

**WANAKI CENTER
FINANCIAL STATEMENTS
MARCH 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Members of the board
Wanaki Center

Opinion

We have audited the financial statements of Wanaki Center (the Center), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as at March 31, 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.

Basis for Opinion

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 Center 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.


Other Matter

The 2021 budget figures have not been audited.

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.

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In preparing the financial statements, management is responsible for assessing the Center'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 Center or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Center'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 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 Center's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 Center'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 Center 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.




Company of CPA

Maniwaki, Québec
June 30, 2021

 **Lacroix & associés inc.**
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¹ By CPA auditor, CA, public accountancy permit No. A104361

WANAKI CENTER

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2021

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	Budget	2021	2020
Revenues			
Indigenous Services Canada (ISC) (note 8)	\$ 2,102,448	\$ 2,106,983	\$ 2,335,437
Canadore college	-	54,545	52,776
Other income (Schedule A)	-	23,016	13,160
Interest earned	-	3,006	23,752
Amortization of deferred contributions related to fixed assets	-	55,829	55,880
	2,102,448	2,243,379	2,481,005
Expenses			
Salaries	1,049,218	881,624	898,470
Fringe benefits	265,563	176,721	161,902
Staff training and development	90,000	78,540	117,800
Resource people	40,000	16,417	92,443
Honorarium	-	1,775	575
Material/Program/Aids	30,000	25,034	68,973
Food	67,433	5,205	61,126
Accreditation Process	36,000	30,207	24,197
Telephone	12,000	6,922	11,062
Office supplies and printing	19,000	16,072	30,399
Internet/Alarm/Television	3,000	2,818	3,734
Computer material and support	5,000	28,850	3,497
Advertising	2,000	-	340
Auditing and accounting	12,000	11,510	11,318
Legal and professional fees	74,234	95,178	13,922
Strategic Planning	40,000	29,050	-
Insurance	23,000	27,345	23,163
Heat and electricity	23,000	20,911	21,324
Maintenance and supplies	27,500	7,228	32,798
Ground maintenance	15,000	15,311	14,383
Vehicle maintenance and transportation	6,000	3,218	5,929
Travel - Board	20,000	1,303	9,503
Travel - Staff and other	20,000	1,230	20,998
Bank charges	2,500	2,974	3,062
Amortization of fixed assets (Schedule B)	-	55,829	55,880
Capital projects	220,000	-	-
	2,102,448	1,541,272	1,686,798
Excess of revenues over expenses	\$ -	\$ 702,107	\$ 794,207

WANAKI CENTER

CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2021

	Reserve for acquisition of fixed assets	Unappropriated ISC	Unappropriated Other	2021 Total	2020 Total
Balance, beginning of year	\$ 224,695	\$ 932,664	\$ 238,585	\$ 1,395,944	\$ 823,376
Excess of revenues over expenses	-	758,909	(56,802)	702,107	794,207
Appropriation for acquisition of fixed assets	1,595,000	(1,595,000)	-	-	-
Acquisition of fixed assets	(193,198)	-	-	(193,198)	(221,639)
Balance, end of year	\$ 1,626,497	\$ 96,573	\$ 181,783	\$ 1,904,853	\$ 1,395,944

WANAKI CENTER
 STATEMENT OF FINANCIAL POSITION
 AS AT MARCH 31, 2021

	2021	2020
Assets		
Current assets		
Cash	\$ 3,129,834	\$ 1,493,542
Accounts receivable (Note 3)	3,868	19,560
Prepaid expenses	11,520	10,794
	3,145,222	1,523,896
Fixed assets (Note 4)	408,857	271,487
	\$ 3,554,079	\$ 1,795,383
Liabilities		
Current liabilities		
Accounts payable and accrued charges (Note 5)	\$ 190,125	\$ 127,952
Deferred contributions (Note 6)	1,050,244	-
	1,240,369	127,952
Deferred contributions related to fixed assets	408,857	271,487
	1,649,226	399,439
Net assets		
Appropriated for acquisition of fixed assets	1,626,497	224,695
Unappropriated - ISC	96,573	932,664
Unappropriated - Other	181,783	238,585
	1,904,853	1,395,944
	\$ 3,554,079	\$ 1,795,383

Commitment (Note 10)

Signed for the Board,

Jessie Bond

Jessie Bond (Jul 8, 2021 09:37 EDT)

