

**FINANCIAL STATEMENTS**

# CENTRAIDE OF GREATER MONTREAL

March 31, 2019



**Centraide**  
of Greater Montreal

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# CENTRAIDE OF GREATER MONTREAL

March 31, 2019

## Independent Auditor's Report

To the Members of Centraide of Greater Montreal

### *Opinion*

We have audited the financial statements of Centraide of Greater Montreal, which comprise the balance sheet as at March 31, 2019, 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, 2019, 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

# CENTRAIDE OF GREATER MONTREAL (CONTINUED)

March 31, 2019

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.

May 21, 2019  
Montreal, Canada

Deloitte LLP<sup>1</sup>

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

Member of Deloitte Touche Tohmatsu Limited

**OPERATING FUND**

**STATEMENT OF OPERATIONS AND FUND BALANCE**

Year ended March 31, 2019

	Notes	2019	2018
		\$	\$
<b>Revenue</b>			
Subscriptions		56,657,253	55,900,329
Uncollectible subscriptions		(1,579,433)	(1,549,197)
		<b>55,077,820</b>	54,351,132
Interest		389,800	213,777
		<b>55,467,620</b>	54,564,909
<b>Expenses</b>			
Fundraising and operating costs	6	8,465,440	7,950,631
Result before allocations and assistance to agencies		<b>47,002,180</b>	46,614,278
Allocations and assistance to agencies			
Allocations to agencies		43,114,764	41,250,699
Assistance to agencies and community and operating costs	6	3,925,203	3,462,449
		<b>47,039,967</b>	44,713,148
<b>Net result</b>		<b>(37,787)</b>	1,901,130
Fund balance, beginning of year		39,418,836	38,111,906
Change in revaluation and other recognized elements – top-up pension plan		15,800	25,800
Interfund transfers		130,000	(620,000)
<b>Fund balance, end of year</b>		<b>39,526,849</b>	39,418,836

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

**STABILIZATION FUND****STATEMENT OF OPERATIONS AND FUND BALANCE**

Year ended March 31, 2019

	2019	2018
	\$	\$
<b>Revenue</b>		
Investments	<b>234,305</b>	328,031
<b>Net result</b>	<b>234,305</b>	328,031
Fund balance, beginning of year	<b>5,661,546</b>	5,333,515
<b>Fund balance, end of year</b>	<b>5,895,851</b>	5,661,546

*The accompanying notes are an integral part of the financial statements.***CAPITAL ASSET FUND****STATEMENT OF OPERATIONS AND FUND BALANCE**

Year ended March 31, 2019

	2019	2018
	\$	\$
<b>Revenue</b>		
Donation from Centraide of Greater Montréal Foundation	<b>450,000</b>	428,285
Interest	<b>30,879</b>	16,035
	<b>480,879</b>	444,320
<b>Expenses</b>		
Amortization of fixed assets	<b>233,510</b>	196,040
Other costs	<b>517,348</b>	202,028
	<b>750,858</b>	398,068
<b>Net result</b>	<b>(269,979)</b>	46,252
Fund balance, beginning of year	<b>6,346,314</b>	5,550,062
Interfund transfer	<b>—</b>	750,000
<b>Fund balance, end of year</b>	<b>6,076,335</b>	6,346,314

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

**DEVELOPMENT FUND**

STATEMENT OF OPERATIONS AND FUND BALANCE

Year ended March 31, 2019

	2019	2018
	\$	\$
<b>Revenue</b>		
Donation from Centraide of Greater Montréal Foundation	225,000	150,000
Other donations	75,000	66,500
Interest	8,881	4,846
	<b>308,881</b>	221,346
<b>Expenses</b>		
Research and development costs		
Philanthropy activities	34,016	60,709
Social and community activities	71,891	75,927
	<b>105,907</b>	136,636
<b>Net result</b>	<b>202,974</b>	84,710
Fund balance, beginning of year	463,994	379,284
<b>Fund balance, end of year</b>	<b>666,968</b>	463,994

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

**COLLECTIVE IMPACT PROJECT FUND**

STATEMENT OF OPERATIONS AND FUND BALANCE

Year ended March 31, 2019

	2019	2018
	\$	\$
<b>Revenue</b>		
Donations	2,890,000	2,290,000
Interest	30,053	26,840
	<b>2,920,053</b>	2,316,840
<b>Expenses</b>		
Allocations to agencies	2,811,757	1,596,804
Assistance to community and operating costs	550,560	329,125
	<b>3,362,317</b>	1,925,929
<b>Net result</b>	<b>(442,264)</b>	390,911
Fund balance, beginning of year	3,063,501	2,802,590
Interfund transfer	(130,000)	(130,000)
<b>Fund balance, end of year</b>	<b>2,491,237</b>	3,063,501

