

**WEST ISLAND MISSION /
MISSION DE L'OUEST DE L'ÎLE**

FINANCIAL STATEMENTS

JUNE 30, 2021

WEST ISLAND MISSION / MISSION DE L'OUEST DE L'ÎLE

FINANCIAL STATEMENTS

JUNE 30, 2021

SUMMARY

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of
West Island Mission / Mission de l'Ouest de l'Île

We have reviewed the accompanying financial statements of WEST ISLAND MISSION / MISSION DE L'OUEST DE L'ÎLE that comprise the balance sheet as at June 30, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many charitable organizations, WEST ISLAND MISSION / MISSION DE L'OUEST DE L'ÎLE derives revenue from donations, the completeness of which is not susceptible of satisfactory review examination. Accordingly, our review of these revenues was limited to the amounts recorded in the records of WEST ISLAND MISSION / MISSION DE L'OUEST DE L'ÎLE and we were not able to determine whether any adjustments might be necessary to recorded contributions, the excess of revenues over expenses, and cash flows from operations for the period ended June 30, 2021.

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Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of WEST ISLAND MISSION / MISSION DE L'OUEST DE L'ÎLE as at June 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

(1)

Montréal
December 3, 2021

⁽¹⁾ By CPA auditor, CA, public accountancy permit No. A130994

WEST ISLAND MISSION / MISSION DE L'OUEST DE L'ÎLE**STATEMENT OF OPERATIONS**

FOR THE YEAR ENDED JUNE 30, 2021

(Unaudited)

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	2021	2020
REVENUES		
Food and health care products donations (Note 9)	\$ 451,000	\$ 357,863
Donations in cash	373,548	353,552
Donations - West Island Community Shares	62,500	40,000
Government contributions and other income	30,869	7,429
	917,917	758,844
PROGRAM COST		
Inventory, beginning of year	78,851	98,005
Basket distribution	549,460	421,153
Salaries and fringe benefits	187,555	129,120
Travelling expenses	4,924	256
Transportation	262	529
	821,052	649,063
Inventory, end of year	96,149	78,851
	724,903	570,212
GROSS PROFIT	193,014	188,632
ADMINISTRATIVE EXPENSES		
Rent	40,288	36,529
Office supplies and printing	18,063	9,880
Maintenance and repairs	5,251	1,306
Professional fees	5,159	3,110
Utilities	4,629	5,251
Insurance	4,605	1,921
Bank charges	4,106	3,459
Telecommunications	2,716	2,145
Taxes and permits	795	-
Moving expenses	289	1,188
Advertising and promotion	126	504
Amortization of capital assets	22,801	7,151
	108,828	72,444
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS BEFORE OTHER REVENUE	84,186	116,188
OTHER REVENUE		
Canada Emergency Business Account Subsidy	20,000	-
EXCESS OF REVENUES OVER EXPENSES	\$ 104,186	\$ 116,188

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

WEST ISLAND MISSION / MISSION DE L'OUEST DE L'ÎLE

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2021

(Unaudited)

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	Unrestricted General fund	Capital assets fund	2021 Total	2020 Total
BALANCE, BEGINNING OF YEAR	\$ 192,420	\$ 50,139	\$ 242,559	\$ 126,371
Excess of revenues over expenses	126,987	(22,801)	104,186	116,188
Capital assets investments	(48,150)	48,150	-	-
BALANCE, END OF YEAR	\$ 271,257	\$ 75,488	\$ 346,745	\$ 242,559

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

WEST ISLAND MISSION / MISSION DE L'OUEST DE L'ÎLE**BALANCE SHEET****AS AT JUNE 30, 2021
(Unaudited)****Page 5**

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 293,703	\$ 179,382
Sales tax receivable	21,053	8,737
Inventory (Note 3)	96,149	78,851
Deposit	-	8,000
Prepaid expenses	7,598	7,298
	418,503	282,268
CAPITAL ASSETS (Note 4)	75,488	50,139
	\$ 493,991	\$ 332,407
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Note 5)	\$ 11,097	\$ 10,997
Deferred revenue (Note 6)	96,149	78,851
	107,246	89,848
LONG-TERM DEBT (Note 7)	40,000	-
	147,246	89,848
NET ASSETS		
Unrestricted	271,257	192,420
Invested in capital assets	75,488	50,139
	346,745	242,559
	\$ 493,991	\$ 332,407

COMMITMENTS (Note 10)

ON BEHALF OF THE BOARD,

_____, Director

_____, Director

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

WEST ISLAND MISSION / MISSION DE L'OUEST DE L'ÎLE**CASH FLOWS****FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)****Page 6**

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 104,186	\$ 116,188
Non-cash items		
Amortization of capital assets	22,801	7,151
Canada Emergency Business Account Subsidy	(20,000)	-
	106,987	123,339
Net change in non-cash items related to operating activities (Note 8)	(4,516)	(7,367)
	102,471	115,972
INVESTING ACTIVITY		
Acquisition of capital assets	(48,150)	(34,345)
FINANCING ACTIVITY		
Long-term debt	60,000	-
INCREASE IN CASH	114,321	81,627
CASH, BEGINNING OF YEAR	179,382	97,755
CASH, END OF YEAR	\$ 293,703	\$ 179,382

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

1. STATUTES AND PURPOSE OF THE ORGANIZATION

The Organization is incorporated under Part III of the Companies Act (Quebec) and is a registered charity under the Income Tax Act; it operates under the name West Island Mission / Mission de l'Ouest de l'Île. Its purpose is to provide assistance to low income families of Montreal's West Island communities in the form of programs such as food bank and back to school baskets.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies the Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the net realizable value of inventory and the useful life of equipment subject to amortization.

