



SOCIÉTÉ DE COMPTABLES
PROFESSIONNELS AGRÉÉS
CHARTERED PROFESSIONAL
ACCOUNTANT CORPORATION

Dispensaire diététique de Montréal/Montreal Diet Dispensary

Financial Statements

March 31, 2013

Together with Independent Auditor's Report

SLBO comptables professionnels agréés inc.

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MEMBRE DU GROUPE SERVICAS

Paul Sofio, CPA, CA
Associé

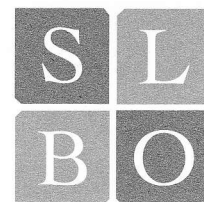
Raymond Ouellet, CPA, CA
Associé

Martin Bohémier, CPA, CMA
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Suzie Deschamps, CPA, CGA, MBA, PMP
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Nathalie Duquette, CPA, CGA
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Associé universitaire



SOCIÉTÉ DE COMPTABLES
PROFESSIONNELS AGRÉÉS
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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, 2013 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 qualified audit opinion.

Paul Sofio, CPA, CA
Associé

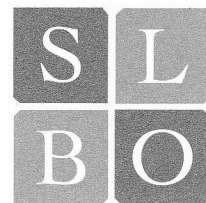
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INDEPENDENT AUDITORS' REPORT (Continued)

Basis for Qualified Opinion

Like many charitable organizations, the Organization derives revenue from donations for which the completeness is not susceptible of satisfactory audit procedures. Accordingly, our audit of these revenues was limited to tracing the recorded revenues to bank deposits. Consequently, we were unable to determine whether any adjustments were necessary in respect to donations, deficiency of revenues over expenses, current assets and net assets.

Qualified Opinion

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 **DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY** as at March 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 2 to the financial statements which describes that Organization **DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY** adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at March 31, 2012 and April 1, 2011, and the combined statement of earnings, the statement of changes in net assets and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

*SLBO comptables professionnels agréés inc.*¹

Montreal, June 3, 2013

¹CPA auditor, CGA - permit no. A 130728

Dispensaire diététique de Montréal/Montreal Diet Dispensary

BALANCE SHEET - GENERAL FUND

As at

March 31,
2013

March 31,
2012

April 1,
2011

\$

\$

\$

ASSETS

CURRENT ASSETS

Cash	890,272	1,116,554	579,061
Investments (Note 4)	100,000	-	611,670
Accounts receivable	12,565	16,400	11,126
Prepaid expenses and inventories	7,611	11,359	53,421

1,010,448 1,144,313 1,255,278

INVESTMENTS (Note 4)

141,433 21,433 -

1,151,881 1,165,746 1,255,278

LIABILITIES

CURRENT LIABILITIES

Accounts payable (Note 6)	233,630	198,933	128,073
Deferred contributions (Note 7)	189,426	69,461	19,723

423,056 268,394 147,796

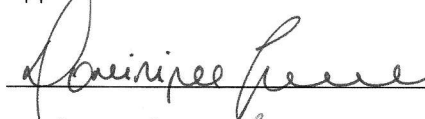
NET ASSETS

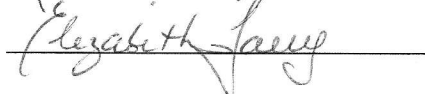
Restricted for research purposes (Note 9)	68,399	68,399	68,399
Unrestricted	660,426	828,953	1,039,083

728,825 897,352 1,107,482

1,151,881 1,165,746 1,255,278

Approved on behalf of the Board:

 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	
	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$
INCOME						
Centraide	455,495	455,495	-	-	455,495	455,495
The J.W. McConnell Family Foundation	-	-	150,034	15,539	150,034	15,539
Donations	150,643	188,559	-	-	150,643	188,559
Grants - provincial government	376,669	368,662	10,843	34,881	387,512	403,543
Grants - federal government	182,781	180,000	95,395	95,395	278,176	275,395
Grants - City of Montreal	20,000	20,000	-	-	20,000	20,000
Grants - Emploi-Québec	8,594	8,923	-	-	8,594	8,923
	1,194,182	1,221,639	256,272	145,815	1,450,454	1,367,454
Sale of publications and services	7,210	7,301	-	-	7,210	7,301
Interest	13,649	23,196	-	-	13,649	23,196
Fund raising events	-	-	9,270	11,791	9,270	11,791
Emergency relief	-	-	300	490	300	490
	1,215,041	1,252,136	265,842	158,096	1,480,883	1,410,232
EXPENDITURES						
Food supplies	268,066	272,984	-	-	268,066	272,984
Insurance	10,377	9,639	-	-	10,377	9,639
Emergency relief	-	-	631	1,075	631	1,075
Salaries, vacations and fringe benefits	982,791	1,087,549	187,472	138,955	1,170,263	1,226,504
Electricity and heating	8,633	9,412	-	-	8,633	9,412
Service contracts	-	-	34,933	4,300	34,933	4,300
Repairs and maintenance - office	21,603	18,364	-	-	21,603	18,364
Office supplies	12,041	16,455	4,871	1,439	16,912	17,894
Travelling and others	21,685	20,792	-	453	21,685	21,245
Training	332	195	-	-	332	195
Fundraising event-related fees	-	-	5,651	2,006	5,651	2,006
Professional fees	15,762	24,034	-	-	15,762	24,034
Taxes and permits	7,339	5,638	-	-	7,339	5,638
Telecommunications	6,227	6,404	1,929	668	8,156	7,072
Amortization - capital assets	2,821	2,975	-	-	2,821	2,975
	1,357,677	1,474,441	235,487	148,896	1,593,164	1,623,337
EXCESS (DEFICIENCY) OF INCOME OVER EXPENDITURES	(142,636)	(222,305)	30,355	9,200	(112,281)	(213,105)