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

# BALANCE SHEET

As at March 31, 2019

	Notes						2019	2018
		Operating Fund	Stabilization Fund	Capital Asset Fund	Development Fund	Collective Impact Project Fund	Total	Total
		\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>								
Current assets								
Cash		78,624	—	—	—	—	78,624	3,770,364
Investments, 1.25% to 2.70% (1.25% to 2.30% in 2018)		32,525,371	—	—	—	—	32,525,371	32,183,524
Subscriptions receivable (net of a provision for uncollectible subscriptions of \$2,395,346; \$2,330,990 in 2018)		15,900,354	—	—	—	—	15,900,354	15,565,893
Interfund receivable		—	—	954,648*	666,968*	2,491,237*	—	—
Other assets	4	2,369,244	—	—	—	—	2,369,244	681,207
		50,873,593	—	954,648	666,968	2,491,237	50,873,593	52,200,988
Investments		—	5,897,451	—	—	—	5,897,451	5,663,946
Fixed assets	3	—	—	5,121,687	—	—	5,121,687	4,235,853
		50,873,593	5,897,451	6,076,335	666,968	2,491,237	61,892,731	62,100,787
<b>Liabilities</b>								
Current liabilities								
Accounts payable and accrued liabilities		4,328,761	1,600	—	—	—	4,330,361	5,393,915
Balance payable to agencies		1,209,317	—	—	—	—	1,209,317	50,167
Interfund payable		4,112,853*	—	—	—	—	—	—
Deferred revenue		1,695,813	—	—	—	—	1,695,813	1,702,514
		11,346,744	1,600	—	—	—	7,235,491	7,146,596
Commitments	7							
<b>Fund balances</b>								
Invested in fixed assets		—	—	6,076,335	—	—	6,076,335	6,346,314
Externally restricted		—	—	—	666,968	2,491,237	3,158,205	3,527,495
Internally restricted		39,526,849	5,895,851	—	—	—	45,422,700	45,080,382
		39,526,849	5,895,851	6,076,335	666,968	2,491,237	54,657,240	54,954,191
		50,873,593	5,897,451	6,076,335	666,968	2,491,237	61,892,731	62,100,787

\* 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



Nathalie Bernier, Chair of the Board



Daniel Denis, Treasurer

## STATEMENT OF CASH FLOWS

Year ended March 31, 2019

	2019	2018
	\$	\$
<b>Operating activities</b>		
Net result	(312,751)	2,776,834
Adjustments for:		
Change in fair value of investments	25,318	558,159
Amortization of fixed assets	233,510	196,040
	(53,923)	3,531,033
Changes in non-cash working capital items		
Subscriptions receivable	(334,461)	573,738
Other assets	(1,688,037)	354,876
Accounts payable and accrued liabilities	(1,047,754)	1,280,880
Balance payable to agencies	1,159,150	(230,019)
Deferred revenue	(6,701)	1,063,265
	(1,917,803)	3,042,740
	(1,971,726)	6,573,773
<b>Investing activities</b>		
Net change in investments	(600,670)	(2,717,701)
Acquisition of fixed assets	(1,119,344)	(504,188)
	(1,720,014)	(3,221,889)
Net (decrease) increase in cash	(3,691,740)	3,351,884
Cash, beginning of year	3,770,364	418,480
<b>Cash, end of year</b>	<b>78,624</b>	<b>3,770,364</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

## 01 Status and nature of activities

Centraide of Greater Montreal, a not-for-profit organization incorporated under Part III of the *Companies Act* (Quebec), is recognized as a registered charity within the meaning of the *Income Tax Act*. Centraide of Greater Montreal collects public donations to promote involvement in the society through sharing and volunteer and community activities.

## 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.

#### *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's activities during substandard 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.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

March 31, 2019

## 02. Accounting policies (continued)

### *Fund accounting (continued)*

#### *Capital Asset Fund*

The Capital Asset Fund comprises the amortized cost of the building, furniture and equipment and computer equipment. 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.

#### *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.

#### *Collective Impact Project Fund*

The Collective Impact Project (CIP) Fund was created to achieve measurable and significant outcomes in the reduction of poverty on the Island of 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.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

March 31, 2019

## 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		Assistance to agencies and community and operating costs	
	<b>2019</b>	2018	<b>2019</b>	2018
	%	%	%	%
Annual campaign and major donors	<b>100</b>	100	—	—
Allocation	—	—	<b>100</b>	100
Communication	<b>70</b>	85	<b>30</b>	15
General management	<b>60</b>	60	<b>40</b>	40
Administration	<b>75</b>	75	<b>25</b>	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, 2019

## 02. Accounting policies (continued)

### *Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value when Centraide of Greater Montreal becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments that are recognized at fair value at the date of the financial statements. Long-term investments are composed of units from The Foundation of Greater Montreal Investment Fund. Fair value fluctuations, which include interest earned, accrued interest, realized gain and loss and unrealized gain and loss, are included in investment income.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations and fund balance as interest income or expense.

