

SOCIÉTÉ DE COMPTABLES
PROFESSIONNELS AGRÉÉS
CHARTERED PROFESSIONAL
ACCOUNTANT CORPORATION

Dispensaire diététique de Montréal/Montreal Diet Dispensary

Financial Statements
March 31, 2014

Together with Independent Auditor's Report

SLBO comptables professionnels agréés inc.
85, rue Saint-Paul Ouest, bureau 460, Montréal (Québec) H2Y 3V4
T. : 514 875.3660 :: F. : 514 875.8753 :: info@slbo.ca

MEMBRE DU GROUPE SERVICAS



SOCIÉTÉ DE COMPTABLES
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CHARTERED PROFESSIONAL
ACCOUNTANT CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY,

We have audited the accompanying financial statements of **DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY**, which comprise the balance sheets of the general fund and the capital assets fund and the combined balance sheet as at March 31, 2014 and the combined statement of earnings and the statement of net assets of the general and capital assets funds 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.

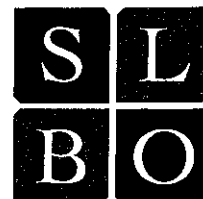
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 audit opinion.

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INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY** as at March 31, 2014 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.

SLBO comptables professionnels agréés inc.

Montreal, June 12, 2014

CPA auditor, CGA - public accountancy permit No. A130728

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Dispensaire diététique de Montréal/Montreal Diet Dispensary

BALANCE SHEET - GENERAL FUND

As at March 31,

2014

2013

\$

\$

ASSETS

CURRENT ASSETS

Cash	557 198	890 272
Investments (Note 3)	250 000	100 000
Accounts receivable	26 951	12 565
Prepaid expenses	14 004	7 611

848 153 1 010 448

LONG-TERM ASSETS

Investments (Note 3)	42 810	141 433
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890 963 1 151 881

LIABILITIES

CURRENT LIABILITIES

Accounts payable (Note 5)	165 998	233 630
Deferred contributions (Note 6)	61 950	189 426

227 948 423 056

NET ASSETS

Restricted for research purposes (Note 8)	68 399	68 399
Unrestricted	594 616	660 426

663 015 728 825

890 963 1 151 881

FOR APPROVALd:

_____, Administrator

_____, Administrator

The accompanying notes are an integral part of these financial statements.

Dispensaire diététique de Montréal/Montreal Diet Dispensary

COMBINED EARNINGS

For the year ended March 31,

	Nutritional Counselling and group activities		Special projects		Total	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
INCOME						
Centraide	409 995	455 495	-	-	409 995	455 495
The J.W. McConnell Family Foundation	-	-	143 426	150 034	143 426	150 034
Donations	183 734	150 643	-	-	183 734	150 643
Grants - provincial government	393 301	376 669	12 512	10 843	405 813	387 512
Grants - federal government	180 000	182 781	95 395	95 395	275 395	278 176
Grants - City of Montreal	25 000	20 000	-	-	25 000	20 000
Grants - Emploi-Québec	10 002	8 594	-	-	10 002	8 594
	1 202 032	1 194 182	251 333	256 272	1 453 365	1 450 454
Sale of publications and services	4 168	7 210	-	-	4 168	7 210
Interest	14 449	13 649	-	-	14 449	13 649
Fund raising events	-	-	91 562	9 270	91 562	9 270
Emergency relief	-	-	190	300	190	300
	1 220 649	1 215 041	343 085	265 842	1 563 734	1 480 883
EXPENDITURES						
Food supplies	220 646	268 066	-	-	220 646	268 066
Insurance	10 850	10 377	-	-	10 850	10 377
Emergency relief	-	-	943	631	943	631
Salaries, vacations and fringe benefits	1 007 523	982 791	204 582	187 472	1 212 105	1 170 263
Electricity and heating	9 877	8 633	-	-	9 877	8 633
Service contracts	-	-	32 404	34 933	32 404	34 933
Repairs and maintenance - office	19 024	21 603	-	-	19 024	21 603
Repairs and maintenance - fixed assets	3 010	-	-	-	3 010	-
Office supplies	14 523	12 041	7 337	4 871	21 860	16 912
Travelling and others	22 587	21 685	112	-	22 699	21 685
Training	1 569	332	-	-	1 569	332
Fundraising event-related fees	-	-	24 206	5 651	24 206	5 651
Professional fees	26 044	15 762	-	-	26 044	15 762
Taxes and permits	7 429	7 339	-	-	7 429	7 339
Telecommunications	5 713	6 227	10 654	1 929	16 367	8 156
Amortization - capital assets	10 381	2 821	-	-	10 381	2 821
	1 359 176	1 357 677	280 238	235 487	1 639 414	1 593 164
EXCESS (DEFICIENCY) OF INCOME OVER EXPENDITURES	(138 527)	(142 636)	62 847	30 355	(75 680)	(112 281)

The accompanying notes are an integral part of these financial statements.

