

**Moisson Montréal inc.**

**Financial Report**

**March 31, 2023**

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## ***Independent Auditor's Report***

To the Administrators of  
**Moisson Montréal inc.:**

### ***Qualified Opinion***

We have audited the financial statements of **Moisson Montréal inc.** (the "Company"), which comprise the statement of financial position as at March 31, 2023, and the statements of revenue, 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 our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company 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 Qualified Opinion***

In common with many not-for-profit organizations, the Company derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenue was limited to the amounts recorded in the records of the Company. Therefore, we were not able to determine whether any adjustments might be necessary to donations, excess of revenue (expenses) and cash flows from operating activities for the years ended March 31, 2023 and 2022, assets as at March 31, 2023 and 2022, and net assets as at March 31, 2023 and 2022.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

## ***Independent Auditor's Report (cont'd)***

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

***Independent Auditor's Report (cont'd)***

We 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 we identify during our audit.

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Montréal, Québec  
May 26, 2023

Chartered Professional Accountant Partnership LLP

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 CPA Auditor, Public Accountancy Permit No. A132389

## Statement of Revenue

Year ended March 31	2023	2022
<b>Food supply</b>		
In-kind contributions of food	\$ 129,666,765	\$ 100,566,996
Compost, recycling, waste and changes in inventory	(4,345,179)	(4,079,535)
In-kind contributions of food redistributed (Schedule A)	<u>(124,914,128)</u>	<u>(98,648,767)</u>
<b>Net result – Food supply</b>	<u>407,458</u>	<u>(2,161,306)</u>
<b>Food distribution activities</b>		
<b>Revenue</b>		
Donations (Schedule B)	6,585,142	5,417,983
Fundraising activities (Schedule B)	2,614,413	2,678,378
Contributions (Schedule B)	393,049	352,526
Rental and other services	430,950	364,332
Amortization of deferred contributions related to fixed assets and intangible assets (Note 13)	436,425	310,832
Financial and other revenues (Schedule D)	<u>134,555</u>	<u>14,912</u>
	<u>10,594,534</u>	<u>9,138,963</u>
<b>Expenses (Schedule C)</b>		
Operations		
Warehouse	1,902,896	1,646,611
Procurement	637,757	411,054
Transportation	1,319,949	1,105,763
Maintenance of building	832,326	907,339
Community liaison	77,855	138,653
	<u>4,770,783</u>	<u>4,209,420</u>
Fundraising activities (Schedule C)	<u>145,916</u>	<u>104,881</u>
Activities and communications development (Schedule C)	<u>482,152</u>	<u>540,119</u>
Philanthropic development (Schedule C)	<u>401,880</u>	<u>322,015</u>
Management (Schedule C)		
Executive and finances	1,044,601	901,069
Human resources	433,037	368,812
Financial expenses	-	8,117
	<u>1,477,638</u>	<u>1,277,998</u>
	<u>7,278,369</u>	<u>6,454,433</u>
<b>Net result – Food distribution activities before other revenue (expenses)</b>	<u>3,316,165</u>	<u>2,684,530</u>
<b>Other revenue (expenses) (Note 15)</b>		
Distributions	-	248,880
Donations	<u>(2,400,000)</u>	<u>(2,370,880)</u>
	<u>(2,400,000)</u>	<u>(2,122,000)</u>
<b>Net result – Food distribution activities</b>	<u>916,165</u>	<u>562,530</u>
<b>Excess of revenue (expenses)</b>	<u>\$ 1,323,623</u>	<u>\$ (1,598,776)</u>
<b>Total revenue</b>	<u>\$ 140,261,299</u>	<u>\$ 109,954,839</u>
<b>Total expenses</b>	<u>138,937,676</u>	<u>111,553,615</u>
<b>Excess of revenue (expenses)</b>	<u>\$ 1,323,623</u>	<u>\$ (1,598,776)</u>
<b>Excess of revenue excluding food supply</b>	<u>\$ 916,165</u>	<u>\$ 562,530</u>

