INFO-SECTE/INFO-CULT

FINANCIAL STATEMENTS

MARCH 31, 2016

INFO-SECTE/INFO-CULT
March 31, 2016

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STEIN • JACOBS • KROLIK
Société de comptables professionnels agréés
Partnership of Chartered Professional Accountants

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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, 2016 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.

Stein Jacobs Krolik LLP[1]

Montreal, Quebec
May 27, 2016

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[1] CPA auditor, CA, public accountancy permit number A101176

INFO-SECTE/INFO-CULT
(Incorporated under the laws of Quebec)
As at March 31, 2016

STATEMENT OF FINANCIAL POSITION

(Unaudited)

	2016 $	2015 $
ASSETS		
Current		
Cash	**16,485**	14,209
Accounts receivable	**1,368**	1,217
Prepaid expenses	**2,942**	689
	20,795	16,115
Capital		
Furniture and equipment - at cost	**17,269**	16,389
Accumulated amortization	**14,511**	13,931
	2,758	2,458
	23,553	18,573
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**4,650**	4,413
Deferred revenue (Note 3)	**15,190**	11,822
	19,840	16,235
EQUITY		
Fund Balances	**3,713**	2,338
	23,553	18,573

See accompanying notes

APPROVED ON BEHALF OF THE BOARD:

Director

Director

INFO-SECTE/INFO-CULT
For the year ended March 31, 2016

STATEMENT OF CHANGES IN FUND BALANCES

(Unaudited)

	2016 $	2015 $
BALANCE - BEGINNING OF YEAR	**2,338**	(484)
Excess of revenue over expenditures	**1,375**	2,822
BALANCE - END OF YEAR	**3,713**	2,338

See accompanying notes

INFO-SECTE/INFO-CULT
For the year ended March 31, 2016

STATEMENT OF REVENUE AND EXPENDITURES (Unaudited)

	2016 $	2015 $
REVENUE		
Donations	**19,927**	18,682
Government assistance	**53,881**	53,852
Consultations, lectures and fees	**1,168**	3,207
Other	**75**	46
	75,051	75,787
EXPENSES		
Books and subscriptions	**154**	204
Fund raising	**197**	251
Heat and electricity	**697**	701
Insurance and taxes	**2,330**	2,273
Office maintenance and supplies	**1,729**	1,172
Postage	**411**	441
Professional fees	**3,898**	4,520
Public relations	**676**	229
Rent	**10,380**	10,182
Salaries	**40,000**	40,000
Telephone	**2,049**	2,043
Travel	**6,169**	5,808
Wage levies	**4,406**	4,526
Amortization of property	**580**	615
	73,676	72,965
EXCESS OF REVENUE OVER EXPENDITURES	**1,375**	2,822

See accompanying notes

INFO-SECTE/INFO-CULT
For the year ended March 31, 2016

STATEMENT OF CASH FLOWS

(Unaudited)

	2016 $	2015 $
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	**1,375**	2,822
Item not affecting cash:		
Amortization of property	**580**	615
	1,955	3,437
Changes in non-cash operating working capital	**1,201**	(663)
	3,156	2,774
INVESTING ACTIVITIES		
Additions to property	**(880)**	-
INCREASE IN CASH	**2,276**	2,774
CASH - BEGINNING OF YEAR	**14,209**	11,435
CASH - END OF YEAR	**16,485**	14,209

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. 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.

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.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

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.

3. DEFERRED REVENUE

Changes in deferred revenue are as follows:

	2016 **$**	2015 $
Balance – beginning of year	**11,822**	14,690
Revenue deferred	**6,500**	-
Revenue recognized	**(3,132)**	(2,868)
Balance – end of year	**15,190**	11,822

4. 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 $760 per month with the current lease expiring August 31, 2016. The organization expects to enter into an additional one year lease at its current premises

NOTES TO FINANCIAL STATEMENTS (Unaudited)

5. 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, 2015, 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.

6. 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.