

INFO-SECTE/INFO-CULT

FINANCIAL STATEMENTS

MARCH 31, 2013

INFO-SECTE/INFO-CULT
March 31, 2013

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REVIEW ENGAGEMENT REPORT

To the Directors of **Info-Secte/Info-Cult**

We have reviewed the statement of financial position of **Info-Secte/Info-Cult** as at March 31, 2013 and the statements of changes in fund balances, revenue and expenditures and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

We draw attention to Note 2 to the financial statements which describes that **Info-Secte/Info-Cult** 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 statement of financial position as at March 31, 2012 and April 1, 2011 and the statements of changes in fund balances, revenue and expenditures and cash flows for the year ended March 31, 2012 and related disclosures.

*Stein Jacobs Krolik*¹

Montreal, Quebec
May 13, 2013

¹ CPA auditor, CA public accountancy permit No. A101176

INFO-SECTE/INFO-CULT

(Incorporated under the laws of Quebec)

As at March 31, 2013**STATEMENT OF FINANCIAL POSITION**

(Unaudited)

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
ASSETS			
Current			
Cash	16,065	8,573	9,930
Accounts receivable	1,627	1,105	733
Prepaid expenses	642	626	3,059
	18,334	10,304	13,722
Capital			
Furniture and equipment - at cost	15,376	15,376	15,376
Accumulated amortization	12,674	11,999	11,155
	2,702	3,377	4,221
	21,036	13,681	17,943
LIABILITIES			
Current			
Accounts payable and accrued liabilities	3,468	3,835	2,154
Deferred revenue (Note 4)	14,690	9,690	9,578
	18,158	13,525	11,732
EQUITY			
Fund Balances	2,878	156	6,211
	21,036	13,681	17,943

See accompanying notes

APPROVED ON BEHALF OF THE BOARD:

Director

Director

INFO-SECTE/INFO-CULT
For the year ended March 31, 2013

STATEMENT OF CHANGES IN FUND BALANCES (Unaudited)

	2013	2012
	\$	\$
BALANCE - BEGINNING OF YEAR	156	6,211
<u>Excess (deficiency) of revenue over expenditures</u>	<u>2,722</u>	<u>(6,055)</u>
<u>BALANCE - END OF YEAR</u>	<u>2,878</u>	<u>156</u>

See accompanying notes

INFO-SECTE/INFO-CULT
For the year ended March 31, 2013

STATEMENT OF REVENUE AND EXPENDITURES (Unaudited)

	2013	2012
	\$	\$
REVENUE		
Donations	14,961	15,274
Government assistance	54,756	51,936
Consultations, lectures and fees	738	810
Conference	6,606	-
Other	860	26
	77,921	68,046
EXPENSES		
Books and subscriptions	204	197
Fund raising	171	101
Heat and electricity	771	653
Insurance and taxes	2,275	2,068
Office maintenance and supplies	1,673	1,181
Postage	365	608
Professional fees	3,820	6,038
Public relations	5,829	828
Rent	10,084	9,470
Salaries	40,000	40,000
Telephone	2,140	2,148
Travel	2,655	5,523
Wage levies	4,537	4,442
Amortization of property	675	844
	75,199	74,101
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,722	(6,055)

See accompanying notes

INFO-SECTE/INFO-CULT
For the year ended March 31, 2013

STATEMENT OF CASH FLOWS

(Unaudited)

	2013	2012
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	2,722	(6,055)
Item not affecting cash:		
Amortization of property	675	844
	3,397	(5,211)
Changes in non-cash operating working capital	4,095	3,854
	7,492	(1,357)
INCREASE (DECREASE) IN CASH	7,492	(1,357)
CASH - BEGINNING OF YEAR	8,573	9,930
CASH - END OF YEAR	16,065	8,573

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

1. DESCRIPTION OF ORGANIZATION

Info-Secte/Info-Cult is a not for profit organization (“NPO”) founded in 1980 based in Montreal, Quebec Canada which offers help and information about cults, new religious movements and related groups and subjects.

2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective April 1, 2012, the organization adopted the requirements of the Canadian Institute of Chartered Accounts (CICA) Handbook – Accounting, electing to adopt the new accounting framework:

Canadian accounting standards for not-for-profit organizations under Part III. These are the organization’s first financial statements prepared in accordance with the transitional provisions of Section 1501 – First-time Adoption by not-for-profit organizations have been applied. Section 1501 requires retrospective application of accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policies note have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012 and the opening statement of financial position at April 1, 2011.

The adoption of the new accounting standards for not-for-profit organizations under Part III of the CICA Handbook-Accounting, resulted in no adjustments to the previously reported assets, liabilities, changes in fund balances, revenue and expenditures and cash flows of the organization.

The organization elected to use the elective exemptions permissible under Section 1501, First-time Adoption as follows:

- Not retrospectively apply Section 3856, Financial Instruments for non-derivative financial instruments if the financial asset or financial liability has been derecognized prior to the date of transition. Accordingly, there is no adjustment to the assets or liabilities recognized in a previous transaction involving a non-derivative financial instrument that does not exist at the date of transition. Applying this elective exemption has resulted in no change to assets, liabilities and fund balances accounts at the date of transition.

There is no effect to the opening statement of financial position as at April 1, 2011 (date of transition) and the year-end March 31, 2012 as a result of adopting the accounting standards for not-for-profit organizations retrospectively.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Capital Assets

Furniture and equipment is amortized on the diminishing balance basis at a rate of 20% per annum.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Use of Estimates

The preparation of the financial statements in conformity 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Contributed Services

The organization would not be able to carry out its administrative activities without the services of numerous volunteers who donate a considerable number of hours. Contributed services are not recognized in the financial statements.

Revenue Recognition

Revenues are recognized in the year received or receivable if the amount to be received can be reasonably assured.

Certain revenue for special projects has been deferred to future years and will be recognized in the same period as the project expenses are incurred.

Financial Instruments

Measurement of financial instruments

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

The organization subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in revenue and expenditures.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred revenue.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in revenue and expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in revenue and expenditures.

Transaction costs

The company recognizes its transaction costs in revenue and expenditures in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

4. DEFERRED REVENUE

Changes in deferred revenue are as follows:

	2013	2012
	\$	\$
Balance – beginning of year	9,690	9,578
New deferral	6,000	1,000
Revenue recognized	(1,000)	(888)
Balance – end of year	14,690	9,690

5. LEASE COMMITMENT

The organization is committed under a lease for premises and certain operating costs. Minimum monthly rentals exclusive of certain operating costs are approximately \$745 per month with the current lease expiring August 31, 2013. The organization expects to enter into an additional one year lease at its current premises

6. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at the balance sheet date.

Credit Risk Exposure

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of accounts and pledges receivable.

Concentration of credit risk with respect to accounts and pledges receivable is limited due to reasonably short collection terms of the contributors. As at March 31, 2013, the organization had no significant concentration of credit risk.

Liquidity Risk Exposure

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 and accrued liabilities and deferred revenue.

7. CAPITAL DISCLOSURE

The organization's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide services for its members and benefits for other stakeholders.

The organization has externally imposed capital requirements as outlined. The organization is in compliance with its capital requirements.