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	
	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$
BALANCE , beginning of year	355,577	574,907	541,775	532,575	897,352	1,107,482
Excess (deficiency) of income over expenditures	(142,636)	(222,305)	30,355	9,200	(112,281)	(213,105)
Investment in capital assets	-	-	(29,067)	-	(29,067)	-
Expenses attributable to capital asset fund	2,821	2,975	-	-	2,821	2,975
Transfer to capital assets fund	-	-	(30,000)	-	(30,000)	-
BALANCE , end of year	215,762	355,577	513,063	541,775	728,825	897,352

	Total	
	2013	2012
	\$	\$
RESTRICTED NET ASSETS , for research purposes (Note 9)	68,399	68,399
UNRESTRICTED NET ASSETS	660,426	828,953
	728,825	897,352

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,
2013

March 31,
2012

April 1,
2011

\$

\$

\$

ASSETS

CURRENT ASSETS

Investments (Note 4)

-

-

75,114

INVESTMENTS (Note 4)

108,567

78,567

-

CAPITAL ASSETS (Note 5)

160,198

133,952

136,927

268,765

212,519

212,041

NET ASSETS

Invested in capital assets

160,198

133,952

136,927

Restricted for purchase and maintenance of capital assets

108,567

78,567

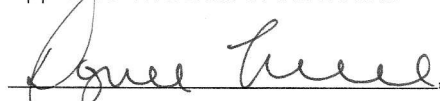
75,114

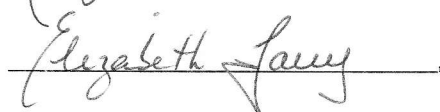
268,765

212,519

212,041

Approved on behalf of the Board:

 Administrator

 Administrator

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

Dispensaire diététique de Montréal/Montreal Diet Dispensary

STATEMENT OF CHANGES IN NET ASSETS - CAPITAL ASSETS FUND

For the year ended March 31

	2013		
	Invested in capital assets	Restricted for purchase and maintenance of capital assets	Total
	\$	\$	\$
BALANCE , beginning of year	133,952	78,567	212,519
Amortization - capital assets	(2,821)	-	(2,821)
	131,131	78,567	209,698
TRANSFER FROM GENERAL FUND :			
Transfer interfund - special projets	-	30,000	30,000
Transfer interfund - acquisition of capital assets - special projets	29,067	-	29,067
	29,067	30,000	59,067
BALANCE , end of year	160,198	108,567	268,765

	2012		
	Invested in capital assets	Restricted for purchase and maintenance of capital assets	Total
	\$	\$	\$
BALANCE , beginning of year	136,927	75,114	212,041
Interest	-	3,453	3,453
Amortization - capital assets	(2,975)	-	(2,975)
BALANCE , end of year	133,952	78,567	212,519

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,
2013

March 31,
2012

April 1,
2011

\$

\$

\$

ASSETS

CURRENT ASSETS

Cash	890,272	1,116,554	579,061
Investments (Note 4)	100,000	-	686,784
Accounts receivable	12,565	16,400	11,126
Prepaid expenses and inventories	7,611	11,359	53,421

1,010,448 1,144,313 1,330,392

INVESTMENTS (Note 4)

250,000 100,000 -

CAPITAL ASSETS (Note 5)

160,198 133,952 136,927

1,420,646 1,378,265 1,467,319

LIABILITIES

CURRENT LIABILITIES

Accounts payable (Note 6)	233,630	198,933	128,073
Deferred contributions (Note 7)	189,426	69,461	19,723

423,056 268,394 147,796

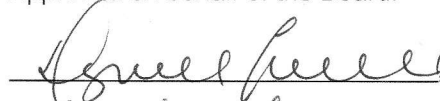
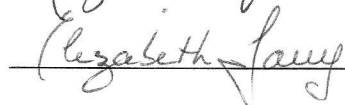
NET ASSETS

