

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/

MONTREAL DIET DISPENSARY

FINANCIAL STATEMENTS

MARCH 31, 2021

**DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/
MONTREAL DIET DISPENSARY
FINANCIAL STATEMENTS
MARCH 31, 2021**

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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, 2021, 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, 2021, 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.

 CPA INC.¹

Montreal,
June 1st, 2021

¹ By CPA auditor, CA, public accountancy permit No. A111691



DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Statement of Operations

Year Ended March 31, 2021

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	2021	2020
Revenues		
Contributions (Schedule A)	\$ 1,543,563	\$ 1,059,783
Self-generated revenues (Schedule B)	290,210	327,367
	<u>1,833,773</u>	<u>1,387,150</u>
Expenses		
Amortization - capital assets	9,062	8,415
Dietary intakes (Note 12)	81,315	155,574
Insurance	14,128	12,565
Electricity and heating	7,160	9,267
Communications and website	1,592	3,730
Membership dues	19,719	19,513
Repairs and maintenance	5,890	21,135
Office supplies	14,971	9,057
Bank charges	4,100	3,618
Travelling and representation expenses	3,641	8,061
Training	7,850	11,474
Investment management fees	11,353	11,451
Fundraising event - related fees	-	9,363
Supplies for activities	3,101	11,522
Salaries and fringe benefits	1,134,695	1,258,852
Computer services	15,717	14,363
Professional fees	115,776	56,864
Taxes and permits	10,449	10,006
Telecommunications	7,199	8,777
	<u>1,467,718</u>	<u>1,643,607</u>
Excess (deficiency) of revenues over expenses before other revenues (expenses)	366,055	(256,457)
Investment income (Schedule C)	113,303	(15,969)
Excess (deficiency) of revenues over expenses before expenses assumed by the net assets subject to internal restriction	479,358	(272,426)
Expenses assumed by the net assets subject to internal restriction		
Initiative related to the strategic plan (Note 8)	-	(63,123)
Repairs, maintenance and consulting fees - building (Note 8)	-	(18,333)
	-	(81,456)
Excess (deficiency) of revenues over expenses	<u>\$ 479,358</u>	<u>\$ (353,882)</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, 2021

	Restricted for special projets	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
Excess (deficiency) 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

	Restricted for special projets	Restricted for purchase and maintenance of capital assets	Invested in capital assets	Unrestricted	2020 Total
Balance, beginning of year	\$ 186,646	\$ 196,913	\$ 139,975	\$ 543,359	\$ 1,066,893
Excess (deficiency) of revenues over expenses	(63,123)	(18,333)	(8,415)	(264,011)	(353,882)
Investment in fixed assets	-	-	5,824	(5,824)	-
Balance, end of year	\$ 123,523	\$ 178,580	\$ 137,384	\$ 273,524	\$ 713,011

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, 2021


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	2021	2020
Assets		
Current assets		
Cash	\$ 349,775	\$ 149,201
Short-term investments (Note 3)	905,271	780,269
Accounts receivable (Note 4)	107,265	53,125
Inventory	13,163	33,553
Prepaid expenses	19,579	20,572
	1,395,053	1,036,720
Capital assets (Note 5)	142,873	137,384
	\$ 1,537,926	\$ 1,174,104
Liabilities		
Current liabilities		
Accounts payable (Note 6)	\$ 144,678	\$ 147,696
Deferred revenues	-	2,720
Deferred contributions (Note 7)	200,879	310,677
	345,557	461,093
Net assets		
Restricted for special projects (Note 8)	123,523	123,523
Restricted for purchase and maintenance of capital assets (Note 8)	178,580	178,580
Invested in capital assets	142,873	137,384
Unrestricted	747,393	273,524
	1,192,369	713,011
	\$ 1,537,926	\$ 1,174,104

Commitment (Note 11)

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, 2021

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	2021	2020
Operating activities		
Excess (deficiency) of revenues over expenses	\$ 479,358	\$ (353,882)
Non-cash items:		
Amortization of capital assets	9,062	8,415
Interests and distributions funds capitalized to investments cost	(24,969)	(31,145)
Loss on disposal of investments	1,025	4,620
Unrealized loss (gain) on investments	(88,345)	42,560
	376,131	(329,432)
Net change in non-cash items related to operating activities (Note 9)	(148,293)	302,106
	227,838	(27,326)
Investing activities		
Net change in short-term investments	(12,713)	12,707
Cash receipts from investments	-	100,000
Acquisition of capital assets	(14,551)	(5,824)
	(27,264)	106,883
Increase in cash and cash equivalents	200,574	79,557
Cash and cash equivalents, beginning of year	149,201	69,644
Cash and cash equivalents, end of year	\$ 349,775	\$ 149,201

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. 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.

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 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.

