

Moisson Montréal inc.

Financial Report

March 31, 2024

Independent Auditor's Report	1 – 3
Statement of Revenue	4
Statement of Changes in Net Assets	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to Financial Statements	8 – 19
Supplementary Financial Data	
Schedule A – In-kind contributions of food redistributed	20
Schedule B – Revenue and expenses by activity centres	20 – 21
Schedule C – Allocation of expenses	22
Schedule D – Financial and other revenue	23

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, 2024, 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, 2024, 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, 2024 and 2023, assets as at March 31, 2024 and 2023, and net assets as at March 31, 2024 and 2023.

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.

 1

Montréal, Québec
June 7, 2024

Chartered Professional Accountant Partnership LLP

¹

 CPA Auditor, Public Accountancy Permit No. A132389

Statement of Revenue

Year ended March 31	2024	2023
Food supply		
In-kind contributions of food	\$ 155,941,287	\$ 129,666,765
In-kind contributions of food redistributed (Schedule A)	(145,866,454)	(124,914,128)
Compost, recycling, waste and changes in inventory	(6,978,415)	(4,345,179)
Designated donations for food purchases (Note 11)	1,686,693	198,898
Purchased and distributed food	<u>(1,686,693)</u>	<u>(198,898)</u>
Net result – Food supply	<u>3,096,418</u>	<u>407,458</u>
Food distribution activities		
Revenue		
Donations (Schedule B)	6,947,864	6,368,526
Fundraising activities (Schedule B)	3,238,849	2,692,131
Contributions (Schedule B)	394,160	333,049
Rental and other services	446,534	430,950
Amortization of deferred contributions related to fixed assets and intangible assets (Note 13)	378,240	436,425
Financial and other revenue (Schedule D)	<u>311,907</u>	<u>134,555</u>
	<u>11,717,554</u>	<u>10,395,636</u>
Expenses (Schedule C)		
Operations		
Warehouse	2,358,956	1,902,896
Procurement	455,757	438,859
Transportation	1,762,266	1,319,949
Maintenance of building	985,824	832,326
Community liaison	<u>129,561</u>	<u>77,855</u>
	<u>5,692,364</u>	<u>4,571,885</u>
Communications, marketing and fundraising activities (Schedule C)	<u>873,644</u>	<u>628,068</u>
Philanthropic development (Schedule C)	<u>452,470</u>	<u>401,880</u>
Management (Schedule C)		
Executive and finances	1,446,208	1,044,601
Human resources	<u>605,261</u>	<u>433,037</u>
	<u>2,051,469</u>	<u>1,477,638</u>
	<u>9,069,947</u>	<u>7,079,471</u>
Net result – Food distribution activities before other expenses	<u>2,647,607</u>	<u>3,316,165</u>
Other expenses (Note 15)		
Donations	<u>-</u>	<u>(2,400,000)</u>
Net result – Food distribution activities	<u>2,647,607</u>	<u>916,165</u>
Excess of revenue	<u>\$ 5,744,025</u>	<u>\$ 1,323,623</u>
Total revenue	<u>\$ 169,345,534</u>	<u>\$ 140,261,299</u>
Total expenses	<u>163,601,509</u>	<u>138,937,676</u>
Excess of revenue	<u>\$ 5,744,025</u>	<u>\$ 1,323,623</u>
Excess of revenue excluding food supply	<u>\$ 2,647,607</u>	<u>\$ 916,165</u>

Statement of Changes in Net Assets

Year ended March 31

2024

2023

	Internally restricted (Note 14)			Unrestricted– Food inventory	Unrestricted	Total	Total
	Management of capital assets	Invested in capital assets	To improve accessibility				
Balance at beginning of year	\$ 1,956,000	\$ 2,824,675	\$ 200,000	\$ 1,891,810	\$ 2,632,275	\$ 9,504,760	\$ 8,181,137
Excess of revenue (expenses)	(26,886)	(305,567)*	(200,000)	3,096,418	3,180,060	5,744,025	1,323,623
Transfer (Note 14)	2,030,150	-	1,785,000	-	(3,815,150)	-	-
Additions to capital assets (Note 14)	<u>(1,190,264)</u>	<u>1,205,600</u>	<u>-</u>	<u>-</u>	<u>(15,336)</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>\$ 2,769,000</u>	<u>\$ 3,724,708</u>	<u>\$ 1,785,000</u>	<u>\$ 4,988,228</u>	<u>\$ 1,981,849</u>	<u>\$ 15,248,785</u>	<u>\$ 9,504,760</u>

