

**DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/
MONTREAL DIET DISPENSARY**

FINANCIAL STATEMENTS

March 31, 2015

**DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/
MONTREAL DIET DISPENSARY**

March 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of
Dispensaire diététique de Montréal/Montreal Diet Dispensary

I have audited the accompanying financial statements of Dispensaire 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, 2015, and the combined statement of operations, statements of changes in net assets of the general and capital funds, 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.

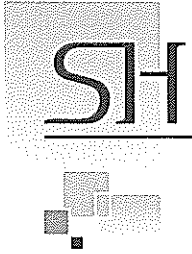
Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.





Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Dispensaire diététique de Montréal/Montreal Diet Dispensary as at March 31, 2015, 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.

Other Matter

The financial statements of Dispensaire diététique de Montréal/Montreal Diet Dispensary for the year ended March 31, 2014, were audited by another independent auditor who expressed an unmodified opinion on those statements on June 12th, 2014.

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Sophie Houle CPA INC.

Montreal, Canada
June 3, 2015



DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

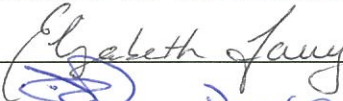
Balance Sheet – General Fund


March 31, 2015

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	2015	2014
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	798,665	557,198
Current portion of investments - (Note 4)	40,860	250,000
Accounts receivable - (Note 3)	17,423	26,951
Inventory	49,544	400
Prepaid expenses	10,034	13,604
	916,526	848,153
LONG-TERM ASSETS		
Investments - (Note 4)	-	42,810
	916,526	890,963
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable - (Note 6)	167,679	165,998
Deferred contributions - (Note 7)	17,973	61,950
	185,652	227,948
NET ASSETS		
Restricted for research purposes - (Note 10)	68,399	68,399
Unrestricted	662,475	594,616
	730,874	663,015
	916,526	890,963

ON BEHALF OF THE BOARD:

 _____, administrator

 _____, administrator

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

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Combined Operations - General Fund

For the year ended March 31, 2015

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	Nutritional Counselling and group activities		Special projects		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
INCOME						
Centraide	401,795	409,995	-	-	401,795	409,995
The J.W. McConnell Family Foundation	-	-	38,950	143,426	38,950	143,426
Donations	188,368	183,734	3,000	-	191,368	183,734
Credits dietary intakes purchases - Fondation OLO - (Note 8)	79,834	-	-	-	79,834	-
Grants - provincial government	367,165	360,531	-	12,512	367,165	373,073
Grants - federal government	182,913	180,000	95,395	95,395	278,308	275,395
Grants - City of Montreal	25,000	25,000	-	-	25,000	25,000
Grants - Other	46,158	42,772	4,200	-	50,358	42,772
	1,291,233	1,202,032	141,545	251,333	1,432,778	1,453,365
Sale of publications and services	13,991	4,168	-	-	13,991	4,168
Interest	13,321	14,449	-	-	13,321	14,449
Fund raising events	-	-	54,272	91,562	54,272	91,562
	1,318,545	1,220,649	195,817	342,895	1,514,362	1,563,544
EXPENDITURES						
Dietary intakes	158,484	220,646	26	-	158,510	220,646
Insurance	11,258	10,850	-	-	11,258	10,850
Emergency relief	-	-	200	753	200	753
Salaries and fringe benefits	936,761	1,007,523	52,882	204,582	989,643	1,212,105
Electricity and heating	10,963	9,877	-	-	10,963	9,877
Service contracts	-	-	74,092	32,404	74,092	32,404
Membership dues	44,519	-	-	-	44,519	-
Repairs and maintenance - office	19,307	19,024	3,426	-	22,733	19,024
Repairs and maintenance - fixed assets	-	3,010	-	-	-	3,010
Office supplies	19,740	14,523	16,279	7,337	36,019	21,860
Travelling expenses and other	10,823	22,587	-	112	10,823	22,699
Training	7,086	1,569	-	-	7,086	1,569
Fundraising event - related fees	-	-	17,884	24,206	17,884	24,206
Professional fees	42,907	26,044	-	-	42,907	26,044
Taxes and permits	8,103	7,429	-	-	8,103	7,429
Telecommunications	7,783	5,713	-	10,654	7,783	16,367
Amortization - capital assets	9,443	10,381	-	-	9,443	10,381
	1,287,177	1,359,176	164,789	280,048	1,451,966	1,639,414
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	31,368	(138,527)	31,028	62,847	62,396	(75,680)

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

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Statement of Changes in Net Assets - General Fund