3. Short-term investments

	Cost	2021	2020
Investment funds:			
- Money-market fund	\$ 13,918	\$ 13,918	\$ 11,471
- Canadian fixed-income securities	488,555	509,208	469,150
- Non-Canadian fixed income securities	52,578	51,557	42,311
- Non-traditional investment strategies	120,860	123,924	104,163
- Canadian shares securities	68,154	77,225	57,806
- American shares securities	73,961	87,849	63,593
- Non-North American shares	35,687	41,590	31,775
	\$ 853,713	\$ 905,271	\$ 780,269

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, 2021

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4. Accounts receivable

	2021		2020	
Grants receivable	\$	98,148	\$	45,754
Accounts receivable		103		437
Sales taxes receivable		9,014		6,934
	\$	107,265	\$	53,125

5. Capital assets

	2021			2020	
	Cost	Accumulated amortization	Net book value	Net book value	
Land	\$ 52,222	\$ -	\$ 52,222	\$	52,222
Building	138,295	76,253	62,042	\$	63,632
Office equipment	25,294	23,141	2,153		2,692
Telephone system	13,542	11,271	2,271		2,839
Computer equipment	52,480	28,295	24,185		15,999
	\$ 281,833	\$ 138,960	\$ 142,873	\$	137,384

6. Accounts payable

	2021		2020	
Accounts payable	\$	18,117	\$	17,326
Salaries and vacations payable		126,561		130,370
	\$	144,678	\$	147,696

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:

	2021	2020
Balance, beginning of the year	\$ 310,677	\$ 4,500
Plus: amounts received related to the following year	285,857	563,395
Less: amounts recognized as revenue in the year	(395,655)	(257,218)
Balance, end of year	\$ 200,879	\$ 310,677

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

\$ 195,417 \$ 274,421

Public Health Agency of Canada

- Canada Prenatal Nutrition Program (CPNP)

- 33,756

Montréal - Métropole en santé

- Conseil du Système alimentaire montréalais, Integrated Action Plan 2020-2022

5,462 -

La Société de gestion du fonds pour le

développement des jeunes enfants (Avenir d'enfants)

- 2,500

\$ 200,879 \$ 310,677

8. Internal restrictions

During prior years, the board of directors has resolved to allocate unrestricted net assets to the initiative related to the strategic plan. During the year, the organization did not use any amount (\$ 63,123 in 2020) for expenses related to the strategic plan. As a result, these allocations, as of March 31, 2021, are as follows :

	Balance March 31, 2020	New Allocations	Uses	Balance March 31, 2021
Restricted assets				
Website	\$ 1,406	\$ -	\$ -	\$ 1,406
Initiative related to the strategic plan	122,117	-	-	122,117
	\$ 123,523	\$ -	\$ -	\$ 123,523

During the previous year, the organization used an amount of \$ 18,333 for consulting fees about works to be performed on the building. As a result, on March 31, 2021, the net assets restricted for the purchase and maintenance of capital assets amounted to \$ 178,580.

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

	2021	2020
Accounts receivable	\$ (54,140)	\$ (1,589)
Inventory	20,390	(24,313)
Prepaid expenses	993	(13,727)
Accounts payable	(3,018)	32,838
Deferred revenues	(2,720)	2,720
Deferred contributions	(109,798)	306,177
	\$ (148,293)	\$ 302,106

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 \$ 76,462 (\$ 75,738 in 2020). 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. Commitment

The organization signed a professional services contract for a total amount of \$ 86,806 (of which an amount of \$ 25,000 was incurred as of March 31, 2021) for the computerization and implementation of the website of a social nutrition project. The computerization project that started during the fiscal year is expected to end in September 2021.

12. 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 \$ 75,725 (\$ 60,580 in 2020). The organization also received investments in shares quoted in an active market having a fair market value of \$ 24,482 as well as donations of goods valued at \$ 19,750 (\$ 460 in 2020). In addition, during the previous year, Moisson Montréal distributed to the organization 15,918 kilos of foodstuffs representing a total value of \$ 90,735. These transactions have been accounted for at the exchange value which is the amount of the counterpart established and agreed between the parties.

13. 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.

13. Financial instruments (continued)**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.

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.

14. Comparative figures

Certain figures for 2020 have been reclassified to make their presentation identical to that adopted in 2021.

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Additional Information

Year Ended March 31, 2021

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	2021	2020
Schedule A - Contributions		
Centre intégré universitaire de santé et de services sociaux du Centre-Sud-de-l'Île-de-Montréal		
- Operating	\$ 401,175	\$ 392,538
- Public health measure 3.1 (SIPPE-SCEF)	11,813	13,635
- Foster Economic Inclusion and Social Participation measure 3.1	79,004	3,579
Public Health Agency of Canada		
- Canada Prenatal Nutrition Program (CPNP)	309,151	241,639
Canada Summer Jobs	-	7,967
Ville de Montréal		
- Fonds québécois d'initiatives sociales dans le cadre des alliances pour la solidarité	25,000	25,000
La Société de gestion du fonds pour le développement des jeunes enfants (Avenir d'enfants)	7,500	10,000
Centraide		
- Operating	281,795	281,795
- Training assistance	-	3,050
Credits related to dietary intakes purchases - OLO Foundation (Note 12)	75,725	60,580
Fondation Énergie Valero du Québec	-	20,000
Montréal - Métropole en santé Conseil du Système alimentaire montréalais, Integrated Action Plan 2020-2022	30,538	-
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	-
	\$ 1,543,563	\$ 1,059,783

Schedule B - Self-generated revenues

Donations	\$ 240,455	\$ 213,850
Donations in kind (Note 12)	44,232	91,195
Fundraising events	-	18,094
Sale of publication and services	3,441	4,228
Internship supervision	2,082	-
	\$ 290,210	\$ 327,367

DISPENSARE DIÉTÉTIQUE DE MONTRÉAL/MONTREAL DIET DISPENSARY

Additional Information

Year Ended March 31, 2021

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	2021	2020
Schedule C - Investment income		
Interest and fund distributions	\$ 24,958	\$ 31,211
Unrealized gains (loss) on investments	89,370	(42,560)
Loss on disposal of investments	(1,025)	(4,620)
	\$ 113,303	\$ (15,969)