* Represented by:

Amortization of deferred contributions related to fixed assets and intangible assets	\$ 382,326
Amortization of fixed assets and intangible assets	(683,619)
Loss on disposal of fixed assets	<u>(4,274)</u>
	<u>\$ (305,567)</u>

Statement of Financial Position

March 31

2024

2023

Current assets

Cash (Note 3)	\$ 2,924,630	\$ 3,338,043
Accounts receivable (Note 4)	1,307,128	111,324
Food inventory	4,988,228	1,891,810
Prepaid expenses	40,828	30,961
Current portion of investments (Note 5)	1,400,000	730,000
	<u>10,660,814</u>	<u>6,102,138</u>

Investments (Note 5)

2,173,653 1,412,699

Reserved investments for children's food aid (Note 6)

1,046,064 1,093,581

Fixed assets (Note 7)

6,653,185 5,831,104

Intangible assets (Note 8)

217,798 170,197

10,090,700 8,507,581

Total assets

\$ 20,751,514 \$ 14,609,719

Current liabilities

Payables and accrued charges (Note 9)	\$ 1,024,387	\$ 600,862
Deferred contributions related to specific projects (Note 10)	124,154	74,230
Deferred contributions related to food (Note 11)	44,990	933
Deferred revenue	227,241	158,727
	<u>1,420,772</u>	<u>834,752</u>

Deferred contribution related to children's food aid (Note 12)

1,046,064 1,093,581

Deferred contributions related to fixed and intangible assets (Note 13)

3,035,893 3,176,626

4,081,957 4,270,207

Total liabilities

5,502,729 5,104,959

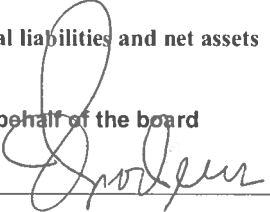
Net assets**Internally restricted (Note 14)**

Management of capital assets	2,769,000	1,956,000
Invested in capital assets	3,724,708	2,824,675
To improve accessibility	1,785,000	200,000
Unrestricted - Food inventory	4,988,228	1,891,810
Unrestricted	1,981,849	2,632,275
	<u>15,248,785</u>	<u>9,504,760</u>

Total liabilities and net assets

\$ 20,751,514 \$ 14,609,719

On behalf of the board

 Administrator

 Administrator

Statement of Cash Flows

Year ended March 31

2024

2023

Operating activities

Excess of revenue	\$ 5,744,025	\$ 1,323,623
-------------------	--------------	--------------

Items not affecting cash

Changes in food inventory	(3,096,418)	(407,458)
---------------------------	-------------	-----------

Deferred contributions related to specific projects recognized as revenue (Note 10)	(236,213)	(85,339)
--	-----------	----------

Deferred contributions related to food recognized as revenue (Note 11)	(1,686,693)	(198,898)
--	-------------	-----------

Deferred contribution related to children's food aid recognized as revenue (Note 12)	(100,000)	(50,000)
---	-----------	----------

Amortization of deferred contributions related to fixed and intangible assets (Note 13)	(382,326)	(442,194)
--	-----------	-----------

Amortization of fixed and intangible assets	683,619	645,835
---	---------	---------

Investments donations recognized as revenue	(169,773)	(198,303)
---	-----------	-----------

Loss (profit) on disposal of investments included in financial revenue	2,586	(8,802)
--	-------	---------

Change in fair value of investments	(60,954)	73,574
-------------------------------------	----------	--------