## Statement of Changes in Net Assets

Year ended March 31

2023

2022

	Internally restricted (Note 14)			Unrestricted	Total	Total
	Management of capital assets	Invested in capital assets	To improve accessibility			
<b>Balance at beginning of year</b>	\$ 1,051,194	\$ 2,423,172	\$ -	\$ 4,706,771	\$ <b>8,181,137</b>	\$ 9,779,913
Excess of revenue (expenses)	-	(186,723)*	-	1,510,346	<b>1,323,623</b>	(1,598,776)
Transfer (Note 14)	1,465,260	64,230	200,000	(1,729,490)	-	-
Additions to capital assets (Note 14)	<u>(560,454)</u>	<u>523,996</u>	<u>-</u>	<u>36,458</u>	<u>-</u>	<u>-</u>
<b>Balance at end of year</b>	<u>\$ 1,956,000</u>	<u>\$ 2,824,675</u>	<u>\$ 200,000</u>	<u>\$ 4,524,085</u>	<b>**\$ 9,504,760</b>	<u>\$ 8,181,137</u>

\* **Represented by:**  
 Amortization of deferred contributions related to fixed assets and intangible assets

\$ 442,194  
 (645,835)

Profit on disposal of fixed assets

16,918

\$ (186,723)

\*\* **Represented by:**  
 Inventory of food to be redistributed  
 Other net assets

\$ 1,891,810

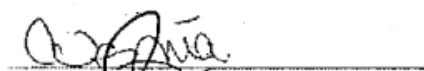
2,632,275

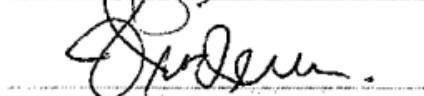
\$ 4,524,085

## Statement of Financial Position

March 31	2023	2022
<b>Current assets</b>		
Cash (Note 3)	\$ 3,338,043	\$ 2,847,418
Accounts receivable (Note 4)	111,324	380,043
Grant receivable from the MAMOT	-	48,694
Inventory of food	1,891,810	1,484,352
Prepaid expenses	30,961	50,041
Current portion of investments (Note 5)	730,000	1,386,000
	<u>6,102,138</u>	<u>6,196,548</u>
<b>Investments (Note 5)</b>	<b>1,412,699</b>	<b>486,190</b>
<b>Reserved investments for children's food aid (Note 6)</b>	<b>1,093,581</b>	<b>1,171,259</b>
<b>Fixed assets (Note 7)</b>	<b>5,803,566</b>	<b>6,095,308</b>
<b>Intangible assets (Note 8)</b>	<b>197,735</b>	<b>10,914</b>
	<u>8,507,581</u>	<u>7,763,671</u>
<b>Total assets</b>	<b>\$ 14,609,719</b>	<b>\$ 13,960,219</b>
<b>Current liabilities</b>		
Payables and accrued charges (Note 9)	\$ 600,862	\$ 869,124
Deferred contributions related to specific projects (Note 10)	75,163	-
Deferred revenue	158,727	6,955
Current portion of subsidized long-term debt (Note 11)	-	48,694
	<u>834,752</u>	<u>924,773</u>
<b>Deferred contribution related to children's food aid (Note 12)</b>	<b>1,093,581</b>	<b>1,171,259</b>
<b>Deferred contributions related to fixed and intangible assets (Note 13)</b>	<b>3,176,626</b>	<b>3,683,050</b>
	<u>4,270,207</u>	<u>4,854,309</u>
<b>Total liabilities</b>	<b>5,104,959</b>	<b>5,779,082</b>
<b>Net assets</b>		
Internally restricted (Note 14)		
To improve accessibility	200,000	-
Management of capital assets	1,956,000	1,051,194
Invested in capital assets	2,824,675	2,423,172
Unrestricted	4,524,085	4,706,771
	<u>9,504,760</u>	<u>8,181,137</u>
<b>Total liabilities and net assets</b>	<b>\$ 14,609,719</b>	<b>\$ 13,960,219</b>

