



6920 Concession 1, Puslinch, Ontario N0B 2J0 • 519-837-0558 • Fax 519-837-1233
www.sunrise-therapeutic.ca • info@sunrise-therapeutic.ca

January 12, 2014

Mayor Dennis Lever
The Corporation of the Township of Puslinch
7404 Wellington Rd. 34, RR #3
Guelph, ON N1H 6H9

Dear Mayor Lever,

We appreciate the financial support we have received from the Township of Puslinch over the past several years.

Sunrise has been serving local communities in Wellington County and beyond for over 30 years. We work with children and adults with a wide range of disabilities through horse-based therapy and recreation programs, which yield many positive physical, cognitive and behavioural results.

Sunrise is a member of the Canadian Therapeutic Riding Association (CanTRA) and a world class facility. As the only accredited Instructor Training Centre in Canada, our internship program attracts student instructors from across Canada and around the world. We receive no ongoing government funding and work hard at our own fundraising events to ensure the children have access to much needed ongoing therapy and recreation program.

We are asking the Puslinch Township council to consider a grant of \$5000 to assist Sunrise in continuing to make a positive impact on children with special needs in our community. \$3000 of this grant would be used towards purchasing a new therapy horse. We have had to retire several faithful horses over the past year due to age-related illnesses, and are seeking new horses to train for our program.

The balance would support our Scholarship Fund, which ensures that our programs are accessible to local children with special needs from financially-marginalized families. The Scholarship Fund matches designated donations with need-based scholarship applications. Each family is encouraged to 'pay what they can' to stretch each donation to benefit as many children as possible.

We trust that you will give favourable consideration to this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann D. Caine".

Ann D. Caine
Executive Director

Charitable No. 11920 6027 RR0001



Mayor Dennis Luber

RECEIVED
DEC 12 2013
Township of Puslinch



SUNRISE—THE MAGICAL CONNECTION

Did you know?

- Sunrise has been serving children and adults with special needs in our local communities for the past **30 years**.
- For the first 14 years this was a seasonal program only, on rented properties.
- We moved to the present farm in 1996, with an indoor arena, and were finally able to offer year round programs.
- Our day camp has been offering superior inclusive camp activities for over 20 years with up to **50** children daily.
- Our annual budget is **\$500,000**.

\$250,000 is raised through fees and our own special event fundraisers. The remainder comes from 3rd party fundraisers, service clubs, foundations and faithful donors.

- We receive no ongoing government funding.
- We have a scholarship fund to ensure that everyone is included, regardless of financial status.
- All our instructors are nationally certified.
- In total **50-60** children from Special Education classes in Guelph come to Sunrise throughout the fall and spring sessions
- In addition **70-75** riders with special needs come to the farm Monday to Saturday (daytime and evenings) depending on the season.
- We have an 'early intervention' program starting with children of three years old.
- There is a waiting list for service of up to one year.
- All prospective riders are assessed by our consultant Occupation Therapist or Physiotherapist, depending on their disability
- Riding a horse provides passive exercise to every muscle in the body—great therapy (while having fun!) for strengthening core and trunk muscles.
- Sunrise is the National training school for therapeutic riding instructors—through this we help instructors to establish programs in communities where there are none, or help strengthen small part-time programs.

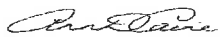
- Horses are amazing facilitators who work their magic to provide daily small miracles for our precious young people—we believe every child is entitled to have fun in their life—some children with autism have said their first word on the back of a horse!

Please consider being part of the magic this Christmas, by giving a donation to this local charity that is making a huge difference one stride at a time.

We value your support and use each gift wisely to strengthen our programs and service to our local communities.

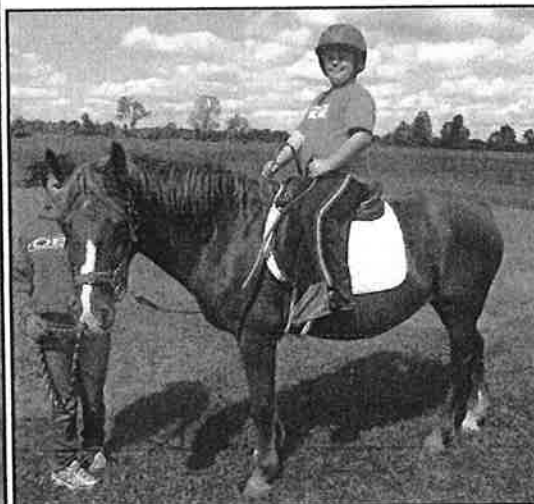
Thank you on behalf of the Sunrise team.