Loss (profit) on disposal of fixed assets	4,274	(16,918)
---	-------	----------

	702,127	635,120
--	---------	---------

Changes in non-cash working capital items (Note 18)	(583,669)	161,716
---	-----------	---------

Receipt of deferred contributions related to specific projects (Note 10)	286,137	95,339
--	---------	--------

Receipt of deferred contributions related to food (Note 11)	1,730,750	199,831
---	-----------	---------

Investments revenue allocated to deferred contributions related to children's food aid (Note 12)	52,483	39,249
---	--------	--------

	2,187,828	1,131,255
--	-----------	-----------

Financing activity

Receipt of deferred contributions related to fixed and intangible assets (Note 13)	25,000	-
--	--------	---

Investing activities

Acquisition of investments	(3,157,433)	(3,223,004)
----------------------------	-------------	-------------

Disposal of investments	2,002,137	3,096,777
-------------------------	-----------	-----------

Additions to fixed and intangible assets	(1,470,945)	(540,403)
--	-------------	-----------

Disposal of fixed assets	-	26,000
--------------------------	---	--------

	(2,626,241)	(640,630)
--	-------------	-----------

Net increase (decrease) in cash	(413,413)	490,625
--	------------------	----------------

Cash at beginning of year	3,338,043	2,847,418
---------------------------	-----------	-----------

Cash at end of year	\$ 2,924,630	\$ 3,338,043
----------------------------	---------------------	---------------------

Supplemental information without effect on cash

Reduction of long-term debt by the MAMOT – financing	\$ -	\$ 48,694
--	------	-----------

Additions to fixed assets included in accounts payable and accrued charges – investing	\$ 110,382	\$ 23,752
---	------------	-----------

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
---	------	-----------

Contributions receivable related to fixed assets	\$ 216,593	\$ -
--	------------	------

Notes to Financial Statements**March 31, 2024**

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 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 2024 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 \$169,773 (\$220,093 in 2023).

Notes to Financial Statements**March 31, 2024**

2. Significant accounting policies (cont'd)*Food inventory*

Food inventory 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, 2024 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, 2024

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 revenue and expenses. Significant areas requiring the use of estimates include the useful life of fixed and intangible assets as well as the determination of food value and fair value of the investments. Actual results could differ from these estimates.

3. Cash

	<u>2024</u>	<u>2023</u>
Cash	\$ 585,393	\$ 1,191,834
Cash at progressive rate	<u>2,339,237</u>	<u>2,146,209</u>
	<u>\$ 2,924,630</u>	<u>\$ 3,338,043</u>

4. Accounts receivable

	<u>2024</u>	<u>2023</u>
Other receivables	\$ 1,174,065	\$ 25,263
Accrued interest receivable	59,126	35,812
Sales taxes	<u>73,937</u>	<u>50,249</u>
	<u>\$ 1,307,128</u>	<u>\$ 111,324</u>

Notes to Financial Statements

March 31, 2024

5. Investments	2024		2023	
	Cost	Fair value	Cost	Fair value
Guaranteed investment certificates, rate of 4.3% to 5.25%, maturing through February 2026	\$ 2,700,000	\$ 2,700,000	\$ 1,330,000	\$ 1,330,000
Units of mutual funds	900,000	873,653	900,000	812,699
	\$ 3,600,000	3,573,653	\$ 2,230,000	2,142,699
Current portion of investments		1,400,000		730,000
		\$ 2,173,653		\$ 1,412,699
6. Reserved investments for children's food aid				
	2024		2023	
	Cost	Fair value	Cost	Fair value
Cash	\$ 146,064	\$ 146,064	\$ 133,581	\$ 133,581
Guaranteed investment certificates, rates ranging from 2.4% to 4.96%, maturing through February 2026	900,000	900,000	960,000	960,000
	\$ 1,046,064	\$ 1,046,064	\$ 1,093,581	\$ 1,093,581
7. Fixed assets				
	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,460,619	\$ -	\$ 1,460,619	\$ 1,460,619
Building	5,813,768	3,032,583	2,781,185	2,858,560
Rolling stock	1,757,403	887,366	870,037	334,258
Refrigeration and freezing equipment	1,268,629	891,018	377,611	420,659
Computer equipment	722,016	578,098	143,918	50,637
Office and warehouse equipment	2,340,481	1,320,666	1,019,815	706,371
	\$ 13,362,916	\$ 6,709,731	\$ 6,653,185	\$ 5,831,104

No amortization was recorded on \$290,011 of office and warehouse equipment, as they were not in use at March 31, 2024.