Year ended March 31, 2015

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	Nutritional Counselling and group activities		Special projects		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Balance , beginning of the year	87,105	215,762	575,910	513,063	663,015	728,825
Excess (deficiency) of income over expenses	31,368	(138,527)	31,028	62,847	62,396	(75,680)
Investment in capital assets	(3,980)	(3,521)	-	-	(3,980)	(3,521)
Expenses attributable to capital assets fund :						
Repairs and maintenance	-	3,010	-	-	-	3,010
Amortization	9,443	10,381	-	-	9,443	10,381
BALANCE , end of the year	123,936	87,105	606,938	575,910	730,874	663,015
					Total	
					2015	2014
					\$	\$
RESTRICTED NET ASSETS, for research purpose – (Note 10)					68,399	68,399
UNRESTRICTED NET ASSETS					662,475	594,616
					730,874	663,015

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

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Balance sheet - Capital Assets Fund

March 31, 2015

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	2015	2014
	\$	\$
ASSETS		
CURRENT ASSETS		
Current portion of investments - (Note 4)	109,140	-
LONG-TERM ASSETS		
Investments - (Note 4)	---	107,190
Capital assets - (Note 5)	147,875	153,338
	147,875	260,528
	257,015	260,528
NET ASSETS		
Invested in capital assets	147,875	153,338
Restricted for purchase and maintenance of capital assets	109,140	107,190
	257,015	260,528

ON BEHALF OF THE BOARD:

Elizabeth Jauy, administrator

Denise MacPac, administrator

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

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Statement of Changes in Net Assets – Capital Assets Fund

Year ended March 31, 2015

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	2015		
	Invested in capital assets	Restricted for purchase and maintenance of capital assets	Total
	\$	\$	\$
Balance , beginning of year	153,338	107,190	260,528
Interest	-	1,950	1,950
Amortization - capital assets	(9,443)	-	(9,443)
	143,895	109,140	253,035
TRANSFER FROM GENERAL FUND :			
Transfer interfund – acquisition of capital assets - general fund	3,980	-	3,980
Balance , end of year	147,875	109,140	257,015
	2014		
	Invested in capital assets	Restricted for purchase and maintenance of capital assets	Total
	\$	\$	\$
BALANCE , beginning of year	160,198	108,567	268,765
Interests	-	1,633	1,633
Amortization - capital assets	(10,381)	-	(10,381)
	149,817	110,200	260,017
TRANSFER TO GENERAL FUND :			
Repairs and maintenance - capital assets	-	(3,010)	(3,010)
TRANSFER FROM GENERAL FUNDS :			
Transfer interfund - acquisition of capital assets - general fund	3,521	-	3,521
Balance , end of year	153,338	107,190	260,528

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

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

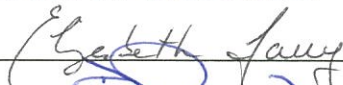

Combined Balance Sheet

March 31, 2015

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	2015	2014
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	798,665	557,198
Current portion of investments - (Note 4)	150,000	250,000
Accounts receivable - (Note 3)	17,423	26,951
Inventory	49,544	400
Prepaid expenses	10,034	13,604
	1,025,666	848,153
LONG-TERM ASSETS		
Investments - (Note 4)	---	150,000
Capital assets - (Note 5)	147,875	153,338
	147,875	303,338
	1,173,541	1,151,491
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable - (Note 6)	167,679	165,998
Deferred contributions - (Note 7)	17,973	61,950
	185,652	227,948
NET ASSETS		
Invested in capital assets	147,875	153,338
Restricted for purchase and maintenance of capital assets	109,140	107,190
Restricted for research purposes - (Note 10)	68,399	68,399
Unrestricted	662,475	594,616
	987,889	923,543
	1,173,541	1,151,491

ON BEHALF OF THE BOARD:

 _____, administrator
 _____, administrator

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

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Statement of Cash Flows

Year ended March 31, 2015

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	2015	2014
	\$	\$
OPERATING ACTIVITIES		
Excess (Deficiency) of revenues over expenses	62,396	(75,680)
Items not affecting cash :		
Credits dietary intakes purchases - Fondation OLO	(79,834)	-
Amortization - capital assets	9,443	10,381
	(7,995)	(65,299)
Changing in non-cash working capital - (Note 9)	1,492	(215,887)
	(6,503)	(281,186)
INVESTMENTS ACTIVITIES		
Acquisition of investments	-	(50,000)
Disposition of investments	250,000	-
Interest income capitalized to the capital assets fund	1,950	1,633
Acquisition of capital assets	(3,980)	(3,521)
	247,970	(51,888)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	241,467	(333,074)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	557,198	890,272
CASH AND CASH EQUIVALENTS, END OF YEAR	798,665	557,198

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

1. STATUS AND NATURE OF ACTIVITIES

The Organization was incorporated under *Part III of the Québec Companies Act* as a not-for-profit organization and is a registered charity under the *Income Tax Act*. 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 in Part III of the CPA Canada Handbook – Accounting and include the following significant policies:

Use of estimates

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Fund accounting :

The General Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources, grants revenues and restricted resources for special project.