Merry Christmas!



Ann D. Caine
Executive Director

Quote from a parent: "The sheer look of joy on her face, the act of making a friend, the many accomplishments that happen daily are just the tip of the iceberg for this magical place!"



SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE INC

2014 Budget Projection - Draft

		Budget Month	Budget Month	Budget Month	Budget Month	Budget Month	Budget Month	Budget Month	Budget Month	Budget Month	Budget Month	Budget Month	2014F	
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	JUL	AUG	SEP	OCT	Total
Operating Expenses														
LEARNING CENTRE														
Office and Administration														
5201	Office supplies	412	181	121	340	462	269	532	661	573	724	269	806	5,350
5203	Postage	-	329	206	-	206	-	335	134	-	948	28	214	2,400
5204	Computer Software	-	-	-	-	1,000	-	-	-	-	-	-	-	1,000
5205	Communications	523	682	902	971	86	547	1,051	382	797	950	551	557	8,000
5206	General supplies	250	250	250	500	500	250	250	250	500	250	250	500	4,000
5207	Audit	-	2,250	-	3,500	-	-	-	-	-	-	-	-	5,750
5208	Advertising	250	250	250	500	500	250	250	250	500	250	250	500	4,000
5209	Mileage	-	-	-	-	-	-	-	-	-	-	-	-	-
5210	Bookkeeping	-	-	-	-	-	-	-	-	-	-	-	-	-
5217	Computer Maint & repairs	200	500	400	500	200	500	200	500	400	500	200	500	4,600
5404	Memberships and fees	42	42	42	290	-	467	-	53	-	-	-	565	1,500
5402	Donor recognition	-	500	-	-	1,700	-	-	500	-	1,700	-	600	5,000
		1,677	4,984	2,171	6,601	4,654	2,283	2,618	2,730	2,770	5,322	1,548	4,243	41,600
Events and Fundraising														
5212	Visa & MC charges	27	181	197	261	312	107	268	429	107	209	327	138	2,563
5505	Merchandise - general	-	-	-	-	-	-	-	-	-	-	-	-	-
5507	Galloping Gourment	-	-	-	-	-	-	-	-	-	-	-	-	-
5517	Hoofbeat Event	-	-	-	-	-	-	-	-	250	-	-	-	250
5511	Third Party	-	-	-	-	-	-	-	-	-	-	-	-	-
		27	181	197	261	312	107	268	429	357	209	327	138	2,813
		1,704	5,165	2,367	6,861	4,966	2,390	2,886	3,159	3,128	5,531	1,875	4,381	44,413
Wages														
5320/5701/5519	Wages	22,752	18,286	18,286	22,957	18,450	20,462	27,677	28,382	36,590	36,590	20,590	25,737	296,758
5322	Ceridian Expense	200	162	126	109	152	135	144	126	221	173	140	263	1,951
5325	Sub-contract wages	-	-	-	-	-	-	-	-	-	-	-	-	-
5340/5343	CPP	727	581	581	727	581	581	727	581	581	581	581	727	7,559
5360/5363	E I	682	545	545	682	545	545	682	545	545	545	545	682	7,091
5370/72/75/76/5702	Benefits	1,918	1,535	1,535	1,918	1,535	1,535	1,918	1,535	1,535	1,535	1,535	1,918	19,950
		26,280	21,109	21,073	26,393	21,263	23,259	31,148	31,170	39,473	39,424	23,391	29,327	333,309
Less														
4101	Govmmt Employment Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
	Donor Employmt Grant	-	-	-	-	-	-	-	-	-	-	-	-	-
4904	Foundation - Trillum	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Wages		26,280	21,109	21,073	26,393	21,263	23,259	31,148	31,170	39,473	39,424	23,391	29,327	333,309
RIDING CENTRE														
Riding Program														
5380	Education	-	-	-	500	500	-	-	-	500	-	500	-	2,000
5382	Intern program	-	500	-	-	-	-	-	-	-	-	-	-	500
5384	Lesson expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
5385	Horse shows	-	-	-	-	-	-	-	1,000	-	-	-	-	1,000
5386	Insurance Cantra	-	-	-	-	4,250	-	-	-	-	-	-	-	4,250
5412	Public relations & Marketing	300	300	300	300	300	300	300	300	300	300	300	300	3,600
5515	Training schools	-	-	-	-	-	-	-	1,000	-	-	-	-	1,000
5705	Summer camp	-	-	-	-	-	-	-	-	4,150	4,150	-	-	8,300
5512	Little breeches club	-	-	-	-	-	-	-	-	-	-	-	150	150
		300	800	300	800	5,050	300	300	2,300	4,950	4,450	800	450	20,800
Volunteer Program														
5403	Volunteer recognition	-	250	-	-	-	-	-	-	-	250	-	-	500
5377	Christmas Party	-	500	-	-	-	-	-	-	-	-	-	-	500
5514	Training clinics	-	-	-	-	-	-	-	-	1,500	-	1,000	-	2,500
	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	750	-	-	-	-	-	-	1,500	250	1,000	-	3,500