Notes to Financial Statements

March 31, 2024

8. Intangible assets	2024			2023
	Cost	Accumulated amortization	Net book value	Net book value
Software	\$ 344,011	\$ 127,910	\$ 216,101	\$ 167,498
Multimedia material – Food Recovery Program in Supermarkets	36,544	34,847	1,697	2,424
Trademark	-	-	-	275
	<u>\$ 380,555</u>	<u>\$ 162,757</u>	<u>\$ 217,798</u>	<u>\$ 170,197</u>

No amortization was recorded on \$22,500 of software, as they were not in service as at March 31, 2024.

9. Payables and accrued charges	2024	2023
Accounts payable and accrued charges	\$ 520,270	\$ 284,637
Salaries and vacations payable	434,212	260,060
Government remittances	69,905	56,165
	<u>\$ 1,024,387</u>	<u>\$ 600,862</u>

Notes to Financial Statements

March 31, 2024

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:

	Urban Agriculture	Walmart – Fight Hunger Spark Change	General Mills Hometown Grant program	Other projects	2024	2023
Balance at beginning of year	\$ -	\$ -	\$ -	\$ 74,230	\$ 74,230	\$ -
Contributions received during the year	25,000	93,563	44,289	123,285	286,137	95,339
Transfer of contributions related to fixed and intangible assets (Note 13)	-	-	-	-	-	64,230
Contributions recognized as revenue	<u>(25,000)</u>	<u>(93,563)</u>	<u>(44,289)</u>	<u>(73,361)</u>	<u>(236,213)</u>	<u>(85,339)</u>
Balance at end of year	\$ Nil	\$ Nil	\$ Nil	\$ 124,154	\$ 124,154	\$ 74,230

Notes to Financial Statements

March 31, 2024

11. Deferred contributions related to food

Deferred contributions are intended to food purchased.

Changes in deferred contributions are as follows:

	Rosy Foundation – Nutritious Food Fund	BAQ	Hungry for Vacation	Christmas baskets	Marcelle and Jean Coutu Foundation – Turkey project	Other projects	2024	2023
Balance at beginning of year	\$ -	\$ -	\$ -	933	\$ -	\$ -	933	-
Contributions received during the year	500,000	553,601	121,009	285,910	81,430	188,800	1,730,750	199,831
Contributions recognized as revenue	<u>(497,980)</u>	<u>(535,676)</u>	<u>(121,009)</u>	<u>(286,843)</u>	<u>(81,430)</u>	<u>(163,755)</u>	<u>(1,686,693)</u>	<u>(198,898)</u>
Balance at end of year	\$ 2,020	\$ 17,925	Nil	Nil	Nil	\$ 25,045	44,990	933

Notes to Financial Statements

March 31, 2024

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>2024</u>	<u>2023</u>
Balance at beginning of year	\$ 1,093,581	\$ 1,171,259
Investment revenue allocated to the project	52,483	39,249
Change in fair value of reserved investments	-	(66,927)
Deferred contributions recognized as revenue	<u>(100,000)</u>	<u>(50,000)</u>
Balance at end of year	<u>\$ 1,046,064</u>	<u>\$ 1,093,581</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>2024</u>	<u>2023</u>
Balance at beginning of year	\$ 3,176,626	\$ 3,683,050
Contributions received during the year	241,593	-
Amortization	(382,326)	(442,194)
Contributions transferred (Note 10)	<u>-</u>	<u>(64,230)</u>
Balance at end of year	<u>\$ 3,035,893</u>	<u>\$ 3,176,626</u>

During the previous 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.

No amortization has been recorded on \$216,593, as the related fixed assets were not in service as at March 31, 2024.

