

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

**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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

**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**SUMMARY**

Independent Practitioner's Review Engagement Report	1 - 2
Statement of Revenues and Expenses	3
Statement of Changes in Net Assets	4
Balance Sheet	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

## 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, 2023, and the statements of revenues and expenses, 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, 2023.

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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, 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.

(1)

Rochon Legault

Montréal  
February 8, 2024

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<sup>1</sup> By CPA auditor, public accountancy permit No. A130994

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

## STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2023

(Unaudited)

Page 3

	2023	2022
<b>REVENUES</b>		
Food and health care products donations	\$ 705,536	\$ 653,736
Donations in cash	483,315	340,859
Donations - West Island Community Shares	50,000	57,900
Government contributions and other income	18,640	28,665
Interest	5,126	-
	<b>1,262,617</b>	<b>1,081,160</b>
<b>PROGRAM COST</b>		
Inventory, beginning of year	115,111	96,149
Basket distribution	819,294	735,431
Salaries and fringe benefits	339,576	256,498
Travelling expenses	10,015	3,154
Transportation	-	1,857
	<b>1,283,996</b>	<b>1,093,089</b>
Inventory, end of year	149,031	115,111
	<b>1,134,965</b>	<b>977,978</b>
<b>GROSS PROFIT</b>	<b>127,652</b>	<b>103,182</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Rent	58,367	39,046
Office supplies and printing	34,212	20,993
Professional fees	16,683	8,667
Advertising and promotion	7,067	390
Utilities	6,412	3,408
Insurance	4,155	6,978
Telecommunications	4,063	2,550
Bank charges	3,959	4,289
Maintenance and repairs	1,218	1,956
Taxes and permits	771	696
Amortization of capital assets	22,800	22,800
	<b>159,707</b>	<b>111,773</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (32,055)</b>	<b>\$ (8,591)</b>

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

YEAR ENDED JUNE 30, 2023  
(Unaudited)

	Unrestricted General fund	Capital assets fund	2023 Total	2022 Total
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 285,466	\$ 52,688	\$ 338,154	\$ 346,745
Deficiency of revenues over expenses	(9,255)	(22,800)	(32,055)	(8,591)
Capital assets investments	(8,830)	8,830	-	-
<b>BALANCE, END OF YEAR</b>	\$ 267,381	\$ 38,718	\$ 306,099	\$ 338,154

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, 2023  
(Unaudited)

Page 5

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 175,641	\$ 174,046
Temporary investment (Note 4)	185,125	180,000
Sales tax receivable	7,004	3,857
Inventory (Note 3)	149,031	115,111
Advance to General fund	20,000	20,000
Prepaid expenses	8,846	8,045
	<b>545,647</b>	501,059
<b>CAPITAL ASSETS (Note 5)</b>	<b>38,718</b>	52,688
	<b>\$ 584,365</b>	<b>\$ 553,747</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable (Note 6)	\$ 23,902	\$ 20,482
Advance from Capital assets fund	20,000	20,000
Deferred revenue (Note 7)	214,364	115,111
	<b>258,266</b>	155,593
<b>LONG-TERM DEBT (Note 8)</b>	<b>-</b>	40,000
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 9)</b>	<b>20,000</b>	20,000
	<b>278,266</b>	215,593
<b>NET ASSETS</b>		
Unrestricted	267,381	285,466
Invested in capital assets	38,718	52,688
	<b>306,099</b>	338,154
	<b>\$ 584,365</b>	<b>\$ 553,747</b>

COMMITMENTS (Note 12)

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

## STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023  
(Unaudited)

Page 6

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (32,055)	\$ (8,591)
Non-cash item		
Amortization of capital assets	22,800	22,800
	(9,255)	14,209
Net change in non-cash items related to operating activities (Note 10)	64,805	46,134
	55,550	60,343
<b>INVESTING ACTIVITIES</b>		
Acquisition of temporary investment	(5,125)	(180,000)
Acquisition of capital assets	(8,830)	-
Advance to General fund	-	(20,000)
	(13,955)	(200,000)
<b>FINANCING ACTIVITIES</b>		
Deferred contribution related to capital assets	-	20,000
Long-term debt	(40,000)	-
	(40,000)	20,000
<b>INCREASE (DECREASE) IN CASH</b>	<b>1,595</b>	<b>(119,657)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>174,046</b>	<b>293,703</b>
<b>CASH, END OF YEAR</b>	<b>\$ 175,641</b>	<b>\$ 174,046</b>

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.

**USE OF ESTIMATES**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the net realizable value of inventory and the useful lives of capital assets 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.

