

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/

MONTREAL DIET DISPENSARY

FINANCIAL STATEMENTS

MARCH 31, 2023

**DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/
MONTREAL DIET DISPENSARY
FINANCIAL STATEMENTS
MARCH 31, 2023**

SUMMARY

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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, 2023, 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, 2023, 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.

Montreal,
May 30, 2023



DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARYStatement of Operations
Year Ended March 31, 2023

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	2023	2022
Revenues		
Contributions (Schedule A)	\$ 1,704,894	\$ 1,485,021
Self-generated revenues (Schedule B)	566,879	159,692
Interest income	1,586	890
	<u>2,273,359</u>	<u>1,645,603</u>
Expenses		
Amortization - capital assets	14,172	11,369
Dietary intakes (Note 11)	199,123	103,462
Insurance	17,813	15,724
Electricity and heating	10,379	5,711
Communications and website	549	2,931
Donations of clothing and goods (Note 11)	33,645	-
Membership dues	9,844	19,648
Repairs and maintenance	20,046	27,717
Office supplies	8,281	8,923
Bank charges	4,535	5,008
Travelling and representation expenses	2,165	4,020
Training	4,913	10,542
Investment management fees	12,908	12,318
Supplies for activities	4,860	3,563
Salaries and fringe benefits	1,505,016	1,219,277
Computer services	25,700	43,749
Professional fees	224,326	178,624
Taxes and permits	11,646	10,847
Telecommunications	7,002	5,905
	<u>2,116,923</u>	<u>1,689,338</u>
Excess (deficiency) of revenues over expenses before other revenues (expenses)	156,436	(43,735)
Investment income (Schedule C)	(14,810)	8,453
Excess (deficiency) of revenues over expenses	<u>\$ 141,626</u>	<u>\$ (35,282)</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, 2023

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	Restricted for special projects	Restricted for major building works	Invested in capital assets	Unrestricted	2023 Total
Balance, beginning of year	\$ 123,523	\$ 334,194	\$ 150,730	\$ 548,640	\$ 1,157,087
Excess (deficiency) of revenues over expenses	(56,917)	-	(14,172)	212,715	141,626
Investment in fixed assets	-	-	16,822	(16,822)	-
Internal restrictions (Note 8)	28,394	115,806	-	(144,200)	-
Balance, end of year	\$ 95,000	\$ 450,000	\$ 153,380	\$ 600,333	\$ 1,298,713

	Restricted for special projects	Restricted for major building works	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

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

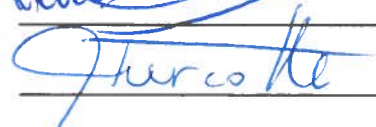
DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Statement of Financial Position

As at March 31, 2023

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	2023	2022
Assets		
Current assets		
Cash	\$ 305,056	\$ 385,610
Short-term investments (Note 3)	1,099,140	920,352
Accounts receivable (Note 4)	58,920	35,433
Inventory	8,015	27,211
Prepaid expenses	28,069	27,525
	1,499,200	1,396,131
Capital assets (Note 5)	153,380	150,730
	\$ 1,652,580	\$ 1,546,861
Liabilities		
Current liabilities		
Accounts payable (Note 6)	\$ 156,367	\$ 167,840
Deferred contributions (Note 7)	197,500	221,934
	353,867	389,774
Net assets		
Restricted for special projects (Note 8)	95,000	123,523
Restricted for major building works (Note 8)	450,000	334,194
Invested in capital assets	153,380	150,730
Unrestricted	600,333	548,640
	1,298,713	1,157,087
	\$ 1,652,580	\$ 1,546,861

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

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

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARYStatement of Cash Flows
Year Ended March 31, 2023

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	2023	2022
Operating		
Excess (deficiency) of revenues over expenses	\$ 141,626	\$ (35,282)
Non-cash items:		
Amortization of capital assets	14,172	11,369
Interests and distributions funds capitalized to investments cost	(32,033)	(32,213)
Gain on disposal of investments	(1,982)	(842)
Unrealized loss on investments	48,825	24,618
	170,608	(32,350)
Net change in non-cash items related to operating activities (Note 9)	(40,742)	94,055
	129,866	61,705
Investing		
Net change in short-term investments	(193,598)	(6,644)
Acquisition of capital assets	(16,822)	(19,226)
	(210,420)	(25,870)
(Decrease) increase in cash and cash equivalents	(80,554)	35,835
Cash and cash equivalents, beginning of year	385,610	349,775
Cash and cash equivalents, end of year	\$ 305,056	\$ 385,610

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.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the impairment of financial assets and the useful lives of 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 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.

2. Significant accounting policies (continued)**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.

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.

2. Significant accounting policies (continued)**Financial instruments***Initial measurement*

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

Subsequent measurement

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash, accounts receivable and grants receivable.

Financial assets measured at fair value include investment funds.

Financial liabilities measured at amortized cost include accounts payable.

3. Short-term investments

	Cost	2023	2022
Investment funds:			
- Money-market fund	\$ 217,440	\$ 217,440	\$ 1,052
- Canadian fixed-income securities	545,686	514,948	503,625
- Non-Canadian fixed income securities	89,123	50,763	52,112
- Non-traditional investment strategies	140,893	128,314	125,182
- Canadian shares securities	74,983	88,481	95,334
- American shares securities	74,820	91,180	101,020
- Non-North American shares	7,205	8,014	42,027
	\$ 1,150,150	\$ 1,099,140	\$ 920,352

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.