On behalf of the board

  
 \_\_\_\_\_ Administrator

  
 \_\_\_\_\_ Administrator

## Statement of Cash Flows

Year ended March 31

2023

2022

**Operating activities**

Excess of revenue (expenses)	\$ 1,323,623	\$ (1,598,776)
Items not affecting cash		
Changes in inventory of food	(407,458)	2,161,306
Deferred contributions related to specific projects recognized as revenue (Note 10)	(284,237)	(220,169)
Deferred contribution related to children's food aid recognized as revenue (Note 12)	(50,000)	(5,000)
Amortization of deferred contributions related to fixed and intangible assets (Note 13)	(442,194)	(319,142)
Amortization of fixed and intangible assets	645,835	500,991
Investments donations recognized as revenue	(198,303)	(134,931)
Profit on disposal of investments included in financial revenues	(8,802)	(10,567)
Change in fair value of investments	73,574	62,423
Profit on disposal of fixed assets	(16,918)	-
	<u>635,120</u>	<u>436,135</u>
Changes in non-cash working capital items (Note 18)	161,716	(102,288)
Receipt of deferred contributions related to specific projects (Note 10)	295,170	155,169
Investments revenues allocated to deferred contributions related to children's food aid (Note 12)	39,249	40,343
	<u>1,131,255</u>	<u>529,359</u>
<b>Financing activity</b>		
Receipt of deferred contributions related to fixed and intangible assets (Note 13)	-	442,081
<b>Investing activities</b>		
Acquisition of investments	(3,223,004)	(2,205,364)
Disposal of investments	3,096,777	2,519,500
Additions to fixed and intangible assets	(540,403)	(379,371)
Disposal of fixed assets	26,000	-
	<u>(640,630)</u>	<u>(65,235)</u>
<b>Net increase in cash</b>	<b>490,625</b>	<b>906,205</b>
Cash at beginning of year	<u>2,847,418</u>	<u>1,941,213</u>
<b>Cash at end of year</b>	<b>\$ 3,338,043</b>	<b>\$ 2,847,418</b>

**Supplemental information without effect on cash**

Reduction of long-term debt by the MAMOT – financing	\$ 48,694	\$ 111,710
Additions to fixed assets included in accounts payable and accrued charges – investing	\$ 23,752	\$ 14,159
Change in fair value of reserved investments for children's food aid and deferred contributions related to children's food aid – investing and financing	\$ 66,927	\$ 3,562



**Notes to Financial Statements****March 31, 2023**

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**1. Incorporation and nature of activities**

Moisson Montréal inc. (the “Company”) is incorporated under Part III of the Québec Companies Act. The Company is working to provide an optimal food supply for community agencies serving Montréal’s most vulnerable people while actively participating in the development of sustainable solutions to promote food security. As a charitable organization registered under the Income Tax Act, Moisson Montréal inc. can issue receipts for charitable donations.

**2. Significant accounting policies***Authoritative accounting pronouncements*

The Company applies the Canadian Accounting Standards for the Not-for-Profit Organizations, hereafter referred to as “ASNPO” under Part III of CPA Canada Handbook – Accounting.

*Contributions and revenue recognition*

The Company follows the deferral method of accounting for contributions (donations and contributions). Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Fundraising activities revenue is recognized at the date of the event.

The rental revenue is recorded monthly as it becomes due.

The other services revenue is recorded when the services are rendered.

The financial revenue is recorded as it is earned.

*Recovered donations redistributed as food products and compost, recycling, waste and changes in inventory*

The operations of the Company depend mainly on in-kind contributions of food. Donated and redistributed food supplies are weighted and recognized by food categories to be valued. Compost, recycling and waste are also weighted and recognized under the same method. Donations are valued based on a value established by an internationally renowned measurement and data analytics firm to evaluate in-kind contributions of food, food redistributed as well as compost, recycling and waste.

*Donations received in supplies, services or in goods*

Donations received in supplies, services or in goods (donations in-kind) are recorded at fair value when they can be reasonably estimated. Supplies contributions for the year ended in 2023 consist of in-kind contributions of food, publicly-listed securities and donated services. The fair value of the in-kind contributions of food is established with a value provided by an internationally renowned measurement and data analytics firm. The publicly-listed securities are evaluated at the fair value of the stock market at the moment of the transfer. Donated services are evaluated at the real value the Company would have paid for those services. The fair value of the donations in supplies, services or in goods represents \$220,093 in 2023 (\$154,931 in 2022).

## Notes to Financial Statements

March 31, 2023

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**2. Significant accounting policies (cont'd)***Inventory of food*

Inventory of food is held in transit before distribution. It is valued based on a value established by an internationally renowned measurement and data analytics firm.