, Director

Robin Decontie

Robin Decontie (Jul 28, 2021 12:29 EDT)

, Director

WANAKI CENTER
STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2021

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	2021	2020
Operating activities		
Excess of revenues over expenses	\$ 702,107	\$ 794,207
Non-cash items:		
Amortization of fixed assets	55,829	55,880
Gain on disposal of fixed assets	(750)	-
Amortization of deferred contributions related to fixed assets	(55,829)	(55,880)
	701,357	794,207
Net change in non-cash items related to operating activities:		
Accounts receivable	15,692	106,515
Prepaid expenses	(726)	(1,707)
Accounts payable and accrued charges	62,173	23,170
Deferred contributions	1,050,244	(419,195)
	1,828,740	502,990
Investing activities		
Acquisition of fixed assets	(193,198)	(221,639)
Proceeds from disposal of fixed assets	750	-
	(192,448)	(221,639)
Increase in cash and cash equivalents	1,636,292	281,351
Cash and cash equivalents, beginning of year	1,493,542	1,212,191
Cash and cash equivalents, end of year	\$ 3,129,834	\$ 1,493,542

Cash and cash equivalents consist of cash.

1. Statutes of incorporation and nature of activities

The Center is a non-profit organization incorporated under Part III of the Companies Act (Quebec). It is also incorporated as a non-profit organization under the Canada Not-for-Profit Corporations Act, within the meaning of the Income Tax Act. Its mission is to provide treatments to all First Nations and Inuit adults suffering from alcohol and substance abuse issues.

2. Significant accounting policies

The Center has elected to apply 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 the useful life of fixed assets subject to amortization.

Contributions and other revenue recognition

The Center applies the deferral method to account for the contributions. Revenue from the reserved contributions is recognized during the period for which the related costs were incurred. The other contributions and other revenues are recognized when the amount is determinable and collection is reasonably assured.

Financial instruments

Initial and subsequent measurement

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

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued charges along with payroll and benefits payable.

2. Significant accounting policies (continued)

Financial instruments (continued)

Impairment

For financial assets measured at cost or amortized cost, the Center determines whether there are indications of possible impairment. When there is an indication of impairment, and the Center 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. A 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.

Fixed assets

Fixed assets are accounted for at cost. Amortization is calculated using the straight-line method over the following periods:

	Periods
Furniture and equipment	10 years
Automotive equipment	5 years
Computer equipment	5 years
Telephone system	5 years
Parking and cultural space	15 years

The building under construction will be amortized once it is put in service, using the straight-line method over a period of 25 years.

Impairment of long-lived assets

Fixed assets 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.

Deferred contributions related to fixed assets

Contributions received for acquisition of fixed assets are deferred and amortized at the same rates as their related fixed assets.

2. Significant accounting policies (continued)**Cash and cash equivalents**

The Center'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.

3. Accounts receivable

	2021	2020
Accounts receivable	\$ 403	\$ 12,636
GST and QST receivable	3,465	6,924
	\$ 3,868	\$ 19,560

4. Fixed assets

	2021		2020	
	Cost	Accumulated amortization	Net book value	Net book value
Building under construction	\$ 185,878	\$ -	\$ 185,878	\$ -
Furniture and equipment	360,642	238,576	122,066	142,365
Automotive equipment	76,780	69,564	7,216	22,572
Computer equipment	56,083	56,083	-	1,886
Telephone system	25,728	7,718	18,010	23,155
Parking and cultural space	87,331	11,644	75,687	81,509
	\$ 792,442	\$ 383,585	\$ 408,857	\$ 271,487

5. Accounts payable and accrued charges

	2021	2020
Accounts payable and accrued charges	\$ 84,235	\$ 36,421
Payroll and benefits payable	105,890	91,531
	\$ 190,125	\$ 127,952

6. Deferred contributions

Deferred contributions represent unexpended resources received during the year that will be expensed in the subsequent period. The variations affecting the deferred contributions are the following :

	2021	2020
Balance at beginning of year	\$ -	\$ 419,195
Cashed funding recorded as deferred contributions during the year	1,050,244	-
Deferred revenue recognition	-	(419,195)
Balance at end	\$ 1,050,244	\$ -

7. Economic dependance

The Center receives income under a funding agreement with Indigenous Services Canada. The contribution represents 96% of the total revenue of the Center.

