

**DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/
MONTREAL DIET DISPENSARY
FINANCIAL STATEMENTS
MARCH 31, 2022**

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MONTREAL DIET DISPENSARY
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the financial statements of Dispensaire diététique de Montréal/Montreal Diet Dispensary (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, 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.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.





Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

*Sophie Houle CPA INC.*¹

Montreal,
June 7, 2022

¹ By CPA auditor, public accountancy permit No. A111691



DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Statement of Operations

Year Ended March 31, 2022

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	2022	2021
Revenues		
Contributions (Schedule A)	\$ 1,485,021	\$ 1,543,563
Interest income	890	648
Self-generated revenues (Schedule B)	159,692	290,210
	<u>1,645,603</u>	<u>1,834,421</u>
Expenses		
Amortization - capital assets	11,369	9,062
Dietary intakes (Note 11)	103,462	81,315
Insurance	15,724	14,128
Electricity and heating	5,711	7,160
Communications and website	2,931	1,592
Membership dues	19,648	19,719
Repairs and maintenance	27,717	5,890
Office supplies	8,923	14,971
Bank charges	5,008	4,100
Travelling and representation expenses	4,020	3,641
Training	10,542	7,850
Investment management fees	12,318	11,353
Supplies for activities	3,563	3,101
Salaries and fringe benefits	1,219,277	1,134,695
Computer services	43,749	15,717
Professional fees	178,624	115,776
Taxes and permits	10,847	10,449
Telecommunications	5,905	7,199
	<u>1,689,338</u>	<u>1,467,718</u>
(Deficiency) excess of revenues over expenses before other revenues (expenses)	(43,735)	366,703
Investment income (Schedule C)	8,453	112,655
(Deficiency) excess of revenues over expenses	<u>\$ (35,282)</u>	<u>\$ 479,358</u>

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

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Changes in Net Assets

Year Ended March 31, 2022

	Restricted for special projects	Restricted for purchase and maintenance of capital assets	Invested in capital assets	Unrestricted	2022 Total
Balance, beginning of year	\$ 123,523	\$ 178,580	\$ 142,873	\$ 747,393	\$ 1,192,369
Deficiency of revenues over expenses	-	-	(11,369)	(23,913)	(35,282)
Investment in fixed assets	-	-	19,226	(19,226)	-
Internal restrictions (Note 8)	-	155,614	-	(155,614)	-
Balance, end of year	\$ 123,523	\$ 334,194	\$ 150,730	\$ 548,640	\$ 1,157,087

	Restricted for special projects	Restricted for purchase and maintenance of capital assets	Invested in capital assets	Unrestricted	2021 Total
Balance, beginning of year	\$ 123,523	\$ 178,580	\$ 137,384	\$ 273,524	\$ 713,011
(Deficiency) excess of revenues over expenses	-	-	(9,062)	488,420	479,358
Investment in fixed assets	-	-	14,551	(14,551)	-
Balance, end of year	\$ 123,523	\$ 178,580	\$ 142,873	\$ 747,393	\$ 1,192,369

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

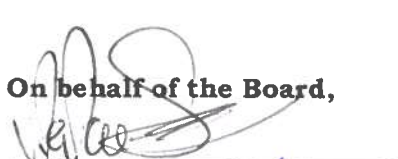
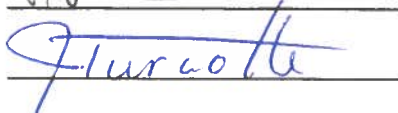
DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Statement of Financial Position

As at March 31, 2022

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	2022	2021
Assets		
Current assets		
Cash	\$ 385,610	\$ 349,775
Short-term investments (Note 3)	920,352	905,271
Accounts receivable (Note 4)	35,433	107,265
Inventory	27,211	13,163
Prepaid expenses	27,525	19,579
	1,396,131	1,395,053
Capital assets (Note 5)	150,730	142,873
	\$ 1,546,861	\$ 1,537,926
Liabilities		
Current liabilities		
Accounts payable (Note 6)	\$ 167,840	\$ 144,678
Deferred contributions (Note 7)	221,934	200,879
	389,774	345,557
Net assets		
Restricted for special projects (Note 8)	123,523	123,523
Restricted for purchase and maintenance of capital assets (Note 8)	334,194	178,580
Invested in capital assets	150,730	142,873
Unrestricted	548,640	747,393
	1,157,087	1,192,369
	\$ 1,546,861	\$ 1,537,926

On behalf of the Board,
_____, Director
_____, Director

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, 2022

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	2022	2021
Operating activities		
(Deficiency) excess of revenues over expenses	\$ (35,282)	\$ 479,358
Non-cash items:		
Amortization of capital assets	11,369	9,062
Interests and distributions funds capitalized to investments cost	(32,213)	(24,969)
(Gain) Loss on disposal of investments	(842)	1,025
Unrealized (gain) loss on investments	24,618	(88,345)
	(32,350)	376,131
Net change in non-cash items related to operating activities (Note 9)	94,055	(148,293)
	61,705	227,838
Investing activities		
Net change in short-term investments	(6,644)	(12,713)
Acquisition of capital assets	(19,226)	(14,551)
	(25,870)	(27,264)
Increase in cash and cash equivalents	35,835	200,574
Cash and cash equivalents, beginning of year	349,775	149,201
Cash and cash equivalents, end of year	\$ 385,610	\$ 349,775

Cash and cash equivalents consist of cash.