The Capital Assets Fund reports the assets, liabilities, revenues and expenses related to capital assets.

Revenue recognition**Contributions**

The Organization 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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment Income

Investment income is recognized as revenue when earned.

Other income

Other income is 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Contributed services**

Volunteers contribute numerous hours each year to the Organization to help it carry out its service delivery activities. Due to the difficulty of determining their fair value, these contributed services are not recognized in the financial statements.

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.

Inventory

Inventory includes milk coupons and vitamins which are distributed for free and is measured at the lower of cost and replacement value. Cost is determined using the first-in first-out method.

Capital assets

Capital assets are accounted for at cost. Amortization is based on their useful lives using the declining balance method at the following rates:

	Taux
Buildings	2.5%
Office equipment	20%
Telephone system	20%
Computer equipment	30%

Cash and cash equivalents

The organization's policy is to present 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.

Financial instruments**Measurement of financial instruments**

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Notes to Financial Statements

March 31, 2015

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)**

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

Financial liabilities measured at amortized cost include accounts payable.

3. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
	\$	\$
Accounts receivable	6,848	17,559
Grants receivable	5,000	5,508
Sales taxes receivable	5,575	3,884
	<u>17,423</u>	<u>26,951</u>

4. INVESTMENTS

	<u>2015</u>	<u>2014</u>
	\$	\$
Canadian bonds (maturing in November 2015 (December 2014 and November 2015 in 2014), at rate between 1.85% to 1.95% (1.85% to 2.00% in 2014))	150,000	400,000

Presentation :

Current portion of investments :

General Fund	40,860	250,000
Capital Assets Fund	109,140	-
	<u>150,000</u>	<u>250,000</u>

Long-term investments :

General Fund	-	42,810
Capital Assets Fund	-	107,190
	<u>-</u>	<u>150,000</u>
	<u>150,000</u>	<u>400,000</u>

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Notes to Financial Statements

March 31, 2015

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5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net book Value 2015	Net book Value 2014
	\$	\$	\$	\$
Lands	52,222	-	52,222	52,222
Buildings	138,295	66,075	72,220	74,071
Office equipment	23,055	17,991	5,064	2,350
Telephone system	13,542	4,875	8,667	10,834
Computer equipment	19,046	9,344	9,702	13,861
	246,160	98,285	147,875	153,338

6. ACCOUNTS PAYABLE

	2015	2014
	\$	\$
Accounts payable	86,188	104,378
Government remittances	22,851	-
Vacations	58,640	61,620
	167,679	165,998

7. DEFERRED CONTRIBUTIONS

	Nutritional Counselling and group activities	Special projects	Total 2015	Total 2014
	\$	\$	\$	\$
Balance, beginning of year	-	61,950	61,950	189,426
Reallocation between activities	25,402	(25,402)	-	-
Amount received during the year	1,265,831	177,242	1,443,073	1,417,451
	1,291,233	213,790	1,505,023	1,606,877
Amount recognized as revenue in the year	1,291,233	195,817	1,487,050	1,544,927
	1,291,233	195,817	1,487,050	1,544,927
Balance, end of year	-	17,973	17,973	61,950

8. NON-MONETARY TRANSACTIONS

During the year, the Organization received, as an affiliated member of the Fondation OLO, credits for purchases of eggs and milk having a value of \$ 79,834. These operations have been accounted for at the exchange value which represent the amount of the counterpart established and agreed between the parties

9. CHANGING IN NON-CASH WORKING CAPITAL

	2015	2014
	\$	\$
Accounts receivable	9,528	(13,986)
Inventory	30,690	(400)
Prepaid expenses	3,570	(6,393)
Accounts payable	1,681	(67,632)
Deferred contributions	(43,977)	(127,476)
	1,492	(215,887)

10. 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.

11. PENSION PLAN

The Organization contributes to a defined benefit multi-employer plan. The contributions are accounted for as annual expenses.

	2015	2014
	\$	\$
Current contributions	62,740	72,100
Additional contributions	67,788	110,761
	130,528	182,861

Based on the last actuarial valuation of the multi-employer pension plan performed on December 31, 2014, there is an unfunded liability under a solvency basis with respect to the plan from which the Organization's part can be assessed at \$ 590, 400.

12. FINANCIAL INSTRUMENTS

Risk and concentrations

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Organization's risk exposure as at March 31, 2015.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk with respect to the contributions receivable. For the other receivables, the Organization determines, on a continuing basis, the probable losses and sets up a provision for losses based on the estimated realizable value.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its fixed-interest rate financial instruments. Fixed-interest instruments subject the Organization to a fair value risk.

13. COMPARATIVE FIGURES

Certain figures for 2014 have been reclassified to make their presentation identical to that adopted in 2015.