*Fixed assets*

Fixed assets additions are recorded at cost whereas contributions of fixed assets are recorded at their fair value at the date of the donation. Amortization of fixed assets is calculated using the declining balance method at the following rates:

Building	5%
Rolling stock	30%
Refrigeration and freezing equipment	20%
Computer equipment	30%
Office and warehouse equipment	20% and 30%

*Intangible assets*

Intangible assets acquisitions are recorded at cost whereas contributions of intangible assets are recorded at their fair value at the date of donation. The Company's intangible assets are recorded at cost and amortized using the declining balance method at 30%.

*Impairment of long-term assets*

Long-term assets are tested for impairment whenever events or changes in circumstances indicate that there are no more potential service for the Company. An impairment loss is recognized when the carrying amount of the asset exceeds the residual value. The impairment loss is measured as the amount by which the carrying amount of the long-term asset exceeds its residual value.

*Deferred contributions related to fixed and intangible assets*

Amounts received and specifically allocated for the acquisition of fixed and intangible assets are recorded as deferred contributions relating to fixed and intangible assets and amortized over the estimated useful life of the related fixed or intangible assets. When a portion of an amount received and specifically allocated can be used, with the donor's approval, to cover current expenses, that portion of the deferred contributions is then transferred to revenue for the year.

*Financial instruments**Valuation*

The Company initially measures its financial assets and financial liabilities at fair value. The Company subsequently measures all its financial assets and financial liabilities at amortized cost, with exception of its investments that are evaluated at fair value which is determined using the closing price as at March 31, 2023 or at the fair value provided by the managers for the other investments. The change in fair value of investments is recorded in the statement of revenue.

The Company's financial assets, measured at amortized cost include cash and other receivables.

The Company's financial liabilities include accounts payable and accrued charges.

## Notes to Financial Statements

March 31, 2023

**2. Significant accounting policies (cont'd)***Financial instruments (cont'd)**Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of write-off is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

*Use of estimates*

The preparation of 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, disclosures of contingent assets and liabilities and the reported amounts of revenues and expenses. Significant areas requiring the use of estimates include amortization of fixed and intangible assets as well as the determination of the food value and fair value of the investments. Actual results could differ from these estimates.

**3. Cash**

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,191,834	\$ 675,069
Cash at progressive rate	<u>2,146,209</u>	<u>2,172,349</u>
	<u>\$ 3,338,043</u>	<u>\$ 2,847,418</u>

**4. Accounts receivable**

	<u>2023</u>	<u>2022</u>
Distributions receivable from the Foundation of Greater Montreal	\$ -	\$ 248,880
Other receivables	25,263	103,120
Accrued interest receivable	35,812	6,062
Sales taxes	<u>50,249</u>	<u>21,981</u>
	<u>\$ 111,324</u>	<u>\$ 380,043</u>

## Notes to Financial Statements

March 31, 2023

## 5. Investments

	2023		2022	
	Cost	Fair value	Cost	Fair value
Guaranteed investment certificates, rate of 3.95% to 5.13%, maturing through November 2024	\$ 1,330,000	\$ 1,330,000	\$ 1,385,917	\$ 1,386,000
Units of mutual funds	900,000	812,699	500,000	486,190
	<b>\$ 2,230,000</b>	<b>2,142,699</b>	\$ 1,885,917	1,872,190
Current portion of investments		<b>730,000</b>		1,386,000
		<b>\$ 1,412,699</b>		\$ 486,190

## 6. Reserved investments for children's food aid

	2023		2022	
	Cost	Fair value	Cost	Fair value
Cash	\$ 133,581	\$ 133,581	\$ 43,515	\$ 43,515
Guaranteed investment certificates, rates ranging from 2.4% to 5.05%, maturing through January 2025	960,000	960,000	240,000	240,000
Units of mutual funds	-	-	820,817	887,744
	<b>\$ 1,093,581</b>	<b>\$ 1,093,581</b>	\$ 1,104,332	\$ 1,171,259