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

1. Purpose and legal form of the organization

The Organization was incorporated under Part III of the Québec Companies Act as a not-for-profit organisation and is a registered charity under the income Tax Act. Its mission is to foster optimal infant health through social nutrition interventions with pregnant women in precarious situations, one pregnant woman, infant and family at a time.

2. Significant accounting policies

The Organization applies the Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. The main estimate relate to the useful life of capital assets subject to amortization.

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 transactions are recognized on the transaction date and the income derived therefrom is recognized on an accrual basis. Interest income is recognized as a function of time, while fund distribution and dividends are recognized on the declaration date. Realized gains (losses) on investments are recognized when they occur.

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 of determinable, and that ultimate collection is reasonably assured.

Revenue from fundraising events is recognized when it takes place.

Donated goods and services

Donations of goods and services are recorded as revenue and expense in the financial statements when the fair value can be reasonably estimated.

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.

2. Significant accounting policies (continued)**Pension plan**

The organization participates in a contributory multi-employer defined benefit plan. Payments made to the plan are charged to expenses annually. Accounting for defined contribution plans is applied to the presentation of the financial information presented in the financial statements of the organization.

Inventory

Inventory includes milk and eggs coupons and vitamins which are distributed for free and is found 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 calculated on their estimated useful life using the declining balance method at the following rates:

	Rates
Building	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 when bank 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*Initial and subsequent measurement*

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

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

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

Financial liabilities measured at amortized cost include the accounts payable.

Financial assets measured at fair value include investment funds.

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Notes to Financial Statements

March 31, 2022

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3. Short-term investments

	Cost	2022	2021
Investment funds:			
- Money-market fund	\$ 1,052	\$ 1,052	\$ 13,918
- Canadian fixed-income securities	513,436	503,625	509,208
- Non-Canadian fixed income securities	56,513	52,112	51,557
- Non-traditional investment strategies	131,604	125,182	123,924
- Canadian shares securities	72,230	95,334	77,225
- American shares securities	79,405	101,020	87,849
- Non-North American shares	38,915	42,027	41,590
	\$ 893,155	\$ 920,352	\$ 905,271

The manager investment manages the portfolio investments in accordance with the investment policy approved by the board of directors to optimize the investment income so the organization will be able to meet its future obligations.

4. Accounts receivable

	2022	2021
Grants receivable	\$ 6,000	\$ 98,148
Accounts receivable	-	103
Sales taxes receivable	29,433	9,014
	\$ 35,433	\$ 107,265

5. Capital assets

	2022			2021	
	Cost	Accumulated amortization	Net book value	Net book value	
Land	\$ 52,222	\$ -	\$ 52,222	\$	52,222
Building	138,295	77,805	60,490	\$	62,042
Office equipment	25,294	23,571	1,723	\$	2,153
Telephone system	13,542	11,725	1,817	\$	2,271
Computer equipment	71,706	37,228	34,478	\$	24,185
	\$ 301,059	\$ 150,329	\$ 150,730	\$	142,873

6. Accounts payable

	2022	2021
Accounts payable	\$ 56,699	\$ 18,117
Salaries and vacations payable	111,141	126,561
	\$ 167,840	\$ 144,678

7. Deferred contributions

Deferred contributions represent unexpended grants externally restricted which are intended to cover the activities expenses related to the subsequent year. Changes in the deferred contributions balance are as follows:

	2022	2021
Balance, beginning of the year	\$ 200,879	\$ 310,677
Plus: amounts received related to the following year	320,000	285,857
Less: amounts recognized as revenue in the year	(298,945)	(395,655)
Balance, end of year	\$ 221,934	\$ 200,879

Summary

Centre intégré universitaire de santé et de services sociaux du Centre-Sud-de-l'Île-de-Montréal

- Foster Economic Inclusion and Social Participation measure 13.1	\$ 16,463	\$ 195,417
- Feeding together the future of families	179,421	-

Montréal - Métropole en santé

- Conseil du Système alimentaire montréalais, Integrated Action Plan 2020-2022	-	5,462
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Second Harvest Canada

- Emergency Food Security Fund	26,050	-
	\$ 221,934	\$ 200,879

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL / MONTREAL DIET DISPENSARYNotes to Financial Statements
March 31, 2022

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8. Internal restrictions

The Board of Directors has resolved to reallocate funds previously allocated to initiatives related to the strategic plan and website. As a result, these allocations, as of March 31, 2022, are detailed as follows :

	Balance March 31, 2021	Change in allocations	Uses	Balance March 31, 2022
Restricted assets				
Website	\$ 1,406	\$ (1,406)	\$ -	\$ -
Initiative related to the strategic plan	122,117	(122,117)	-	-
Strategic planning	-	15,000	-	15,000
Brand image	-	75,000	-	75,000
Blue Ribbon Babies (BRB) Redesign	-	33,523	-	33,523
	\$ 123,523	\$ -	\$ -	\$ 123,523

The Board of Directors has resolved to allocate an additional \$155,614 for the maintenance of the building. As of March 31, 2022, net assets for the acquisition and maintenance of capital assets amounted to \$ 334,194.