Dispensaire diététique de Montréal/Montreal Diet Dispensary

STATEMENT OF CHANGES IN NET ASSETS - GENERAL FUND

For the year ended March 31,

	Nutritional Counselling and group activities		Special projects		Total	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
BALANCE , beginning of year	215 762	355 577	513 063	541 775	728 825	897 352
Excess (deficiency) of income over expenditures	(138 527)	(142 636)	62 847	30 355	(75 680)	(112 281)
Investment in capital assets	(3 521)	-	-	(29 067)	(3 521)	(29 067)
Expenses attributable to capital asset fund :						
Repairs and maintenance	3 010	-	-	-	3 010	-
Amortization	10 381	2 821	-	-	10 381	2 821
Transfer to capital assets fund	-	-	-	(30 000)	-	(30 000)
BALANCE , end of year	87 105	215 762	575 910	513 063	663 015	728 825

	Total	
	2014	2013
	\$	\$
RESTRICTED NET ASSETS , for research purposes (Note 8)	68 399	68 399
UNRESTRICTED NET ASSETS	594 616	660 426
	663 015	728 825

The accompanying notes are an integral part of these financial statements.

Dispensaire diététique de Montréal/Montreal Diet Dispensary

BALANCE SHEET - CAPITAL ASSETS FUND

As at March 31,

2014

2013

\$

\$

ASSETS

LONG-TERM ASSETS

Investments (Note 3)

107 190

108 567

Capital assets (Note 4)

153 338

160 198

260 528

268 765

NET ASSETS

Invested in capital assets

153 338

160 198

Restricted for purchase and maintenance of capital assets

107 190

108 567

260 528

268 765

FOR APPROVAL:

_____, Administrator

_____, Administrator

The accompanying notes are an integral part of these financial statements.

Dispensaire diététique de Montréal/Montreal Diet Dispensary

COMBINED BALANCE SHEET

As at March 31,

2014

2013

\$

\$

ASSETS

CURRENT ASSETS

Cash	557 198	890 272
Investments (Note 3)	250 000	100 000
Accounts receivable	26 951	12 565
Prepaid expenses	14 004	7 611

848 153 1 010 448

LONG-TERM ASSETS

Investments (Note 3)	150 000	250 000
Capital assets (Note 4)	153 338	160 198

303 338 410 198

1 151 491 1 420 646

LIABILITIES

CURRENT LIABILITIES

Accounts payable (Note 5)	165 998	233 630
Deferred contributions (Note 6)	61 950	189 426

227 948 423 056

NET ASSETS

Invested in capital assets	153 338	160 198
Restricted for purchase and maintenance of capital assets	107 190	108 567
Restricted for research purposes (Note 8)	68 399	68 399
Unrestricted	594 616	660 426

923 543 997 590

1 151 491 1 420 646

FOR APPROVAL:

_____, Administrator

_____, Administrator

The accompanying notes are an integral part of these financial statements.

Dispensaire diététique de Montréal/Montreal Diet Dispensary

CASH FLOW STATEMENT

For the year ended March 31

	2014	2013
	\$	\$
OPERATING ACTIVITIES		
Deficiency of income over expenditures	(75 680)	(112 281)
Non-cash items :		
Amortization - capital assets	10 381	2 821
	(65 299)	(109 460)
Net change in non-cash working capital items (note 7)	(215 887)	162 245
	(281 186)	52 785
INVESTING ACTIVITIES		
Acquisition of investments	(48 367)	(250 000)
Acquisition of capital assets	(3 521)	(29 067)
	(51 888)	(279 067)
DECREASE IN CASH AND CASH EQUIVALENTS	(333 074)	(226 282)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	890 272	1 116 554
CASH AND CASH EQUIVALENTS, END OF YEAR	557 198	890 272

The accompanying notes are an integral part of these financial statements.

