075)**	3,287
Net assets, end of year	**$ 504,357**	$ 514,432

The accompanying notes are an integral part of the financial statements

PINE RIVER INSTITUTE
STATEMENT OF OPERATIONS

Year ended March 31	2014	2013
Revenue		
Government grant *(Note 4)*	**$ 4,263,000**	$ 4,263,000
Monthly service and private pay fees	**629,882**	606,694
Other grants and other income *(Note 4)*	**162,572**	60,222
	5,055,454	4,929,916
Expenditures		
Salaries and benefits	**3,244,179**	3,192,116
Wilderness Expedition Program (OLE)	**402,973**	413,758
Contract services	**374,168**	278,308
Kitchen Expenses	**169,686**	166,709
Donation	**110,000**	207,388
Rent	**107,700**	100,687
Maintenance	**98,874**	81,428
Utilities	**85,632**	53,830
Office and general	**75,623**	69,917
Professional fees	**70,854**	47,640
Communications and development	**58,452**	35,838
Staff training	**52,258**	65,256
Telephone	**42,267**	43,095
Travel and automobile	**28,464**	31,802
Insurance	**21,872**	23,970
Bank charges	**20,460**	13,705
Property taxes	**14,618**	12,994
Recruiting	**7,177**	7,362
Education supplies	**4,244**	3,750
Amortization	**76,028**	77,076
	5,065,529	4,926,629
Excess (deficiency) of revenue over expenditures	**$ (10,075)**	$ 3,287

The accompanying notes are an integral part of the financial statements

PINE RIVER INSTITUTE
STATEMENT OF CASH FLOWS

Year ended March 31	2014	2013
SOURCES (USES) OF CASH		
Operating activities		
Excess (deficiency) of revenue over expenditures	$ (10,075)	$ 3,287
Item not involving cash		
Amortization	76,028	77,076
	65,953	80,363
Changes in non-cash working capital items		
Accounts receivable	(728)	17,559
Sales tax rebate recoverable	(3,274)	108,092
Prepaid expenses and sundry	9,299	(11,395)
Accounts payable and accrued liabilities	40,602	(48,310)
Government remittances payable	4,239	20,477
Student deposits and unearned revenue	22,613	(7,110)
Cash provided by operating activities	138,704	159,676
Investing activities		
Additions to capital assets	(11,185)	(52,192)
Cash used in investing activities	(11,185)	(52,192)
Net increase in cash	127,519	107,484
Cash and cash equivalents, beginning of year	334,704	227,220
Cash and cash equivalents, end of year	$ 462,223	$ 334,704
Represented by:		
Cash	$ 462,223	$ 183,835
Cashable guaranteed investment certificates	-	150,869
	$ 462,223	$ 334,704

The accompanying notes are an integral part of the financial statements

1. Purpose of the organization and income tax status

Pine River Institute's (the "Organization") objective is to bring an innovative, life-saving treatment facility to youth and their families in Canada. The Organization was incorporated as a not-for-profit organization under the Canada Corporations Act by means of Letters Patent on October 22, 2001. The Organization operates a live-in school and treatment centre for youth with severe substance abuse.

The Organization is a registered charity under the Income Tax Act and is exempt from income tax under Section 149(1)(1) of the Income Tax Act. Registration remains valid so long as the Organization continues to fulfill the requirements of the Act and regulations in respect of registered charities

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

Pine River Institute follows the deferral method of accounting for contributions.

Donations and government grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Service fees are recognized in the period in which the services have been rendered.

Financial instruments

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost using the effective interest rate method.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and student deposits.

Transaction costs are recognized in the statement of operations in the period incurred.

2. Significant accounting policies (*continued*)

Cash equivalents

Investments in highly liquid securities are included in cash and cash equivalents.

Capital assets

Purchased capital assets are recorded at cost. Amortization is provided annually on bases designed to amortize the assets over their estimated useful lives, as follows:

Equipment	-	20% declining balance
Vehicles	-	30% declining balance
Computer hardware	-	30% declining balance
Leasehold improvements	-	straight-line over the term of the lease

Contributed services

The Organization would not be able to carry out its activities without the services of numerous volunteers who donate a considerable amount of time. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3. Capital assets

	Cost	Accumulated Amortization	**2014 Net Carrying Amount**	2013 Net Carrying Amount
Equipment	$ 108,724	$ 68,586	**$ 40,138**	$ 42,165
Vehicles	125,551	85,657	**39,894**	56,991
Computer hardware	81,879	63,000	**18,879**	22,032
Leasehold improvements	417,914	339,561	**78,353**	120,919
	$ 734,068	$ 556,804	**$ 177,264**	$ 242,107

Amortization expense for the period amounted to $76,028 (2013 - $77,076).

4. Government and other grants

In April 2009, the Organization entered into an agreement with The Ministry of Health and Long-Term Care to receive annualized funding of $4.2 million for 29 beds. In addition, the Organization will be eligible for annual stabilization increases in line with other addiction treatment programs. The amount received in 2014 was $4,263,000 (2013 - $4,263,000). All funds received in 2014 were spent by the Organization.

In addition to funding from The Ministry of Health and Long-Term Care, other grants have been awarded from Royal Bank of Canada ($50,000), Ontario Trillium Foundation ($110,951) and Children's Hospital of Eastern Ontario ($1,169).

5. Financial instruments

The Organization regularly evaluates and manages the principal risks assumed with its financial instruments. The risks that arise from transacting in financial instruments include liquidity risk, credit risk, market risk, interest rate risk, and foreign currency risk. The following analysis provides a measure of the Organization's risk exposure and concentrations at the statement of financial position date. There are no significant changes in the risk exposures from the prior period.

Liquidity risk

The Organization's ability to meet its obligations depends on the continuous receipt of government funding.

Credit risk

The Organization is exposed to credit risk with respect to accounts receivable.

The Organization assesses, on a continuous basis, accounts receivable on the basis of amounts for which ultimate collection is reasonably assured based on their estimated realizable value.

The Organization is not exposed to any significant foreign currency risk, interest rate risk or market risk at the statement of financial position date.

6. Commitments

Lease

The Organization is committed under an operating lease for premises which expires in June 2015. Minimum annual rental (exclusive of requirement to pay taxes, insurance and maintenance costs) for each of the next two years are approximately as follows:

Year ending March 31,	2015	$ 49,500
	2016	12,375

The Organization intends to terminate the above operating lease on August 29, 2014 as the property owned by the Toronto District School Board was bought by Pine River Foundation, a related party. Effective August 30, 2014, Pine River Foundation will be the landlord and rental payments will be made to the Foundation. As at the date of the financial statements, no formal lease agreement was entered into between the Organization and Pine River Foundation.

Other

The Organization is committed under an agreement for service with Wendigo Lake Expedition Inc. ("Wendigo") for the period ending April, 2015. The agreement stipulates that Wendigo will provide the infrastructure, support and guiding expertise to host the wilderness expedition component of the school program.

Attached Schedule with Total

Amounts receivable from all others

Title Amounts receivable from all others

Explanatory note

Description	Amount
[redacted]	52,700 00
Sales tax rebate recoverable	55,053 00
[redacted] Total	107,753 00

Attached Schedule with Total

Accounts payable and accrued liabilities

Title Accounts payable and accrued liabilities

Explanatory note

Description	Amount	
[illegible]	157,435	00
Govt remittances payable	65,019	00
Total	222,454	00