RECEIVED
JAN 28 2014
Township of Puslinch

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Financial Statements

Year Ended October 31, 2013

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Index to Financial Statements

Year Ended October 31, 2013

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13

INDEPENDENT AUDITOR'S REPORT

To the Members of Sunrise Therapeutic Riding & Learning Centre

We have audited the accompanying financial statements of Sunrise Therapeutic Riding & Learning Centre, which comprise the statement of financial position as at October 31, 2013 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Sunrise Therapeutic Riding & Learning Centre derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Sunrise Therapeutic Riding & Learning Centre. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended October 31, 2013, current assets and net assets as at November 1, 2012 and October 31, 2013

Qualified Opinion

(continues)

Independent Auditor's Report to the Members of Sunrise Therapeutic Riding & Learning Centre *(continued)*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Sunrise Therapeutic Riding & Learning Centre as at October 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying our opinion, we draw attention to Note 13 to the financial statements which describes that Sunrise Therapeutic Riding & Learning Centre adopted Canadian accounting standards for not-for-profit organizations on November 1, 2012 with a transition date of November 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at October 31, 2012 and November 1, 2011 and the statements of revenues and expenditures, changes in net assets and cash flows for the year ended October 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Guelph, Ontario
January 22, 2014



CURTIS-VILLAR LLP
Chartered Accountants
Licensed Public Accountants

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Statement of Financial Position

October 31, 2013

	2013	2012
ASSETS		
CURRENT		
Cash	\$ 6,722	\$ 11,913
Investments (Market value \$ 234,840) (Note 4)	234,840	-
Government remittances recoverable	12,515	7,171
Prepaid expenses	17,082	12,249
	<u>271,159</u>	<u>31,333</u>
PROPERTY, PLANT AND EQUIPMENT (Note 2)	110,945	1,076,314
HORSE HERD	49,445	39,700
	<u>\$ 431,549</u>	<u>\$ 1,147,347</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 37,882	\$ 10,918
Accrued liabilities	45,978	44,164
Demand loan (Note 5)	-	48,471
Current portion of long term debt (Note 7)	-	127,676
Deferred revenue	14,800	31,567
Private loans (Note 6)	77,684	72,164
Other loan payable (Note 8)	-	50,000
	<u>176,344</u>	<u>384,960</u>
LONG TERM DEBT (Note 7)	-	838,476
	<u>176,344</u>	<u>1,223,436</u>
NET ASSETS		
General fund	255,205	(76,089)
	<u>\$ 431,549</u>	<u>\$ 1,147,347</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Statement of Revenues and Expenditures