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2014

1. GOVERNING STATUTE AND NATURE OF ACTIVITIES

The Organization is incorporated under *Part III of the Québec Companies Act*. It is also registered as a non-for-profit organization and it is therefore exempt from income taxes. Its mission is to promote health in the community especially among pregnant mothers from underprivileged environment.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires that Management recorded use of estimates and assumptions which affect the amounts of the assets and liabilities, the presentation of assets and liabilities as at the date of the financial statements, as well as the presentation of revenues and expenses recorded during the year. The actual results may differ from those estimates and assumptions.

Revenue recognition of contribution and legacy

Contributions are accounted for using the deferral method. They are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions are recognized as revenue in the year in which the related expenses are incurred.

Others incomes are recognized when there is a persuasive evidence resulting from an agreement that goods have been delivered and received by the customer, that prices are fixed or determinable, and that ultimate collection is reasonably assured.

Contributed services

Services rendered by volunteers are not recognized in the financial statements because the fair value cannot be properly estimated.

Financial instruments

Measurement of financial instruments

The Organization measures its financial assets and liabilities at fair value. They are subsequently measured at amortized cost.

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

The Organization policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

Capital assets

Capital assets are accounted for at cost. Amortization is based on their expected useful life using the following declining balance methods and rates:

	Rate
Buildings	2.5%
Office furniture	20%
Telephone system	20%
Computer equipment	30%

Pension plan

The Organization contributes in a defined benefit multi employer plan. The benefits of the plan are capitalized in a pension fund for all its participants. The pension plan is accounted for as a defined benefit plan.

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2014

3. INVESTMENTS

	2014	2013
	\$	\$
Canadian bonds (maturing in December 2014 and November 2015, at rate between 1.85% and 2.00%)	400 000	350 000
Presentation:		
Investments maturing in the next period		
General fund	250 000	100 000
Long-term investments		
General fund	42 810	141 433
Capital assets fund	107 190	108 567
	150 000	250 000
	400 000	350 000

4. CAPITAL ASSETS

	Accumulated Cost	Amortization	Net Book Value 2014	Net Book Value 2013
	\$	\$	\$	\$
Land	52 222	-	52 222	52 222
Buildings	138 295	64 224	74 071	75 971
Office furniture	19 074	16 724	2 350	2 938
Telephone system	13 542	2 708	10 834	13 542
Computer equipment	19 046	5 185	13 861	15 525
	242 179	88 841	153 338	160 198

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2014

5. ACCOUNTS PAYABLE

	2014	2013
	\$	\$
Suppliers	104 378	121 177
Vacations	61 620	112 453
	165 998	233 630

6. DEFERRED CONTRIBUTIONS

	Nutritional Counselling and group activities	Special projects	Total 2014	Total 2013
	\$	\$	\$	\$
Balance, beginning of year	-	189 426	189 426	69 461
Reallocation between activities	(16 458)	16 458	-	-
Amount received during the year	1 218 490	107 399	1 325 889	1 570 419
	1 202 032	313 283	1 515 315	1 639 880
Amount recognized as revenue in the year	1 202 032	251 333	1 453 365	1 450 454
Balance, end of year	-	61 950	61 950	189 426

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2014

7. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2014	2013
	\$	\$
Accounts receivable	(14 386)	3 835
Prepaid expenses and inventories	(6 393)	3 748
Accounts payable	(67 632)	34 697
Deferred contributions	(127 476)	119 965
	(215 887)	162 245

8. INTERNALLY RESTRICTED NET ASSET

During prior years, the board of directors has allocated \$68,399 from net assets of the general fund to research. The Organization cannot use these internally restricted amounts without prior approval by the board of directors.

9. PENSION PLAN

The Organization contributes in a defined benefit multi employer plan. The contributions are accounted as annual expenditures.

	2014	2013
	\$	\$
Current contributions	72 100	64 850
Additional contributions	110 761	103 200
	182 861	168 050

Based on the actuarial evaluation performed as at December 31st, 2013, there is an unfunded liability under a solvency basis with respect to the plan from which the Organization's part can be assessed at 535 000 \$.

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2014

10. FINANCIAL INSTRUMENTS

Interest rate risk

The Organization has interest rate risk related to its fixed-rate interest financial instruments. These instruments expose the Organization to a fair value risk.