



**Centraide**  
of Greater Montreal

**WITHOUT THE  
BURDEN OF POVERTY  
AND EXCLUSION,  
WE CAN ALL RISE UP.**



**Financial statements 2022-2023**

March 31, 2023

**Let's all lend a hand**

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## Independent Auditor's Report

### Opinion

To the Members of  
Centraide of Greater Montreal

We have audited the financial statements of Centraide of Greater Montréal, which comprise the statement of financial position as at March 31, 2023, and the statements of operations and fund balance of the Operating Fund, Stabilization Fund, Capital Asset Fund, Development Fund and Collective Impact Project Fund and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Centraide of Greater Montreal 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

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). 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 Centraide of Greater Montreal 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

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

requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Centraide of Greater Montreal'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 Centraide of Greater Montreal or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Centraide of Greater Montreal's financial reporting process.

## **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 GAAS 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 GAAS, 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 Centraide of Greater Montreal'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 Centraide of Greater Montreal'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 Centraide of Greater Montreal 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.

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.

June 8, 2023

*Deloitte LLP*

<sup>1</sup> CPA auditor, public accountancy permit No. A120628

centraide-mtl.org

# STATEMENT OF OPERATIONS AND FUND BALANCE

Year ended

— March 31, 2023

Centraide of Greater Montreal

## Operating Fund

	Notes	2023	2022
		\$	\$
<b>REVENUE</b>			
Donations and subscriptions		63,485,559	61,900,746
Uncollectible subscriptions		(1,770,000)	(1,608,506)
		<b>61,715,559</b>	60,292,240
Special projects	10	5,336,832	5,114,476
Interest and other revenue		1,281,176	259,231
		<b>68,333,567</b>	65,665,947
<b>EXPENSES</b>			
Fundraising and operating costs	7	10,267,732	9,294,760
Result before allocations and assistance to agencies		58,065,835	56,371,187
<b>INVESTMENTS IN COMMUNITIES</b>			
	11	58,273,920	55,197,221
<b>NET RESULT</b>			
		(208,085)	1,173,966
Fund balance, beginning of year		50,008,496	48,460,930
Change in revaluation and other recognized elements		28,200	223,600
Interfund transfers		150,000	150,000
<b>FUND BALANCE, END OF YEAR</b>		<b>49,978,611</b>	50,008,496

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

# STATEMENT OF OPERATIONS AND FUND BALANCE

Year ended  
— March 31, 2023

Centraide of Greater Montreal

## Stabilization Fund

	2023	2022
	\$	\$
<b>REVENUE</b>		
Interest	100,285	43,015
<b>NET RESULT</b>	100,285	43,015
Fund balance, beginning of year	6,429,237	6,386,222
<b>FUND BALANCE, END OF YEAR</b>	<b>6,529,522</b>	6,429,237

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

# STATEMENT OF OPERATIONS AND FUND BALANCE

Year ended  
— March 31, 2023

Centraide of Greater Montreal

## Capital Asset Fund

	Notes	2023	2022
		\$	\$
<b>REVENUE</b>			
Donation from Centraide of Greater Montreal Foundation	5	840,606	647,609
Interest		78,617	10,806
		<b>919,223</b>	658,415
<b>EXPENSES</b>			
Amortization of fixed assets		679,111	568,438
Other costs		349,864	514,927
		<b>1,028,975</b>	1,083,365
<b>NET RESULT</b>		<b>(109,752)</b>	(424,950)
Fund balance, beginning of year		5,551,982	5,976,932
<b>FUND BALANCE, END OF YEAR</b>		<b>5,442,230</b>	5,551,982

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

# STATEMENT OF OPERATIONS AND FUND BALANCE

Year ended  
— March 31, 2023

Centraide of Greater Montreal

## Development Fund

	Notes	2023	2022
		\$	\$
<b>REVENUE</b>			
Donation from Centraide of Greater Montreal Foundation	5	1,000,000	1,000,000
Other donations		200,000	225,000
Interest		26,731	10,669
		<b>1,226,731</b>	1,235,669
<b>EXPENSES</b>			
Research and development costs		1,243,421	1,010,184
		<b>(16,690)</b>	225,485
<b>NET RESULT</b>			
Fund balance, beginning of year		2,321,929	2,096,444
<b>FUND BALANCE, END OF YEAR</b>		<b>2,305,239</b>	2,321,929