Year Ended October 31, 2013

	2013	%	2012	%
REVENUE				
Donations (Note 9)	\$ 231,422	40.51	\$ 286,984	45.84
Fundraising	142,841	25.00	137,710	22.00
Lessons, scholarships and memberships fees	103,494	18.12	112,665	18.00
Camp fees	79,173	13.86	78,711	12.57
Employment grants (Note 10)	7,967	1.39	8,828	1.41
Rental and other	6,400	1.12	1,099	0.18
	<u>571,297</u>	<u>100.00</u>	<u>625,997</u>	<u>100.00</u>
EXPENSES				
Wages and benefits	379,326	66.40	360,177	57.54
Farm	72,327	12.66	39,720	6.35
Fundraising	56,895	9.96	48,025	7.67
Utilities	24,571	4.30	16,308	2.61
Interest on loans payable	23,471	4.11	37,135	5.93
Office	15,183	2.66	22,530	3.60
Insurance	11,367	1.99	10,650	1.70
Interest and finance charges	9,253	1.62	11,385	1.82
Equipment lease, repairs and maintenance	8,341	1.46	6,291	1.00
Telephone and communications	8,074	1.41	6,858	1.10
Advertising and public relations	7,427	1.30	9,895	1.58
Rent	7,065	1.24	-	-
Professional fees	4,560	0.80	7,814	1.25
Property taxes	3,690	0.65	6,450	1.03
Credit card merchant charges	3,098	0.54	3,648	0.58
Education	1,919	0.34	688	0.11
Bookkeeping	1,119	0.20	1,679	0.27
Recognition	977	0.17	610	0.10
Vehicle and travel	795	0.14	829	0.13
Recovery of GST/HST	(4,407)	(0.77)	(1,969)	(0.31)
	<u>635,051</u>	<u>111.18</u>	<u>588,723</u>	<u>94.06</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	<u>(63,754)</u>	<u>(11.18)</u>	<u>37,274</u>	<u>5.94</u>
OTHER EXPENSES				
Gain (loss) on disposal of property, plant and equipment (Note 3)	(424,539)	(74.31)	521	0.08
Amortization	26,991	4.72	50,984	8.14
Changes in horse herd	2,500	0.44	7,600	1.21
	<u>(395,048)</u>	<u>(69.15)</u>	<u>59,105</u>	<u>9.43</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 331,294</u>	<u>57.97</u>	<u>\$ (21,831)</u>	<u>(3.49)</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Statement of Changes in Net Assets

Year Ended October 31, 2013

	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ (76,089)	\$ (54,258)
Excess of revenue over expenses	<u>331,294</u>	<u>(21,831)</u>
NET ASSETS - END OF YEAR	<u>\$ 255,205</u>	<u>\$ (76,089)</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

**Statement of Cash Flows
Year Ended October 31, 2013**

	2013	2012
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 331,294	\$ (21,831)
Items not affecting cash:		
Amortization of property, plant and equipment	26,991	50,984
Changes in horse herd	(9,745)	7,600
Loss (gain) on disposal of assets	(424,539)	521
Amortization of deferred finance charge	-	4,998
	<u>(75,999)</u>	<u>42,272</u>
Changes in non-cash working capital:		
Government remittances recoverable	(5,344)	10,650
Accounts payable	26,960	4,268
Deferred revenue	(16,767)	(20,198)
Prepaid expenses	(4,833)	(3,246)
Other loan payable	(50,000)	-
Accrued liabilities	1,814	-
	<u>(48,170)</u>	<u>(8,526)</u>
Cash flow from (used by) operating activities	<u>(124,169)</u>	<u>33,746</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(23,950)	(1,401)
Proceeds on disposal of property, plant and equipment	1,403,948	-
Investment in Friends of sunrise	(234,840)	-
	<u>-</u>	<u>-</u>
Cash flow from (used by) investing activities	<u>1,145,158</u>	<u>(1,401)</u>
FINANCING ACTIVITIES		
Advances from (to) private loans	(94,480)	(5,316)
Proceeds from loans payable	-	50,000
Repayment of loans payable	(883,229)	(13,130)
Proceeds from demand loan	-	108,573
Repayments of demand loan	(48,471)	(60,102)
	<u>(1,026,180)</u>	<u>80,025</u>
Cash flow from (used by) financing activities	<u>(1,026,180)</u>	<u>80,025</u>
INCREASE (DECREASE) IN CASH FLOW	(5,191)	112,370
Cash (deficiency) - beginning of year	11,913	(100,457)
CASH - END OF YEAR	\$ 6,722	\$ 11,913
CASH CONSISTS OF:		
Cash	<u>\$ 6,722</u>	<u>\$ 11,913</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Notes to Financial Statements

Year Ended October 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of organization

The organization is incorporated without share capital under the laws of the province of Ontario as a not for profit organization to operate a facility providing therapeutic riding and education programs for disabled individuals. The organization is a registered charity under the Income Tax Act and is exempt from income tax.