FUND ACCOUNTING

a) General fund

Income and expenses for service delivery activities and administration are reported in the General fund.

b) Capital assets fund

The capital assets fund reports the assets, liabilities, revenue and expenses related to capital assets.

REVENUE RECOGNITION

The Organization follows the deferral method of accounting for contributions. Restricted contributions in the form of food and health care product are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Because of the uncertainty surrounding the collectibility of pledges, the Organization recognizes them when they are received.

DONATIONS OF GOODS AND SERVICES

The Organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

In the course of its operations, the Organization receives and shares a significant volume of food, consumer products and health care products. These contributions are reported in the Organization's revenues and are accounted at market selling prices at the date of contribution.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**INVENTORY**

Donated inventory is valued at market selling prices. Purchased inventory is valued at cost based on specific identification method.

CAPITAL ASSETS

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the straight-line method over the following periods:

	Periods
Office equipment	5-10 years
Computer equipment	5 years
Rolling stock	5 years
Leasehold improvements	4 years

FINANCIAL INSTRUMENTS*Initial and subsequent measurement*

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable.

CASH AND CASH EQUIVALENTS

The Organization's policy is to present bank balances under cash and cash equivalents, including bank overdrafts when bank balances that fluctuate frequently from being positive to overdrawn, and temporary investments with a maturity period of three months or less from the date of acquisition. In addition, temporary investments that the Organization cannot use for current transactions because they are pledged as collateral are excluded from cash and cash equivalents.

IMPAIRMENT OF LONG-LIVED ASSETS

Capital assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021
(Unaudited)

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3. INVENTORY

	2021	2020
Donated inventory	\$ 88,999	\$ 71,701
Purchased inventory	7,150	7,150
	\$ 96,149	\$ 78,851

4. CAPITAL ASSETS

	2021			2020
	Cost	Accumulated amortization	Net book value	Net book value
Office equipment	\$ 48,777	\$ 25,154	\$ 23,623	\$ 17,570
Computer equipment	5,566	2,072	3,494	333
Rolling stock	33,436	7,887	25,549	32,236
Leasehold improvements	30,430	7,608	22,822	-
	\$ 118,209	\$ 42,721	\$ 75,488	\$ 50,139

5. ACCOUNTS PAYABLE

	2021	2020
Accounts payable and accrued liabilities	\$ 4,937	\$ 5,550
Government remittances	6,160	5,447
	\$ 11,097	\$ 10,997

6. DEFERRED REVENUE

The deferred revenue reported in the General fund represents restricted operating funding that is related to the subsequent year. It corresponds to the food and health care products donations and purchased inventory for Back to School program that were still in inventory at the end of the year.

	2021	2020
Balance, beginning of year	\$ 78,851	\$ 98,005
Less: donations recognized as revenue in the year	(78,851)	(98,005)
Plus: donations received for the subsequent year	96,149	78,851
	\$ 96,149	\$ 78,851

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021
(Unaudited)

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7. LONG-TERM DEBT

	2021	2020
Canada Emergency Business Account (CEBA) term loan, non-interest bearing, maturing in December 2022	\$ 60,000	\$ -
Subsidy recorded as a reduction of the loan	(20,000)	-
	\$ 40,000	\$ -

8. NET CHANGE IN NON-CASH ITEMS RELATED TO OPERATING ACTIVITIES

	2021	2020
Sales tax receivable	\$ (12,316)	\$ (3,239)
Inventory	(17,298)	19,154
Deposit	8,000	(8,000)
Prepaid expenses	(300)	78
Accounts payable	100	3,794
Deferred revenue	17,298	(19,154)
	\$ (4,516)	\$ (7,367)

9. DONATIONS IN GOODS

During the year, the Organization accounted for \$ 451,000 in food and health care products. The volume of food and consumer products acquired and distributed during the year was 79,000 kilos with a value of \$ 451,000 based on \$ 5.70 per kilo. This estimate was provided by a third party and used by other organizations involved in the food bank network.

The Organization received approximately \$ 127,849 worth of food items from Moisson Montréal and an amount of \$ 323,151 from other donors.

10. COMMITMENTS

The commitment of the Organization under a lease agreement for premises expiring in April 2024 aggregates to \$116,810. The instalments over the next three years are the following:

2022	\$ 41,227
2023	\$ 41,227
2024	\$ 34,356

11. FINANCIAL INSTRUMENTS**FINANCIAL RISKS**

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

11. FINANCIAL INSTRUMENTS (continued)

LIQUIDITY RISK

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect to its accounts payable and long-term debt.