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

# STATEMENT OF OPERATIONS AND FUND BALANCE

Year ended  
— March 31, 2023

Centraide of Greater Montreal

## Collective Impact Project Fund

	Notes	2023	2022
		\$	\$
<b>REVENUE</b>			
Donations		4,514,000	9,050,000
Interest		128,728	29,901
		<b>4,642,728</b>	9,079,901
<b>INVESTMENTS IN COMMUNITIES</b>			
	11	3,513,888	3,925,606
<b>NET RESULT</b>			
Fund balance, beginning of year		7,806,255	2,801,960
Interfund transfer		(150,000)	(150,000)
<b>FUND BALANCE, END OF YEAR</b>		<b>8,785,095</b>	7,806,255

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

# STATEMENT OF FINANCIAL POSITION

Centraide of Greater Montreal

— As at March 31, 2023

		2023					2022	
	Notes	Operating Fund	Stabilization Fund	Capital Asset Fund	Development Fund	Collective Impact Project Fund	Total	Total
		\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>								
Current assets								
Cash		1,308,953	—	—	—	—	1,308,953	2,687,908
Investments	3	50,652,896	—	—	—	—	50,652,896	57,947,716
Subscriptions receivable (net of a provision for uncollectible subscriptions of \$2,971,842; \$3,000,465 in 2022)		16,036,584	—	—	—	—	16,036,584	14,105,033
Interfund receivable*		—	6,529,522	971,743	2,305,239	8,785,095	—	—
Other assets	5	4,034,884	—	—	—	—	4,034,884	1,984,222
		72,033,317	6,529,522	971,743	2,305,239	8,785,095	72,033,317	76,724,879
Investments	3	7,433,120	—	—	—	—	7,433,120	—
Fixed assets	4	—	—	4,470,487	—	—	4,470,487	4,766,332
		79,466,437	6,529,522	5,442,230	2,305,239	8,785,095	83,936,924	81,491,211
<b>LIABILITIES</b>								
Current liabilities								
Accounts payable and accrued liabilities		3,860,883	—	—	—	—	3,860,883	4,744,080
Balance payable to agencies		1,207,388	—	—	—	—	1,207,388	901,378
Interfund payable*		18,591,599	—	—	—	—	—	—
Deferred revenue		5,827,956	—	—	—	—	5,827,956	3,727,854
		29,487,826	—	—	—	—	10,896,227	9,373,312
Commitments	8	—	—	—	—	—	—	—
<b>FUND BALANCES</b>								
Invested in fixed assets		—	—	5,442,230	—	—	5,442,230	5,551,982
Externally restricted		—	—	—	2,305,239	8,785,095	11,090,334	10,128,184
Internally restricted		49,978,611	6,529,522	—	—	—	56,508,133	56,437,733
		49,978,611	6,529,522	5,442,230	2,305,239	8,785,095	73,040,697	72,117,899
		79,466,437	6,529,522	5,442,230	2,305,239	8,785,095	83,936,924	81,491,211

\*These items are not reported in the Total column because they offset each other.

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

Approved by the Board

*Caroline Bougie*

Caroline Bougie, Chair of the Board

*Normand Bélisle*

Normand Bélisle, Treasurer



# STATEMENT OF CASH FLOWS

Centraide of Greater Montreal

Year ended  
— March 31, 2023

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net result	<b>894,598</b>	6,171,811
Adjustments for:		
Amortization of fixed assets	<b>679,111</b>	568,438
Loss on disposal of fixed assets	<b>(153,015)</b>	—
Changes in revaluation and other recognized elements	<b>28,200</b>	223,600
	<b>1,448,894</b>	6,963,849
Changes in non-cash operating working capital items		
Subscriptions receivable	<b>(1,931,551)</b>	( 972,330 )
Other assets	<b>(2,050,662)</b>	( 836,484 )
Accounts payable and accrued liabilities	<b>(883,197)</b>	( 1,127,472 )
Balance payable to organizations	<b>306,010</b>	740,382
Deferred revenue	<b>2,100,102</b>	1,563,282
	<b>(2,459,298)</b>	( 632,622 )
	<b>(1,010,404)</b>	( 6,331,227 )
<b>INVESTING ACTIVITIES</b>		
Net change in investments	<b>( 14,715 )</b>	( 4,314,138 )
Acquisition of fixed assets	<b>(383,266)</b>	( 206,535 )
	<b>( 368,551 )</b>	( 4,520,673 )
Net increase (decrease) in cash	<b>(1,378,955)</b>	1,810,554
Cash, beginning of year	<b>2,687,908</b>	877,354
<b>CASH, END OF YEAR</b>	<b>1,308,953</b>	2,687,908