8. Indigenous Services Canada funding reconciliation

	2021	2020
Funding confirmed per agreement	\$ 3,157,227	\$ 1,916,242
Deferred revenue recognition	-	419,195
Funding deferred to the following year	(1,050,244)	-
Revenue per financial statements	\$ 2,106,983	\$ 2,335,437

9. Events after the balance sheet date

In March of 2020, the World Health Organization declared the outbreak of a new coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

As of June 30th 2021, the center offers virtual programming only. Construction work is also currently in progress.

Management is unsure of the impact of these changes on its financial statements and believes that any disruption may be temporary; however, there is uncertainty as to the duration and potential impact of this disruption.

As a result, they are unable to estimate the potential impact on the center's activities as of the date of these financial statements.

10. Commitment

The Center has undertaken construction work. Contracts in the amount of \$ 1 685 822 have been signed for the plans and construction agreement. The work has started in May 2021 and should continue until September 2021.

WANAKI CENTER

ADDITIONAL INFORMATION

YEAR ENDED MARCH 31, 2021

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	2021	2020
Schedule A - Other income		
Sale of promotional items	\$ 338	\$ -
Administration fees	7,517	-
Summer student contribution	-	8,610
Donations	10,200	4,550
Contribution for cost sharing	4,211	-
Gain on disposal of a fixed asset	750	-
	<hr/>	<hr/>
	\$ 23,016	\$ 13,160

Schedule B - Amortization of fixed assets

Furniture and equipment	\$ 27,620	\$ 21,126
Automotive equipment	15,356	15,356
Computer equipment	1,885	11,003
Telephone system	5,146	2,573
Parking and cultural space	5,822	5,822
	<hr/>	<hr/>
	\$ 55,829	\$ 55,880

WANAKI CENTER

ADDITIONAL INFORMATION

YEAR ENDED MARCH 31, 2021

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	2021	2020
Schedule C - Mental Wellness Team Q21G		
Revenues		
ISC	\$ 320,166	\$ 269,500
Prior year unexpended funding	173,790	105,795
Canadore College	54,545	52,776
Other income	11,728	-
	560,229	428,071
Expenses		
Salaries and fringe benefits	91,825	45,892
Staff training and development	75,147	113,574
Resource people	14,767	46,732
Material/Program/Aids	15,435	30,100
Food	574	4,278
Office supplies and printing	1,810	1,689
Internet/Alarm/Television	1,758	933
Computer material and support	585	104
Legal and professional fees	33,195	-
Heat and electricity	3,226	-
Maintenance and supplies	1,003	917
Ground maintenance	-	850
Vehicule maintenance and transportation	297	96
Travel	1,230	9,116
Bank charges	12	-
	240,864	254,281
Excess of revenues over expenses	\$ 319,365	\$ 173,790

Schedule D - Accreditation Q30Q

Income		
ISC	\$ 37,521	\$ 37,521
Expenses		
Salaries and fringe benefits	-	31,666
Resource people	160	-
Accreditation	22,650	12,674
	22,810	44,340
Excess (deficiency) of revenues over expenses	\$ 14,711	\$ (6,819)

WANAKI CENTER
 ADDITIONAL INFORMATION
 YEAR ENDED MARCH 31, 2021

	2021	2020
Schedule E - AHHRI Training Q233		
Income		
ISC	\$ 8,138	\$ 14,614
Expenses		
Salaries and fringe benefits	8,138	14,614
Excess of revenues over expenses	\$ -	\$ -

Schedule F - Capital Investments Q300 & Q217

Revenues		
ISC	\$ 1,095,000	\$ 156,600
Plus: Deferred revenue recognition	-	193,400
Less : Funding deferred to the following year	(1,050,244)	-
Prior year unexpended funding	164,084	-
	208,840	350,000
Expenses		
Resource people	450	-
Program/Material/Aids	1,175	-
Office supplies and printing	362	-
Legal and professional fees	1,725	6,950
Maintenance and supplies	3,546	-
Ground maintenance	8,384	5,859
Expenses transferred to fixed assets :		
Building under construction	185,878	-
Furniture and equipment	7,320	87,331
Parking and cultural space	-	85,776
	208,840	185,916
Excess of revenues over expenses	\$ -	\$ 164,084