The organization's activities are supported through donations, grants and fundraising activities. The on-going operations of the organization could not continue without these sources of funding.

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank indebtedness routinely drawn upon for financing operations.

Horse herd

The horse herd is valued at the lower of cost and market value with costs being determined on a specific item basis.

Impairment of Long Lived Assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Fund accounting

Sunrise Therapeutic Riding & Learning Centre follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

(continues)

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Notes to Financial Statements

Year Ended October 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Sunrise Therapeutic Riding & Learning Centre follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Callable debt

The Company's demand loans are classified as current liabilities because the lender has the right to demand repayment within one year.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated amortization. Property, plant and equipment are amortized over their estimated useful lives at the following rates and methods:

Arena	4%	declining balance method
Building	4%	declining balance method
Computer equipment	45%	declining balance method
Drainage	4%	declining balance method
Driveway	4%	declining balance method
Equipment and tack	4%	declining balance method
Furniture & fixtures	20%	declining balance method
Generator	3 years	straight-line method
Horse equipment	20%	declining balance method
Playground equipment	10 years	straight-line method
Pool and fencing	4%	declining balance method

(continues)

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Notes to Financial Statements

Year Ended October 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Residence and discovery centre	4%	declining balance method
Septic system	4%	declining balance method
Sound system	20%	declining balance method
Wagon	20%	declining balance method
Water system	4%	declining balance method

The Company regularly reviews its property, plant and equipment to eliminate obsolete items. Amortization is calculated at one-half of the normal rate in the year of acquisition.

2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Land	\$ -	\$ -	\$ -	\$ 405,524
Arena	-	-	-	19,511
Buildings	73,187	37,709	35,478	322,871
Horse equipment	25,832	19,006	6,826	8,533
Equipment and tack	8,084	5,748	2,336	13,694
Computer equipment	16,705	15,418	1,287	2,340
Furniture and fixtures	61,868	46,780	15,088	8,560
Drainage	-	-	-	5,164
Driveway	-	-	-	8,681
Pool	-	-	-	88,291
Water system	-	-	-	21,587
Playground Equipment	90,278	56,512	33,766	27,260
Residence and discovery centre	-	-	-	82,562
Generator	26,400	22,000	4,400	13,200
Septic system	-	-	-	33,831
Sound system	23,175	12,496	10,679	13,349
Wagon	10,105	9,020	1,085	1,356
	<u>\$ 335,634</u>	<u>\$ 224,689</u>	<u>\$ 110,945</u>	<u>\$ 1,076,314</u>

3. SALE OF ASSETS

During the year, the organization sold several assets to the Friends of Sunrise Limited and subsequently signed a five year lease agreement to rent the assets from the Friends of Sunrise Limited in order to allow the organization to remain at it's current location.

The sale of assets included the land, buildings including the arena, and the pool. It did not include the horses or any equipment used to run the organization's programs.

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Notes to Financial Statements

Year Ended October 31, 2013

4. SHORT TERM INVESTMENTS

	<u>2013</u>	<u>2012</u>
Friends of Sunrise Limited, Class A Special Shares	\$ 230,000	\$ -
Friends of Sunrise Limited, Class A Common Shares	1,840	-
Friends of Sunrise Limited, Class B Common Shares	3,000	-
	<u>\$ 234,840</u>	<u>\$ -</u>
Market value	<u>\$ 234,840</u>	<u>\$ -</u>

Friends of Sunrise Limited is a related party.

5. DEMAND LOAN & BANK INDEBTEDNESS

The organization had a demand loan with the Meridian credit union, repayable in monthly blended payments of \$2,050, bearing interest at Meridian Credit Union's prime interest rate plus 2.0%. The loan had a balance due of \$48,471.30 at October 31, 2012. All monthly payments were made as scheduled until March 14, 2013, at which time the loan balance was paid in full.

6. PRIVATE LOANS

An officer and a senior manager have advanced funds to the organization bearing interest at 6%. There are no fixed terms of repayment and the loans are unsecured. The organization also has a demand loan in the amount of \$40,000 with 932005 Ontario Inc. to be repaid in full by December 31, 2013.