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

# NOTES TO THE FINANCIAL STATEMENTS

— March 31, 2023

Centraide of Greater Montreal

## 01. Status and nature of activities

Centraide of Greater Montreal, a not-for-profit organization incorporated under Part III of the *Companies Act* (Québec), is recognized as a registered charity within the meaning of the *Income Tax Act*. Centraide of Greater Montreal aims to support vulnerable people and the organizations and projects that help them by investing in communities and forging strong ties with them. Centraide of Greater Montreal is an actor of change, which encourages concerted action and volunteer and community involvement. Centraide of Greater Montreal collects funds from the public, businesses and public and parapublic institutions to fight poverty and social exclusion.

## 02. Accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

### **Fund accounting**

Centraide of Greater Montreal uses the restricted fund method to account for its activities:

#### **Operating Fund**

The Operating Fund comprises the current operating activities of Centraide of Greater Montreal. The annual net result, less interfund transfers, can be applied against the Stabilization Fund, according to the rules established in the following paragraph. Internally restricted fund balance represents resources available for future years.

## 02. Accounting policies (continued)

### **Stabilization Fund**

The Stabilization Fund was created to provide stability to agencies financed by Centraide of Greater Montreal and to satisfy the normal expenses associated with Centraide of Greater Montreal's activities during standard campaigns. Also, the fund can satisfy new initiatives and urgent needs of the community. The fund varies according to investment income and a contribution from the Operating Fund that is equal to 0.5% of the previous campaign. The decision to contribute is made annually based on the financial results of Centraide of Greater Montreal. The balance of the Stabilization Fund, excluding the unrealized fair value on long-term investments, should not exceed 10.0% of the amount of the previous campaign. Any surplus could be transferred, in the following year, to other funds, as required.

### **Capital Asset Fund**

The Capital Asset Fund comprises the amortized cost of the building, furniture and equipment, computer equipment and software. The fund varies according to interest earned, amounts received for the purpose of acquiring fixed assets, amortization of fixed assets, and other expenses related to fixed assets.

# NOTES TO THE FINANCIAL STATEMENTS

Continued  
— March 31, 2023

Centraide of Greater Montreal

## 02. Accounting policies (continued)

### **Fund accounting (continued)**

#### **Development Fund**

The Development Fund was created to fund research and development activities and pilot and other projects that are not considered part of Centraide of Greater Montreal's usual activities both in the field of philanthropy and social, community and or analytics.

#### **Collective Impact Project Fund**

The Collective Impact Project ("CIP") Fund was created to achieve measurable and significant outcomes in the reduction of poverty and exclusion in Montreal, primarily through the holistic and integrated investment approach of major foundations and the pooling of these partners' expertise. The CIP Fund fluctuates based on donations from the partnering foundations to the project, the project's development, and investment income.

### **Revenue recognition**

Unrestricted contributions are recognized as revenue of the Operating Fund in the year they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue of the fund corresponding to their restriction.

## 02. Accounting policies (continued)

### **Allocated expenses of the Operating Fund**

Expenses accounted for in the statement of operations and fund balance are allocated as follows:

<b>FUNCTION</b>	Fundraising and operating costs	Investments in communities
	<b>%</b>	<b>%</b>
Philanthropic development	100	—
Social development	—	100
Communication, marketing and digital platforms	70	30
General management	60	40
Administration	75	25

Expenses related to each function include all direct costs related to this function, including salaries and other direct charges and a portion of shared and indirect costs. These shared and indirect costs include payroll and other expenses that cannot be directly charged to specific functions. These expenses are allocated among the functions according to the percentage of direct costs attributable to each function.