## 7. Fixed assets

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,460,619	\$ -	\$ 1,460,619	\$ 1,460,619
Building	5,746,830	2,888,270	2,858,560	2,972,134
Rolling stock	1,044,062	709,804	334,258	264,210
Refrigeration and freezing equipment	1,224,611	803,952	420,659	525,824
Computer equipment	329,883	306,784	23,099	32,984
Office and warehouse equipment	2,053,080	1,346,709	706,371	839,537
	<b>\$ 11,859,085</b>	<b>\$ 6,055,519</b>	<b>\$ 5,803,566</b>	<b>\$ 6,095,308</b>

## Notes to Financial Statements

March 31, 2023

8. Intangible assets	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
Software	\$ 294,300	\$ 99,264	\$ 195,036	\$ 7,058
Multimedia material – Food Recovery Program in Supermarkets	36,544	34,120	2,424	3,463
Trademark	3,821	3,546	275	393
	<u>\$ 334,665</u>	<u>\$ 136,930</u>	<u>\$ 197,735</u>	<u>\$ 10,914</u>

No amortization was recorded on \$190,096 of software, as they were not in service as at March 31, 2023.

9. Payables and accrued charges	2023	2022
Accounts payable and accrued charges	\$ 284,637	\$ 313,600
Donations payable to Foundation of Greater Montreal	-	248,880
Salaries and vacations payable	260,060	262,949
Government remittances	56,165	43,695
	<u>\$ 600,862</u>	<u>\$ 869,124</u>

## Notes to Financial Statements

March 31, 2023

**10. Deferred contributions related to specific projects**

Deferred contributions are intended to cover the operating expenses of projects carried out by the Company.

Changes in deferred contributions are as follows:

	FBC – After the Bell	FBC – National Standard program	Walmart – Fight Hunger Spark Change	Other projects	<b>2023</b>	2022
Balance at beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000
Contributions received during the year	25,960	10,000	85,339	173,871	<b>295,170</b>	155,169
Transfer of contributions related to fixed and intangible assets (Note 13)	-	-	-	64,230	<b>64,230</b>	-
Contributions recognized as revenue	<u>(25,960)</u>	<u>-</u>	<u>(85,339)</u>	<u>(172,938)</u>	<b><u>(284,237)</u></b>	<u>(220,169)</u>
Balance at end of year	<u>\$ Nil</u>	<u>\$ 10,000</u>	<u>\$ Nil</u>	<u>\$ 65,163</u>	<b><u>\$ 75,163</u></b>	<u>\$ Nil</u>

## Notes to Financial Statements

March 31, 2023

<b>11. Subsidized long-term debt</b>	<u>2023</u>	<u>2022</u>
Loan from “Programme d’infrastructure Québec-Municipalité”, at 4%, repaid during the year	\$ -	\$ 48,694
	-	48,694
Current portion of the subsidized long-term debt	-	48,694
	<u>\$ Nil</u>	<u>\$ Nil</u>

**12. Deferred contributions related to children’s food aid**

Deferred contributions represent funds received which, with respect to external restrictions, are intended for parents and children of the Island of Montreal living in poverty. Changes in the balance of deferred contributions are as follows:

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 1,171,259	\$ 1,132,354
Investment revenues allocated to the project	39,249	40,343
Change in fair value of reserved investments	(66,927)	3,562
Deferred contributions recognized as revenue	<u>(50,000)</u>	<u>(5,000)</u>
Balance at end of year	<u>\$ 1,093,581</u>	<u>\$ 1,171,259</u>

**13. Deferred contributions related to fixed and intangible assets**

Deferred contributions represent funds received which, with respect to external restrictions, are intended for the acquisition of fixed and intangible assets and donations received in fixed and intangible assets. Changes in the balances of deferred contributions are as follows:

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 3,683,050	\$ 3,560,111
Contributions received during the year	-	442,081
Amortization	(442,194)	(319,142)
Contributions transferred	<u>(64,230)</u>	<u>-</u>
Balance at end of year	<u>\$ 3,176,626</u>	<u>\$ 3,683,050</u>

**Notes to Financial Statements****March 31, 2023**

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**13. Deferred contributions related to fixed and intangible assets (cont'd)**

During the previous year, Moisson Montréal Inc. recorded contributions of \$442,081 including an amount of \$244,905 from the McKesson Foundation for the acquisition of a new truck and an amount of \$117,000 coming from Fonds Moisson Montréal of the Foundation of Greater Montreal for the installation of a food transformation unit. The creation of this fund was initiated and funded in January 2018 by the Société des célébrations du 375<sup>e</sup> anniversaire de Montréal as part of its social-economic projects.