Notes to Financial Statements**March 31, 2024**

14. Internally restricted*Fixed asset management*

During the year, the Company's Board of directors reserved an amount of \$2,030,150 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 \$1,190,264 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 and accounts payable and accrued charges related to capital assets.

To improve accessibility

During the year, the Company's Board of directors reserved an amount of \$1,785,000 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 inc. 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 \$101,616 for the year ended March 31, 2024 (\$51,635 in 2023) 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, 2024 was \$1,706,666 (\$1,433,087 in 2023).

Philanthropic fund

During the year, the Company has not transferred any sum (\$2,400,000 in 2023) 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 of March 31, 2023. 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, 2024 was \$12,457,876 (\$11,202,404 in 2023).

Notes to Financial Statements

March 31, 2024

15. Endowment fund and philanthropic fund at the Foundation of Greater Montreal (cont'd)*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 and previous year, at the request of the Company, the FGM didn't distribute any sum to the Company.

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, 2024.

Credit risk

Credit risk is the risk that a party to a financial asset will default on one of its obligations and cause the Company to incur a financial loss. The Company's credit risk is primarily related to other receivables. As at March 31, 2024, 95% of other amounts receivable were receivable from an organization.

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, 2024**

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.

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 \$150,478 (\$138,449 in 2023). 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, 2024, 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, 2024

18. Statement of cash flows	<u>2024</u>	<u>2023</u>
<i>Changes in non-cash working capital items</i>		
Accounts receivable	\$ (979,211)	\$ 268,719
Prepaid expenses	(9,867)	19,080
Payables and accrued charges	336,895	(277,855)
Deferred revenue	<u>68,514</u>	<u>151,772</u>
	<u>\$ (583,669)</u>	<u>\$ 161,716</u>

19. Comparative figures

Certain comparative figures of the year 2023 have been reclassified to conform to the financial statement presentation adopted in the current year.

Supplementary Financial Data

Year ended March 31

2024

2023

SCHEDULE A – IN-KIND CONTRIBUTIONS OF FOOD REDISTRIBUTED

Inventory balance at beginning of year	\$ 1,891,810	\$ 1,484,352
Food supply received during the year	155,941,287	129,666,765
Compost, recycling, waste and changes in inventory	<u>(6,978,415)</u>	<u>(4,345,179)</u>
	150,854,682	126,805,938
Inventory balance at end of year	<u>(4,988,228)</u>	<u>(1,891,810)</u>
	<u>\$ 145,866,454</u>	<u>\$ 124,914,128</u>

SCHEDULE B – REVENUE AND EXPENSES BY ACTIVITY CENTRES**Revenue**

Donations

Marcelle and Jean Coutu Foundation (including amortization of deferred contributions related to fixed assets of \$4,086 (\$5,769 in 2023))	\$ 504,086	\$ 505,769
Enterprises	1,195,659	1,050,074
Individuals	2,428,520	2,644,225
Religious communities	580,517	477,300
Other foundations	1,288,320	414,807
Unions and other associations	79,049	31,988
Planned giving	454,600	827,690
Centraide of Greater Montreal	<u>417,113</u>	<u>416,673</u>
	<u>\$ 6,947,864</u>	<u>\$ 6,368,526</u>

Supplementary Financial Data

Year ended March 31

2024

2023

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

Fundraising activities

Banques alimentaires du Québec (“BAQ”)	\$ 1,957,530	\$ 1,637,134
Golf tournament	376,825	215,669
Other activities	<u>904,494</u>	<u>839,328</u>
	\$ 3,238,849	\$ 2,692,131
	<u><u> </u></u>	<u><u> </u></u>

Contributions

Government of Québec

Centre intégré universitaire de santé et de services sociaux du Centre-Sud-de-l'Île-de-Montréal (Note 17)	\$ 150,478	\$ 138,449
Emploi Québec	18,410	10,800
Other provincial programs	33,272	10,500

Other

Municipal program	<u>192,000</u>	<u>173,300</u>
	\$ 394,160	\$ 333,049
	<u><u> </u></u>	<u><u> </u></u>