The financial statements do not include the cost of services rendered by individual volunteers and staff loaned to Centraide of Greater Montreal by businesses and public institutions.

# NOTES TO THE FINANCIAL STATEMENTS

Continued

— March 31, 2023

Centraide of Greater Montreal

## 02. Accounting policies (continued)

### **Financial instruments**

#### **Initial evaluation**

Financial assets and financial liabilities created or exchanged in arm's length transactions are initially recognized at fair value when Centraide of Greater Montreal becomes a party to the contractual provisions of the financial instrument. Financial instruments created or exchanged in related party transactions are initially measured at cost.

The cost of a financial instrument resulting from a related parties transaction depends on whether the instrument has repayment terms. When it is, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, and net of any impairment losses already recognized by the transferor. Otherwise, the cost is determined based on the consideration transferred or received by Centraide of Greater Montreal as part of the transaction.

#### **Subsequent evaluation**

All financial instruments are valued at amortized cost, except for investments which are recorded at fair value at the reporting date.

Fair value fluctuations, which include interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses, are included in investment income.

## 02. Accounting policies (continued)

### **Financial instruments (continued)**

#### **Transaction's costs**

Transaction costs are recorded as an increase in the book value of the asset or as a reduction in the book value of the liability and are then recognized over the expected life of the instrument on a straight-line basis. Any discount or premium on an instrument measured at amortized cost is amortized over the expected life of the instrument using the straight-line method and recognized in the statement of operations and fund balance as revenue or charge.

#### **Depreciation**

Centraide of Greater Montreal recognizes in the statement of operations and fund balance an impairment loss, if any, when it observes a material change during the period in the expected timing or amount of future cash flows. When the extent of the depreciation of a previously depreciated asset is reduced and this reduction can be linked to a subsequent event to the recognition of the loss, the loss already recognized is subject to a reversal at even the statement of operations and fund balance for the year in which the reversal takes place.

# NOTES TO THE FINANCIAL STATEMENTS

Continued  
— March 31, 2023

Centraide of Greater Montreal

## 02. Accounting policies (continued)

### **Fixed assets**

Fixed assets are recorded at cost. Amortization is based on their useful life using the straight line method over the following periods:

Building	40 years
Furniture and equipment	8 years
Computer equipment	4 years
Software	6 years

When a fixed asset no longer contributes to the organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible fixed asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-down cannot be subsequently recovered.

### **Top-up pension plan**

The cost of the top-up defined benefit plan is periodically determined by independent actuaries. Centraide of Greater Montreal uses an actuarial valuation for accounting purposes to assess its obligations under defined benefit. This assessment is based on the projected benefit method prorated on services (which incorporates management's best estimate regarding future salary levels, other cost escalation, retirement ages of employees and other actuarial factors).

## 02. Accounting policies (continued)

### **Top-up pension plan (continued)**

Centraide of Greater Montreal records:

- a) in the statement of financial position, the obligation for defined benefits, less the fair value of plan assets and adjusted for any valuation allowance (either under accrued benefit assets or defined benefit liability); and
- b) in the statement of operations and fund balance, the cost of the plan for the year.

### **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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

# NOTES TO THE FINANCIAL STATEMENTS

Continued  
— March 31, 2023

Centraide of Greater Montreal

## 03. Investments

	2023	2022
	\$	\$
Term deposits and guaranteed investment certificates from 0,40% to 5,32% (0,30% to 2,19% in 2022)	54,648,222	57,947,716
Mutual funds		
Canadian mutual funds - fixed rate	2,043,396	—
Canadian equity funds	592,064	—
Foreign equity funds	802,334	—
	58,086,016	57,947,716
Short term portion	50,652,896	57,947,716
Long term portion	7,433,120	—

## 04. Fixed assets

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Building	6,867,854	3,385,115	3,482,739	3,354,788
Furniture and equipment	579,089	492,751	86,338	85,436
Computer equipment	594,232	554,683	39,549	176,960
Software	1,723,722	861,861	861,861	1,149,148
	9,764,897	5,294,410	4,470,487	4,766,332

# NOTES TO THE FINANCIAL STATEMENTS

Continued  
— March 31, 2023

Centraide of Greater Montreal

## 05. Related party transactions

Centraide of Greater Montreal Foundation, a related organization, is a registered charity incorporated under Part III of the *Companies Act* (Québec) where the goal is to collect donations, legacies or other contributions, manage its assets and give all net proceeds generated by the capital without expending any portion allowing Centraide of Greater Montreal to receive annual contingent payments to allow it to pursue its mission for generations to come.