The organization may not use these internally restricted amounts for any other purpose without the approval of the board of directors.

9. Net change in non-cash items related to operating activities

	2022	2021
Accounts receivable	\$ 71,832	\$ (54,140)
Inventory	(14,048)	20,390
Prepaid expenses	(7,946)	993
Accounts payable	23,162	(3,018)
Deferred revenues	-	(2,720)
Deferred contributions	21,055	(109,798)
	\$ 94,055	\$ (148,293)

10. Pension plan

The organization participates in a multi-employer contributory defined benefit plan which is administered by another agency. The benefits of the plan are funded in a pension fund for the benefit of all plan members. The organization's contribution to the plan amounts to \$ 81 052 (\$ 76,462 in 2021). Since this is an interagency plan for which the amount of obligation attributable to each participating entity cannot be quantified, the organization is unable to account for this plan as a defined benefit plan, and the rather, it accounts as a defined contribution plan. The plan's annual report provides information on the plan's surplus or deficit. There is no change in the contractual elements of the plan.

11. Non-monetary transactions

During the year, the organization received, as an affiliated member of the OLO Foundation, credits to purchase eggs and milk with a value of \$ 5,382 (\$ 75,725 in 2021). The organization also received investments in shares quoted in an active market having a fair market value of \$ 19 804 (\$ 24,482 in 2021) as well as donations of goods valued at \$ 2,165 (\$ 19,750 in 2021). These transactions have been accounted for at the exchange value which is the amount of the counterpart established and agreed between the parties.

12. Financial instruments**Financial risks**

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

Liquidity risk

Liquidity risk is the risk that the Organization 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 asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related to accounts receivable and grants receivable.

For grants receivable, the organisation assesses, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

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.

Market risk

Market risk is the risk that the fair value or future cash flows of the Organization's financial instruments will fluctuate because of changes in market prices. Some of the Organization's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

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 interest rates. The Organization is exposed to interest rate risk on its fixed-interest rate financial instruments. Fixed interest rate instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

12. Financial instruments (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments funds which invests in quoted shares for which the value fluctuates with the quoted market price.

13. Comparative figures

Certain figures for 2021 have been reclassified to make their presentation identical to that adopted in 2022.

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Additional Information

Year Ended March 31, 2022

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	2022	2021
Schedule A - Contributions		
Centre intégré universitaire de santé et de services sociaux du Centre-Sud-de-l'Île-de-Montréal		
- Operating	\$ 407,594	\$ 401,175
- Public health measure 3.1 (SIPPE-SCEF)	162,818	11,813
- Foster Economic Inclusion and Social Participation measure 3.1	178,954	79,004
- Feeding together the future of families	70,579	-
Public Health Agency of Canada		
- Canada Prenatal Nutrition Program (CPNP)	275,292	309,151
Canada Summer Jobs	4,195	-
Ville de Montréal		
- Fonds québécois d'initiatives sociales dans le cadre des alliances pour la solidarité	-	25,000
La Société de gestion du fonds pour le développement des jeunes enfants (Avenir d'enfants)	-	7,500
Centraide		
- Operating	281,795	281,795
Credits related to dietary intakes purchases - OLO Foundation (Note 11)	5,382	75,725
Montréal - Métropole en santé Conseil du Système alimentaire montréalais, Integrated Action Plan 2020-2022	29,462	30,538
The Foundation of Greater Montréal		
- Family Services	25,000	-
Grants related to CODIV-19		
- Government of Canada:		
Canada Emergency Wage Subsidies (UCSS)	-	280,197
- Centraide COVID-19 Emergency Fund	-	27,400
Moisson Montréal	-	6,265
Fondation Énergie Valéro du Québec	-	5,000
Other	-	3,000
Second Harvest Canada		
- Emergency Food Security Fund	43,950	-
	\$ 1,485,021	\$ 1,543,563

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL / MONTREAL DIET DISPENSARY

Additional Information

Year Ended March 31, 2022

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	2022	2021
Schedule B - Self-generated revenues		
Donations	\$ 134,022	\$ 240,455
Donations in kind (Note 11)	21,969	44,232
Sale of publication and services	1,076	3,441
Internship supervision	2,625	2,082
	<hr/>	<hr/>
	\$ 159,692	\$ 290,210
Schedule C - Investment income		
Interest and fund distributions	\$ 32,229	\$ 24,310
Unrealized (loss) gains on investments	(24,618)	89,370
Gain (Loss) on disposal of investments	842	(1,025)
	<hr/>	<hr/>
	\$ 8,453	\$ 112,655