During the year, Moisson Montréal inc. used funds received in 2022 from the McKesson Foundation for the acquisition of a new truck valued at \$180,675. The excess contribution of \$64,230 has been transferred to deferred contributions related to specific projects and will be used for the maintenance of the new truck.

**14. Internally restricted***Fixed asset management*

During the year, the Company's Board of directors reserved an amount of \$1,465,260 for the management of fixed assets in anticipation of any work necessary to maintain the good condition of the Company's fixed assets and an amount of \$560,454 was invested to acquire fixed assets.

*Invested in capital assets*

The Board of directors decided to restrict, internally, the amount invested in capital assets and to present it net of deferred contributions related to capital assets and the unsubsidized portion of loans, if any.

*To improve accessibility*

During the year, the Company's Board of directors reserved an amount of \$200,000 for the initiation of projects aimed to obtain food from farmers and improve the Company's distribution service in the east end of the city of Montreal.

**15. Endowment fund and philanthropic fund at the Foundation of Greater Montreal***Endowment fund*

In a previous year, the Company established an endowment fund at the Foundation of Greater Montreal ("FGM") with the aim of creating a permanent and autonomous source of financing whose assets are invested in a long-term perspective. The amounts collected during the fiscal year for the Moisson Montréal Endowment fund at the FGM come from donations from a private foundation, individuals and businesses.

The amounts collected by the FGM, which represents a total of \$51,635 for the year ended March 31, 2023 (\$298,755 in 2022 including \$80,000 from a donation to the Company), have been invested in the FGM investment funds ("FIGM") in accordance with the FGM investment policy and will be held for a minimum period of ten years from its creation in 2020. The FGM will annually distribute amounts from the fund's income, in accordance with its distribution policy. Distributions so received will be recognized in distribution revenue in the Company's statement of revenue at the time they are transferred by the FGM to the Company. The fund balance as of March 31, 2023 was \$1,433,087 (\$1,355,808 in 2022).



**Notes to Financial Statements****March 31, 2023**

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**15. Endowment fund and philanthropic fund at the Foundation of Greater Montreal (cont'd)***Philanthropic fund*

During the year, the Company transferred \$2,400,000 (\$2,042,000 in 2022) to the FGM in a designated philanthropic fund with a limited term. This transfer with transfer of ownership was recorded in expenses as donations in the statement of revenue. The fund is intended to support Moisson Montréal Inc. in the pursuit of its mission. The FGM invests the amounts received in the FGM investment fund ("FIGM"), in accordance with its investment policy. The amounts, the asset fair value as well as the income they generate will be returned to the Company after a minimum period of six years from its creation in 2020. Distribution thus received will be recorded in distributions proceeds in the Company's statement of revenue when the FGM transfers them to the Company. The fund balance as of March 31, 2023 was \$11,202,404 (\$8,671,075 in 2022).

*FGM's income distribution policy for the endowment and philanthropic fund*

The distribution rate is set annually by the FGM Board of directors on the recommendation of the investment committee at a minimum of 3.5% of the average market value of the fund closing market value during the 12 quarters ending on December 31 of the previous year. For the new funds that have been in existence for less than 12 quarters, the total amount of distributions of any given year is set at the rate determined by the Board of directors of the FGM multiplied by the average closing market value of the fund for all quarters from inception to December 31 of the previous year. In the case of the philanthropic fund, the Company may request a distribution greater than that established by the FGM up to an annual maximum of 17% of the market value of the fund as of December 31 of the previous year.

The distribution rate is set at 3.5% to meet the quota required for the FGM to retain its charitable status. The recommendation is to pay out 3.5% of the average market value of all FGM funds. Should the FGM fails to pay the minimum amount, it reserves the right to make contributions to the holder of its choice.

During the year, at the request of the Company, the FGM didn't distribute any sum to the Company (\$248,880 in 2022).