An amount receivable of \$2,532,591 (\$672,984 as at March 31, 2022) from Centraide of Greater Montreal Foundation is included in other assets.

The financial statements of Centraide of Greater Montreal do not include the assets, liabilities, nor activities of the Foundation.

The following table summarizes the statement of financial position of Centraide of Greater Montreal Foundation as at March 31, 2023 and the results of its operations and fund balance for the year ended March 31, 2023:

	2023	2022
	\$	\$
<b>STATEMENT OF FINANCIAL POSITION</b>		
Total assets	52,222,985	52,180,870
Total liabilities	2,569,425	706,047
Total fund balances	49,653,560	51,474,823
<b>RESULT OF OPERATIONS AND FUND BALANCES</b>		
Fund balance, beginning of year	51,474,823	51,823,573
Total revenues	1,156,708	2,336,742
Total expenses	2,977,971	2,685,492
Net (decrease) increase of fund balance	( 1 821 263)	( 348,750)
Fund balances, end of year	49,653,560	51,474,823

## 05. Related party transactions (continued)

During the year, the transactions between Centraide of Greater Montreal and Centraide of Greater Montreal Foundation were:

	2023	2022
	\$	\$
<b>REVENUE</b>		
Donations – Capital Asset Fund	840,606	647,609
Donations – Development Fund	1,000,000	1,000,000
Administrative fees presented in deduction of fundraising and operating costs	50,000	50,000

These transactions were made in the normal course of operations and have been recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

# NOTES TO THE FINANCIAL STATEMENTS

Continued

— March 31, 2023

Centraide of Greater Montreal

## 06. Pension plans

### **Multi-employer contributory defined benefit pension plan**

Centraide of Greater Montreal participates in a multi-employer contributory defined benefit pension plan. The pension plan is capitalized in the pension fund for all participants of the pension plan. The employer's contribution paid is \$1,127,448 (\$821,855 in 2022). Based on the last actuarial valuation of the multi-employer pension plan performed on December 31, 2021, there is an unfunded liability of \$4,027,500 (solvency ratio of 92.5%) and no capitalization deficit. Defined contribution plan accounting has been applied for presentation purposes in the financial statements of Centraide of Greater Montreal.

### **Top-up defined benefit plan**

Centraide of Greater Montreal also established an unfunded, top-up defined benefit plan. The benefits of this plan are based on years of service and final salaries.

The employer's contribution paid is \$89,500 (\$139,700 in 2022), as the benefit paid during the year.

## 06. Pension plans (continued)

### **Top-up defined benefit plan (continued)**

Centraide of Greater Montreal values its accrued benefit obligation on an annual basis. The significant actuarial assumptions made by Centraide of Greater Montreal are: 3.25% (2.25% in 2022) for the recognized costs, 4.50% (3.25% in 2022) for the defined benefit obligation and 2.50% (2.50% in 2022) for the rate of compensation increase.

Information about the top-up defined benefit plan is as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Defined benefit obligation, included with accounts payable and accrued liabilities	<b>979,900</b>	993,900
Costs of defined benefits recorded in the statement of operations and fund balance (excluding the change in revaluation and other recognized elements)	<b>103,700</b>	84,000



# NOTES TO THE FINANCIAL STATEMENTS

Continued  
— March 31, 2023

Centraide of Greater Montreal

## 07. Allocated expenses

As provided in Note 2 on accounting policies, the expenses related to a number of functions are allocated as follows as at March 31, 2023:

	Function		2023	2022
	Fundraising and operating costs	Investments in communities	Total	Total
	\$	\$	\$	\$
Philanthropic development	2,432,531	—	2,432,531	2,343,098
Social development	—	2,792,896	2,792,896	1,990,774
Communication, marketing and digital platforms	2,188,656	937,995	3,126,651	2,534,049
General management	2,469,047	1,646,031	4,115,078	4,174,150
Administration	3,177,498	1,059,166	4,236,664	3,564,451
	<b>10,267,732</b>	<b>6,436,088</b>	<b>16,703,820</b>	14,606,522

## 08. Commitments

As at March 31, 2023, Centraide of Greater Montreal has committed to pay allocations to agencies, in the next year, for an amount of \$42,102,583 from the Operating Fund and an amount of \$3,644,840 from the Collective Impact Project Fund. These amounts represent the first tranche of allocations for the next fiscal year.