With respect to financial assets measured at cost or amortized cost, Centraide of Greater Montreal recognizes in the statement of operations and fund balance an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of operations and fund balance in the period the reversal occurs.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

March 31, 2019

## 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

### *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).

Centraide of Greater Montreal records:

- in the balance sheet, 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);
- in the statement of operations, 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, 2019

**03** Fixed assets

	2019			2018
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Building	6,568,207	2,721,305	3,846,902	3,703,133
Furniture and equipment	525,796	437,835	87,961	41,223
Computer equipment	1,339,194	1,223,210	115,984	60,143
Ongoing technology project	1,070,840	—	1,070,840	431,354
	<b>9,504,037</b>	<b>4,382,350</b>	<b>5,121,687</b>	4,235,853

**04** Related party transactions

Centraide of Greater Montréal Foundation, a related organization, is a registered charity incorporated under Part III of the *Companies Act* (Quebec) 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 thereof to Centraide of Greater Montreal. Centraide of Greater Montréal Foundation is related to Centraide of Greater Montreal since it is Centraide of Greater Montreal that recommends the board members of Centraide of Greater Montréal Foundation. As at March 31, 2019, the net assets of Centraide of Greater Montréal Foundation is \$41,954,761 (\$41,338,946 as at March 31, 2018). For the year ended March 31, 2019, revenue amounts to \$2,854,881 (\$3,318,317 in 2018) and expenses, including the donation to Centraide of Greater Montreal, amount to \$2,239,066 (\$2,078,501 in 2018).

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

March 31, 2019

**04. Related party transactions (continued)**

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

	2019	2018
	\$	\$
<b>Revenue</b>		
Donations – Operating Fund – annual campaign	750,000	750,000
Donations – Capital Asset Fund	450,000	428,285
Donations – Development Fund	225,000	150,000
Administrative fees presented in deduction of fundraising and operating costs	18,000	18,000

In the other assets balance, an amount of \$1,629,044 (\$422,555 in 2018) is receivable from Centraide of Greater Montréal Foundation.

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, 2019

## 5 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 \$911,807 (\$979,536 in 2018). Based on the last actuarial valuation of the multi-employer pension plan performed on December 31, 2017, there is an unfunded liability of \$6,015,700 (solvency ratio of 87.4%) 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 \$139,678 (\$139,678 in 2018), as the benefit paid during the year.

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% (3.00% in 2018) for the recognized costs, 3.50% (3.25% in 2018) for the defined benefit obligation and 2.50% (2.50% in 2018) for the rate of compensation increase.

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

	2019	2018
	\$	\$
Defined benefit obligation, included with accounts payable and accrued liabilities	<b>1,289,700</b>	1,358,100
Costs of defined benefits recorded in the statement of operations	<b>87,000</b>	84,900

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

March 31, 2019

## 6 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, 2019:

	Function		2019	2018
	Fundraising and operating costs	Assistance to agencies and community and operating costs	Total	Total
	\$	\$	\$	\$
Annual campaign and major donors	<b>3,369,906</b>	—	<b>3,369,906</b>	3,099,695
Allocation	—	<b>1,476,958</b>	<b>1,476,958</b>	1,450,418
Communication	<b>898,397</b>	<b>385,028</b>	<b>1,283,425</b>	1,144,410
General management	<b>1,992,518</b>	<b>1,328,345</b>	<b>3,320,863</b>	2,738,201
Administration	<b>2,204,619</b>	<b>734,872</b>	<b>2,939,491</b>	2,980,356
	<b>8,465,440</b>	<b>3,925,203</b>	<b>12,390,643</b>	11,413,080

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

March 31, 2019

## 7 Commitments

Centraide of Greater Montreal has committed to pay allocations to agencies, in the next year, for an amount of \$36,585,043 from the Operating Fund and an amount of \$1,948,118 from the Collective Impact Project Fund.

## 8 Financial instruments

Because of its long-term investments, Centraide of Greater Montreal is exposed to the following risks:

### *Market risk*

Market risk is the risk of loss that results from fluctuations in equity prices, interest and exchange rates. Centraide of Greater Montreal is exposed to market risk from its investing activities. The level of risk to which Centraide of Greater Montreal is exposed varies depending on market conditions and the composition of the asset mix.

#### *a) Interest rate risk*

A portion of the investments of The Foundation of Greater Montreal Investment Fund, in which Centraide of Greater Montreal holds units, is invested in fixed income funds, which hold bonds and debentures bearing interest at a fixed rate. Consequently, a change in the market interest rate will have an impact on the fair value of the units held by Centraide of Greater Montreal.

#### *b) Currency risk*

A portion of the investments of The Foundation of Greater Montreal Investment Fund, in which Centraide of Greater Montreal holds units, is invested in interests in equity funds invested in foreign countries. The units held by Centraide of Greater Montreal are consequently exposed to changes in foreign currencies. The same applies to the earned income associated with these units.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

March 31, 2019

## 08. Financial instruments (continued)

### *Credit risk*

Credit risk is primarily attributable to the fact that a portion of the investments of The Foundation of Greater Montreal Investment Fund, in which Centraide of Greater Montreal holds units, is invested in fixed income funds holding bonds and debentures. Therefore, there is a credit risk that the bond or debenture issuers will be unable to pay their obligations toward a fixed income fund, and this will have an impact on the assets of Centraide of Greater Montreal.







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