**16. Financial instruments***Financial risks and exposure*

The Company is subject to various risks from its financial instruments. The following analysis details the significant risks and exposure for the Company at the balance sheet date, as at March 31, 2023.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is exposed to 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 market interest rates. The Company is exposed to interest rate risk on its floating interest rates financial instrument (cash at progressive rate) which subject the Company to a cash flow risk and on its fixed interest rates financial instruments (guaranteed investment certificates) which subject the Company to a fair value risk.

**Notes to Financial Statements****March 31, 2023**

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**16. Financial instruments (cont'd)***Other price risk*

Other price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate as a result 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 financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to other price risk through its investments in shares of public entities and units of mutual funds. The investment policy limits the risk of other prices by limiting the maximum number of variable income and fixed income securities that can be held. The risk and volatility of Investment returns are reduced by the fact that the investments are allocated among different sectors.

*Secured financial liabilities*

As at March 31, 2023, no financial liability is guaranteed (\$48,694 in 2022).

**17. Capital disclosures**

The Company defines its capital as the balance of the restricted and unrestricted net assets. The Company is subject to an externally imposed capital requirement with regards to accumulation of capital from the Centre intégré universitaire de santé et de services sociaux du Centre-Sud-de-l'Île-de-Montréal (CIUSSS C-S) within the framework of the Programme de soutien aux organismes communautaires (thereafter "PSOC"). The Company received, during the year, with regards to PSOC an amount of \$138 449 (\$129,688 in 2022). The Company has to limit its unrestricted accumulated financial surplus to an amount below 25% of its annual expenses. If the Company defaults, the CIUSSS C-S could reduce the annual grant or even revoke its financial support. As at March 31, 2023, the Company is in compliance with this requirement.

The Company's general objectives when managing capital is to maintain sufficient capital to keep a satisfactory liquidity level in order to comply regularly and continuously with its mission which is to recuperate and distribute food to families in need in the Montreal area.

Since its main financing activities are seasonal and occur mostly in December of each year, the Company has set the objective to maintain a level of immediate liquidity the equivalent of approximately six months of operations. This should provide adequate protection to help maintain a consistency in the offering of services. This way, the Company will be less vulnerable to the short and long-term fluctuations of its sources of income and will be able to ensure the replacement, at the right time, of its equipment and installations.

The cash surplus, not essential to the regular activities, will be entrusted to portfolio management professionals in order to obtain a meaningful return with minimum risk. Management ensures periodically that the established investment rules are followed to ensure the security of the invested capital.

## Notes to Financial Statements

March 31, 2023

<b>18. Statement of cash flows</b>	<u>2023</u>	<u>2022</u>
<i>Changes in non-cash working capital items</i>		
Accounts receivable	\$ 268,719	\$ (112,499)
Prepaid expenses	19,080	(14,590)
Payables and accrued charges	(277,855)	74,646
Deferred revenue	<u>151,772</u>	<u>(49,845)</u>
	<u>\$ 161,716</u>	<u>\$ (102,288)</u>

**19. Comparative figures**

Certain comparative figures of the year 2022 have been reclassified to conform to the financial statement presentation adopted in the current year.



## Supplementary Financial Data

Year ended March 31

2023

2022

**SCHEDULE B – REVENUE AND EXPENSES BY ACTIVITY CENTRES (cont'd)****Revenue (cont'd)**

## Fundraising activities

The Media Food Drive	\$ 187,652	\$ 145,330
The Great Food Drive for Children	69,440	14,530
Golf tournament	215,669	193,694
Food Banks Canada (“FBC”)	194,847	700,872
Banques alimentaires du Québec (“BAQ”)	923,026	891,920
SAQXBAQ Campaign	603,990	428,216
Loto-Québec, Société des casinos du Québec and Casino de Montréal	77,110	87,555
The CP Holiday Train	18,086	15,000
Other activities	324,593	201,261
	<u>\$ 2,614,413</u>	<u>\$ 2,678,378</u>

## Contributions

## Government of Québec

Centre intégré universitaire de santé et de services sociaux du Centre-Sud-de-l'Île-de-Montréal (Note 17)	\$ 138,449	\$ 129,688
Emploi Québec	10,800	7,800
Other provincial programs	10,500	9,738

## Other

Municipal program	233,300	205,300
	<u>\$ 393,049</u>	<u>\$ 352,526</u>

**Expenses (Schedule C)**

## Fundraising activities

Golf tournament	70,253	51,951
Other activities	18,383	4,480
	<u>\$ 88,636</u>	<u>\$ 56,431</u>

## Supplementary Financial Data

Year ended March 31, 2023

## SCHEDULE C – ALLOCATION OF EXPENSES

The Company allocates its expenses by attributing them directly to the activities they relate to.