Expenses (Schedule C)

Fundraising activities

Golf tournament	80,073	70,253
Other activities	<u>97,229</u>	<u>41,217</u>
	\$ 177,302	\$ 111,470
	<u><u> </u></u>	<u><u> </u></u>

Supplementary Financial Data

Year ended March 31, 2024

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	Communications, marketing and fundraising activities	Philanthropic development	Executive and finances	Human resources	Total 2024	Total 2023
Salaries*	\$ 1,305,262	\$ 301,493	\$ 609,649	\$ 182,957	\$ 123,810	\$ 542,339	\$ 386,429	\$ 867,085	\$ 414,783	\$ 4,733,807	\$ 3,846,160
Maintenance and repair	219,690	-	180,424	316,531	-	-	-	-	-	716,645	416,753
Amortization of capital assets	292,066	-	177,561	162,622	-	-	-	51,370	-	683,619	645,835
Equipment rental	199,674	-	189,020	8,713	-	-	-	-	-	397,407	182,588
External transportation	-	-	325,870	-	-	-	-	-	-	325,870	309,707
Consultant and IT	-	1,085	-	-	-	13,177	376	260,550	-	275,188	162,510
Heating and electricity	-	-	-	229,760	-	-	-	-	-	229,760	213,635
Warehouse supplies	201,986	-	19,071	-	-	-	-	-	-	221,057	130,241
Professional fees	-	-	-	-	-	40,796	18,654	118,261	27,071	204,782	135,166
Sub-contractors	25,194	-	142,461	-	-	-	-	-	17,333	184,988	75,163
Activities organization costs (Schedule B)	-	-	-	-	-	177,302	-	-	-	177,302	110,906
Purchases of products	-	138,543	-	-	-	-	-	-	-	138,543	172,843
Garbage removal	112,915	-	-	-	-	-	-	-	-	112,915	128,482
Vehicles	-	-	105,083	-	-	-	-	-	-	105,083	124,000
Promotion	-	-	-	-	-	92,062	3,639	-	-	95,701	37,300
Miscellaneous	1,678	615	634	-	-	463	35,002	8,906	46,244	93,542	63,041
Bank charges and payment processing fees	-	-	-	-	-	-	-	82,060	-	82,060	77,901
Training	-	-	-	-	-	-	-	-	61,124	61,124	17,971
Municipal taxes	-	-	-	51,494	-	-	-	-	-	51,494	47,624
Insurances	-	-	11,678	32,421	-	-	-	-	-	44,099	40,078
Telecommunications	450	2,307	815	658	1,132	1,625	2,073	25,622	1,714	36,396	27,964
Office expenses	-	308	-	-	2,120	2,529	3,786	23,336	3,763	35,842	35,790
Hiring fees	-	-	-	-	-	-	-	-	31,707	31,707	66,044
Travel and entertainment	41	11,406	-	668	2,499	3,351	2,511	9,018	1,522	31,016	11,769
	<u>\$ 2,358,956</u>	<u>\$ 455,757</u>	<u>\$ 1,762,266</u>	<u>\$ 985,824</u>	<u>\$ 129,561</u>	<u>\$ 873,644</u>	<u>\$ 452,470</u>	<u>\$ 1,446,208</u>	<u>\$ 605,261</u>	<u>\$ 9,069,947</u>	<u>\$ 7,079,471</u>

* The breakdown key for the salaries between the different activities is the proportion of the time allocated by the employees to each activity. Other expenses are charged directly to the activities to which they relate.

Supplementary Financial Data

Year ended March 31	2024	2023
---------------------	------	------

SCHEDULE D – FINANCIAL AND OTHER REVENUE

Interest and dividends	\$ 257,813	\$ 188,136
Profit (loss) on disposal of investments	(2,586)	8,802
Change in fair value of investments	60,954	(73,574)
Investment management fees	-	(5,727)
Profit (loss) on disposal of fixed assets	<u>(4,274)</u>	<u>16,918</u>
	\$ 311,907	\$ 134,555