These transactions between related parties are in the normal course of operations. These amounts are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. LONG TERM DEBT

	<u>2013</u>	<u>2012</u>
Farm Credit Canada loan bearing interest at prime plus 1.25% per annum, repayable in monthly interest only payments. The loan matures in May 2014 and is secured by commercial property and general security agreement over non-specific capital assets.	\$ -	\$ 600,000
Farm Credit Canada loan bearing interest at prime plus 1.65% per annum, repayable in monthly blended payments. The loan matures in November 2017 and is secured by commercial property and general security agreement over non-specific capital assets.	-	183,229
Farm Credit Canada loan bearing interest at prime plus 1% per annum, repayable in monthly interest only payments. The loan matures in July 2014 and is secured by commercial property and general security agreement over non-specific capital assets.	-	100,000

(continues)

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Notes to Financial Statements

Year Ended October 31, 2013

7. LONG TERM DEBT (continued)

	<u>2013</u>	<u>2012</u>
932005 Ontario Inc. loan bearing interest at 6% per annum, repayable in monthly interest only payments. The loan is due on demand and is unsecured.	-	100,000
	-	983,229
Less portion relating to interest on finance contracts	-	(17,077)
	-	966,152
Amounts payable within one year	-	(127,676)
	<u>\$ -</u>	<u>\$ 838,476</u>

8. OTHER LOAN PAYABLE

The organization had an agreement with an individual regarding the farm property. This individual provided a portion of the funds required to purchase the complete farm property. The loan was interest bearing at 2% payable at the discretion of the board. This loan was paid in full upon the sale of assets to the Friends of Sunrise Limited, as discussed in note #3.

9. DONATED GOODS AND SERVICES

The work of the organization is dependent on volunteer services of the Board of Directors, various committees and other volunteers, the nature of which is not verifiable and therefore is not recognized in these financial statements. Donations of goods and services are recognized at their fair market value when that value can be verified.

10. EMPLOYMENT GRANT

The following grants were received or receivable during the year to subsidize the wages of specific employees:

	<u>2013</u>	<u>2012</u>
Human Resource Development	<u>\$ 7,967</u>	<u>\$ 8,828</u>

The organization receives government grants throughout the year to support various programs. The organization regularly ensures that it has met the funding requirements. Many of these programs could not continue without these grants, therefore the government grants are recorded as part of the normal operations of the organization.

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Notes to Financial Statements

Year Ended October 31, 2013

11. LEASE COMMITMENTS

The organization has entered into a non-capital lease for rent of the Stone Cottage, indoor riding arena, the stables and the activity centre. The lease commenced April 1, 2013 and ends March 31, 2018. The lease commitment is as follows:

	<u>Commitments</u>
2014	\$ 8,000
2015	24,000
2016	24,000
2017	24,000
2018	<u>10,000</u>
	<u>\$ 90,000</u>

The lease is with Friends of Sunrise Limited, a related party. The organization has the option to extend the lease another 5 years upon its completion if they have not defaulted on the lease.

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

13. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the organization adopted Canadian accounting standards for not-for-profit organizations (ASNFPPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFPPO had no impact on net assets as at November 1, 2011 or revenues and expenditures or cash flows for the year ended October 31, 2012 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

(continues)

SUNRISE THERAPEUTIC RIDING & LEARNING CENTRE

Notes to Financial Statements

Year Ended October 31, 2013

13. **FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**
(continued)

a) The statement of financial position at November 1, 2011 has no restatements.

	<u>November 1</u> <u>2011</u>
ASSETS	
CURRENT	
Cash	\$ 1,133
Prepaid expenses and deposit	9,003
Government remittances recoverable	<u>17,822</u>
	27,958
LONG TERM	
Horse Herd	47,300
Property and Equipment	<u>1,126,416</u>
	<u>\$ 1,201,674</u>
LIABILITIES	
CURRENT	
Bank indebtedness	\$ 101,590
Accounts payable and accrued liabilities	50,812
Deferred Revenue	51,765
Private loans	77,479
Other loan payable	50,000
Current portion of loans payable	<u>841,361</u>
	1,173,007
LONG TERM	
Loans payable	<u>82,922</u>
	1,255,929
NET DEFICIT	
Unrestricted Deficit	<u>(54,255)</u>
	<u>\$ 1,201,674</u>