	Warehouse	Procurement	Transportation	Maintenance of building	Community liaison	Fundraising activities	Activities and communications development	Philanthropic development	Executive and finances	Human resources	Total 2023	Total 2022
Salaries (net from government grants of \$24,011 in 2022)*	\$ 1,108,324	\$ 254,687	\$ 499,162	\$ 148,995	\$ 66,696	\$ -	\$ 409,929	\$ 343,346	\$ 675,084	\$ 339,937	\$ 3,846,160	\$ 3,650,858
Sub-contractors	3,637	-	64,596	-	-	-	-	10,666	-	6,930	85,829	95,102
Equipment rental	92,540	-	88,720	1,328	-	-	-	-	-	-	182,588	110,644
Maintenance and repair	70,555	-	-	234,325	-	-	-	-	-	-	304,880	389,024
External transportation	-	-	309,707	-	-	-	-	-	-	-	309,707	243,558
Purchases of products	-	371,740	-	-	-	-	-	-	-	-	371,740	270,636
Heating and electricity	-	-	-	213,635	-	-	-	-	-	-	213,635	221,742
Vehicles	-	-	235,003	52	-	-	-	-	-	-	235,055	154,021
Garbage removal	128,482	-	-	-	-	-	-	-	-	-	128,482	122,217
Warehouse supplies	130,241	-	-	-	-	-	-	-	-	-	130,241	84,973
Consultant and IT	-	-	-	-	-	-	-	-	156,287	-	156,287	106,554
Professional fees	-	-	-	145	-	-	16,852	-	90,371	17,277	124,645	87,121
Hiring fees	-	-	-	-	-	-	-	-	41,384	24,660	66,044	35,816
Bank charges and payment processing fees	-	-	-	-	-	57,280	-	-	5,320	-	62,600	50,052
Municipal taxes	-	-	-	47,624	-	-	-	-	-	-	47,624	38,813
Insurances	-	-	8,804	31,274	-	-	-	-	-	-	40,078	37,032
Telecommunications	795	2,629	1,932	1,083	335	-	626	1,862	18,112	590	27,964	26,592
Office expenses	939	-	860	-	-	-	11,538	-	14,377	2,130	29,844	33,916
Promotion	-	-	-	-	-	-	41,392	-	-	2,131	43,523	37,134
Training	-	-	-	-	-	-	-	-	-	17,971	17,971	12,776
Activities organization costs (Schedule B)	-	-	-	-	-	88,636	-	22,834	-	-	111,470	71,374
Travel and entertainment	-	8,379	23	406	409	-	619	251	3,321	-	13,408	5,805
Miscellaneous	1,450	322	234	-	10,415	-	1,196	22,921	24,928	21,293	82,759	59,565
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-	-	8,117
Amortization of capital assets	365,933	-	110,908	153,459	-	-	-	-	15,417	118	645,835	500,991
	\$ 1,902,896	\$ 637,757	\$ 1,319,949	\$ 832,326	\$ 77,855	\$ 145,916	\$ 482,152	\$ 401,880	\$ 1,044,601	\$ 433,037	\$ 7,278,369	\$ 6,454,433

\* The breakdown key for the salaries between the different activities is the proportion of the time allocated by the employees to each activity.

## Supplementary Financial Data

<u>Year ended March 31</u>	<u>2023</u>	<u>2022</u>
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**SCHEDULE D – FINANCIAL AND OTHER REVENUES**

Interest and dividends	\$ 188,136	\$ 74,154
Profit on disposal of investments	8,802	10,567
Change in fair value of investments	(73,574)	(62,423)
Investment management fees	(5,727)	(7,386)
Profit on disposal of fixed assets	<u>16,918</u>	<u>-</u>
	<u>\$ 134,555</u>	<u>\$ 14,912</u>