# NOTES TO THE FINANCIAL STATEMENTS

Continued

— March 31, 2023

Centraide of Greater Montreal

## 09. Financial instruments

Because of its financial assets, Centraide of Greater Montreal is exposed to the following risks related to the use of financial instruments:

### **Market risk**

Market risk is the risk of loss arising from volatility in securities prices, interest rates and exchange rates. Centraide of Greater Montreal is exposed to market risk due to its investment activities. The level of risk to which Centraide of Greater Montreal is exposed varies according to market conditions and the composition of the assets.

#### **a) Interest rate risk**

A portion of the investments of Centraide of Greater Montreal is invested in fixed income funds that hold fixed interest bearing debentures and bonds at a fixed rate. Therefore, a change in the market interest rate will ultimately affect the fair value of the shares held.

#### **b) Currency risk**

A portion of the investments of Centraide of Greater Montreal are invested in shares and units in mutual funds of foreign shares. These investments are therefore exposed to currency fluctuations, which will ultimately affect the fair value of the units held. The same applies to income earned on these investments.

## 09. Financial instruments (continued)

### **Market risk (continued)**

#### **c) Other price risk**

The 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 these variations are caused by factors specific to the instrument in question or to its issuer, or by factors affecting all similar financial instruments traded on the market.

Centraide of Greater Montréal is exposed to other price risk through its investments in mutual funds..

### **Credit risk**

Credit risk arises from the fact that a portion of the investments of Centraide of Greater Montreal is invested in fixed income funds holding bonds and debentures. As a result, there is a risk that an issuer of bonds or debentures will not meet its obligations to a fixed income fund, which would ultimately affect the assets.

# NOTES TO THE FINANCIAL STATEMENTS

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Centraide of Greater Montreal

## 10. Special projects

	2023	2022
	\$	\$
<b>PROJET RÉUSSITE JEUNESSE</b>		
Centraide of Greater Montreal	740,000	759,220
Transfer to other Centraide	—	4,222,340
	<b>740,000</b>	4,981,560
<b>OTHER PROJECTS</b>		
DATAide	1,445,498	132,916
Migrants Funds	2,700,000	—
Community Services Recovery Fund (CSRF)	451,334	—
	<b>4,596,832</b>	132,916
	<b>5,336,832</b>	5,114,476

The amounts received for the special projects include Centraide of Greater Montreal management fees for an amount of \$1,261,832 for 2023 (\$132,916 in 2022) to support operations inherent in management, analysis of requests, disbursements and the production of reports.

## 11. Investments in the communities

The Operating Fund brings together the day-to-day activities of Centraide of Greater Montreal, while the Collective Impact Fund brings together the integrated investment activities of several foundations by pooling their expertise.

Investments in Greater Montreal communities from these two funds total \$61,787,808 (\$59,122,827 in 2022).

	Notes	2023	2022
		\$	\$
<b>OPERATING FUND</b>			
Investments in organizations		47,762,832	44,903,899
Investment in support and services to organizations and the community and operating costs	7	6,436,088	5,311,762
Special projects		4,075,000	4,981,560
		<b>58,273,920</b>	55,197,221
<b>COLLECTIVE IMPACT FUND</b>			
Investments in organizations		3,090,546	3,567,154
Investments in the development and the functioning of the programs		423,342	358,452
		<b>3,513,888</b>	3,925,606
		<b>61,787,808</b>	59,122,827

# NOTES TO THE FINANCIAL STATEMENTS

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Centraide of Greater Montreal

## 12. Subsequent event to the financial year closing

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Centraide of Greater Montreal and Centraide of Greater Montreal Foundation have begun a process of merging the two organizations. Approval of this merger is expected to take place in fiscal year 2023-2024.

## 13. Previous year figures

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Certain figures for the 2022 financial year have been reclassified to conform to the presentation adopted for the year 2023.



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