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Notes to Financial Statements

March 31, 2023

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4. Accounts receivable

	2023		2022	
Grants receivable	\$	15,610	\$	6,000
Accounts receivable		15,887		-
Sales taxes receivable		27,423		29,433
	\$	58,920	\$	35,433

5. Capital assets

	2023			2022	
	Cost	Accumulated amortization	Net book value	Net book value	
Land	\$ 52,222	\$ -	\$ 52,222	\$ 52,222	
Building	138,295	79,317	58,978	60,490	
Office equipment	29,904	24,377	5,527	1,723	
Telephone system	13,542	12,088	1,454	1,817	
Computer equipment	83,918	48,719	35,199	34,478	
	\$ 317,881	\$ 164,501	\$ 153,380	\$ 150,730	

6. Accounts payable

	2023		2022	
Accounts payable	\$	22,147	\$	56,699
Salaries and vacations payable		134,220		111,141
	\$	156,367	\$	167,840

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:

	2023	2022
Balance, beginning of the year	\$ 221,934	\$ 200,879
Less: amounts recognized as revenue in the year	(221,934)	(298,945)
Plus: amounts received related to the following year	197,500	320,000
Balance, end of year	\$ 197,500	\$ 221,934

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	\$ 10,000	\$ 16,463
- Feeding together the future of families	-	179,421

Centraide

- Asylum seeker emergency fund	75,000	-
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Private foundations

	112,500	-
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Second Harvest Canada

- Emergency Food Security Fund	-	26,050
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	\$ 197,500	\$ 221,934
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8. Internal restrictions

During the year, the organization used money previously allocated by the Board of Directors. In addition, the Board of Directors resolved to allocate \$ 28,394 to special projects and to reallocate the unused balance from completed projects. As a result, as of March 31, 2023, the allocations are detailed as follows:

	Balance March 31, 2022	Change in allocations	Uses	Balance March 31, 2023
Restricted assets				
Strategic planning	\$ 15,000	\$ (747)	\$ (14,253)	\$ -
Brand image	75,000	27,947	(27,947)	75,000
Blue Ribbon Babies (BRB) Redesign	33,523	(18,806)	(14,717)	-
Collective kitchen	-	20,000	-	20,000
	\$ 123,523	\$ 28,394	\$ (56,917)	\$ 95,000

The Board of Directors resolved to change the wording of the allocation of net assets to purchase and maintenance of capital assets for major building works to better reflect the intended use of these amounts. In addition, it resolved to allocate an additional amount of \$ 115,806 (\$ 155,614 in 2022). As of March 31, 2023, the net assets allocated to the major building works therefore amount to \$ 450,000 .

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

	2023	2022
Accounts receivable	\$ (23,487)	\$ 71,832
Inventory	19,196	(14,048)
Prepaid expenses	(544)	(7,946)
Accounts payable	(11,473)	23,162
Deferred contributions	(24,434)	21,055
	\$ (40,742)	\$ 94,055

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 \$ 75,577 (\$ 81,052 in 2022). 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 \$ 111,638 (\$ 5,382 in 2022). The organization also received investments in shares quoted in an active market having a fair market value of \$ 206,505 (\$ 19,804 in 2022) as well as donations of goods valued at \$ 37,262 (\$ 2,165 in 2022). Also, Moisson Montréal distributed to the organization 5,229 kilos of foodstuffs representing a total value of \$ 36,504. 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 significant risks arising from financial instruments to which the Organization is exposed as at March 31, 2023 are detailed below.

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.

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.

12. Financial instruments (continued)**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.

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 mainly exposed to other price risk through its investments funds which invests in quoted shares for which the value fluctuates with the quoted market price.

	2023	2022
Schedule A - Contributions		
Centre intégré universitaire de santé et de services sociaux du Centre-Sud-de-l'Île-de-Montréal		
- Operating	\$ 419,414	\$ 407,594
- Public Health Measure 3.1 (SIPPE-SCEF)	162,818	162,818
- Foster Economic Inclusion and Social Participation measure 13.1	111,065	178,954
- Feeding together the future of families	179,421	70,579
Public Health Agency of Canada		
- Canada Prenatal Nutrition Program (CPNP)	274,674	275,292
Canada Summer Jobs	9,196	4,195
Centraide		
- Operating	350,795	281,795
Credits related to dietary intakes purchases - OLO Foundation (Note 11)	111,638	5,382
Montréal - Métropole en santé Conseil du Système alimentaire montréalais, Integrated Action Plan 2020-2022	-	29,462
The Foundation of Greater Montréal		
- Family Services	-	25,000
Second Harvest Canada		
- Emergency Food Security Fund	26,050	43,950
Private foundations	37,500	-
Other grants	22,323	-
	\$ 1,704,894	\$ 1,485,021
Schedule B - Self-generated revenues		
Donations	\$ 251,145	\$ 134,022
Donations in kind (Note 11)	280,271	21,969
Expertise services	20,662	826
Internship supervision	2,100	2,625
Other income	12,701	250
	\$ 566,879	\$ 159,692
Schedule C - Investment income		
Interest and fund distributions	\$ 32,033	\$ 32,229
Unrealized loss on investments	(48,825)	(24,618)
Gain on disposal of investments	1,982	842
	\$ (14,810)	\$ 8,453