**INVENTORY**

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

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

	<b>Periods</b>
Office equipment	5-10 years
Computer equipment	5 years
Rolling stock	5 years
Leasehold improvements	4 years

**FINANCIAL INSTRUMENTS***Initial measurement*

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

*Subsequent measurement*

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and temporary investment.

*Impairment*

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

**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, 2023  
(Unaudited)

Page 9

## 3. INVENTORY

	2023	2022
Donated inventory	\$ 141,881	\$ 107,961
Purchased inventory	7,150	7,150
	<b>\$ 149,031</b>	<b>\$ 115,111</b>

## 4. TEMPORARY INVESTMENT

	2023	2022
Term deposit, 4%, maturing in September 2023	\$ 185,125	\$ 180,000

## 5. CAPITAL ASSETS

	2023			2022	
	Cost	Accumulated amortization	Net book value	Net book value	
Office equipment	\$ 53,627	\$ 39,940	\$ 13,687	\$	16,229
Computer equipment	9,544	4,296	5,248	\$	2,382
Rolling stock	33,436	21,261	12,175	\$	18,862
Leasehold improvements	30,430	22,822	7,608	\$	15,215
	<b>\$ 127,037</b>	<b>\$ 88,319</b>	<b>\$ 38,718</b>	<b>\$</b>	<b>52,688</b>

## 6. ACCOUNTS PAYABLE

	2023	2022
Accounts payable and accrued liabilities	\$ 23,902	\$ 3,728
Government remittances	-	5,827
Salaries payable	-	10,927
	<b>\$ 23,902</b>	<b>\$ 20,482</b>

**7. 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.

During the year, the Organization received a \$ 100 000 contribution for the Mental Health Support Services Program. The Organization has until June 2024 to complete this project. The deferred revenue reported for this project represents the portion of the amount received that has not been spent during 2023 and which is still available for the next financial year.

	Other projects		Mental Health Support Services Program		2023	2022
Balance, beginning of year	\$	115,111	\$	-	\$ 115,111	\$ 96,149
Amount received during the financial year		149,031		100,000	249,031	115,111
Amount recorded as income		(115,111)		(34,667)	(149,778)	(96,149)
Balance, end of year	\$	149,031	\$	65,333	\$ 214,364	\$ 115,111

**8. LONG-TERM DEBT**

	2023	2022
Canada Emergency Business Account (CEBA) term loan, non-interest bearing, reimbursed in June 2023 <sup>(a)</sup>	\$ -	\$ 40,000

- a) a) The Government of Canada has set up the "Canada Emergency Business Account (CEBA)" securing business loans up to \$ 60,000 with financial institutions to help businesses struggling with problems caused by the global COVID-19 pandemic.

The Organization received a loan of \$ 60,000 under this program. Under the terms of the program, if the Organization reimburses \$ 40,000 by December 31, 2023, it would not have to reimburse the remaining \$ 20,000.

The Organization reimbursed the loan of \$ 40,000 in June 2023. The Organization was eligible to the subsidy of \$ 20,000 which was recorded as an income as at June 30th, 2021.

**9. DEFERRED CONTRIBUTION RELATED TO CAPITAL ASSETS**

During year ended June 30, 2022, the Organization received a \$ 20 000 contribution in order to support the project of the construction of a community kitchen. This project has not started as at June 30th, 2023. The Organization has until December 2025 to complete this project. Once the construction will be completed, the contribution will be amortized at the same rate as the capital assets.

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

	2023	2022
Sales tax receivable	\$ (3,147)	\$ 17,196
Inventory	(33,920)	(18,962)
Prepaid expenses	(801)	(447)
Accounts payable	3,420	9,385
Advance from Capital assets fund	-	20,000
Deferred revenue	99,253	18,962
	<b>\$ 64,805</b>	<b>\$ 46,134</b>

**11. DONATIONS IN GOODS**

During the year, the Organization accounted for \$ 705,536 in food and health care products. The volume of food and consumer products acquired and distributed during the year was 102,998 kilos with a value of \$ 705,536 based on \$ 6.85 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 \$ 218,421 worth of food items from Moisson Montréal and an amount of \$ 487,115 from other donors.

**12. COMMITMENTS**

The commitment of the Organization under a lease agreement for premises expiring in April 2024 aggregates to \$31,962. The instalments over the next year are the following:

2024	\$ 31,962
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**13. FINANCIAL INSTRUMENTS****FINANCIAL RISKS**

The significant risks arising from financial instruments to which the Organization is exposed as at June 30, 2023 are detailed below.

**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..