Invested in capital assets	160,198	133,952	136,927
Restricted for purchase and maintenance of capital assets	108,567	78,567	75,114
Restricted for research purposes (Note 9)	68,399	68,399	68,399
Unrestricted	660,426	828,953	1,039,083

997,590 1,109,871 1,319,523

1,420,646 1,378,265 1,467,319

Approved on behalf of the Board:

 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

	2013	2012
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of income over expenditures	(112,281)	(213,105)
Non-cash items :		
Amortization - capital assets	2,821	2,975
	(109,460)	(210,130)
Net change in non-cash working capital items (note 8)	162,245	157,386
	52,785	(52,744)
INVESTING ACTIVITIES		
Cash from (acquisition of) investments	(250,000)	590,237
Acquisition of capital assets	(29,067)	-
	(279,067)	590,237
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(226,282)	537,493
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,116,554	579,061
CASH AND CASH EQUIVALENTS, END OF YEAR	890,272	1,116,554

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

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

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 objectives are to provide nutritional counselling services to underprivileged pregnant women.

2. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

These financial statements are the first financial statements prepared using Canadian accounting standards for not-for-profit organizations. First-time adoption of the Private sector did not have any impact on the Organization deficiency of income over expenditures for the year ended March 31, 2012 nor on its net assets at the date of the transition, i.e. April 1, 2011.

3. 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 generally accepted accounting principles 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.

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, except for certain related party transactions which are measured either at the carrying amount or the exchange amount. They are subsequently measured at amortized cost.

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.

Inventories

Inventories are valued at the lower of cost and net realizable value, the cost being determined using the first in, first out method.

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%

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 contribution plan since sufficient information is not available for the plan.

4. INVESTMENTS

	March 31, 2013	March 31, 2012	April 1, 2011
	\$	\$	\$
Canadian bonds (maturing in November 2013 and December 2014, at rate of 1.86% and 2.00%)	350,000	100,000	686,784
Presentation:			
Investments maturing in the next period			
General fund	100,000	-	611,670
Capital assets fund	-	-	75,114
	100,000	-	686,784
Long-term investments			
Long-term investments - General fund	141,433	21,433	-
Long-term investments - Capital assets fund	108,567	78,567	-
	250,000	100,000	-
	350,000	100,000	686,784

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value March 31, 2013	Net Book Value March 31, 2012	Net Book Value April 1, 2011
	\$	\$	\$	\$	\$
Lands	52,222	-	52,222	52,222	52,222
Buildings	138,295	62,324	75,971	77,920	79,917
Office furniture	19,074	16,136	2,938	3,671	4,590
Telephone system	13,542	-	13,542	-	-
Computer equipment	15,525	-	15,525	139	198
	238,658	78,460	160,198	133,952	136,927

6. ACCOUNTS PAYABLE

	March 31, 2013	March 31, 2012	April 1, 2011
	\$	\$	\$
Suppliers	121,177	89,700	15,139
Vacations	112,453	109,233	112,934
	233,630	198,933	128,073

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

7. DEFERRED CONTRIBUTIONS

	Nutritional Counselling and group activities	Special projects	Total 2013	Total 2012	Total 2011
	\$	\$	\$	\$	\$
Balance, beginning of year	-	69,461	69,461	19,723	378,635
Reallocation between activities	9,029	(9,029)	-	-	-
Amount received during the year	1,185,153	385,266	1,570,419	1,417,192	1,480,831
	1,194,182	445,698	1,639,880	1,436,915	1,859,466
Amount recognized as revenue in the year	1,194,182	256,272	1,450,454	1,367,454	1,839,743
Balance, end of year	-	189,426	189,426	69,461	19,723

8. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	March 31, 2013	March 31, 2012
	\$	\$
Accounts receivable	3,835	(5,274)
Prepaid expenses and inventories	3,748	42,062
Accounts payable	34,697	70,860
Deferred contributions	119,965	49,738
	162,245	157,386

9. 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.

Dispensaire diététique de Montréal/Montreal Diet Dispensary

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

10. TRANSFER OF FUND

During the year, the board of directors has allocated \$30,000 from the special projects fund to the capital assets fund.

11. PENSION PLAN

The employer's contribution made for the year ended March 31st, 2013 is \$168,050 (2012 - \$156,923) which includes an amount of \$91 446 (2012 - \$77 362) as repayment of the liability. Based on the actuarial valuation performed as at December 31st, 2012, there is an unfunded liability with respect to the plan from which the Organization's part cannot be assessed, as described in Note 3. Monthly payments of \$10,408 (2012 - \$7,958) are required as additional contributions to repay the plan's unfunded liability.

12. 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.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation used in the current year.