

**WANAHI CENTER
FINANCIAL REPORT
MARCH 31, 2023**

WANAHI CENTER
FINANCIAL REPORT
MARCH 31, 2023

INDEPENDENT AUDITOR'S REPORT	1 - 3
Statement of Operations	4
Statement of Financial Position	5
Changes in Net Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 11
Additional Information	12 - 15



INDEPENDENT AUDITOR'S REPORT

To the members of the board of
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, 2023, and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as at March 31, 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.

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 2023 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.

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.

Mazars, LLP

215 Saint-Jacques Street, Suite 1200
Montréal (Québec) H2Y 1M6 Canada
Tel.: 514 845-9253 | Fax: 514 845-3859

6455 Jean-Talon Street East, Suite 601
Saint-Léonard (Québec) H1S 3E8 Canada
Tel.: 514 845-9253 | Fax: 514 355-1630

26 Wellington Street East, Suite 300
Toronto, Ontario M5E 1S2 Canada
Tel.: 1 877 845-9253 | Fax: 514 845-3859



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.
- 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.

*Mazars, LLP*¹

Maniwaki, June 28, 2023

¹By CPA auditor, public accountancy permit No. A138674

WANAKI CENTER

STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2023

	Budget	2023	2022
REVENUE			
Indigenous Services Canada (ISC) (Note 8)	\$ 4,695,911	\$ 2,270,830	\$ 3,598,740
Amortization of deferred contributions related to fixed assets	-	118,857	118,275
Interest earned	-	115,157	2,230
Canadore College	-	51,804	64,276
Other income (Schedule A)	-	11,193	21,180
	4,695,911	2,567,841	3,804,701
EXPENSES			
Salaries	1,010,244	1,046,343	1,057,116
Fringe benefits	309,127	218,775	193,152
Legal and professional fees	45,000	167,633	163,281
Amortization of fixed assets (Schedule B)	-	118,858	118,078
Staff training and development	10,000	94,349	86,618
Insurance	23,000	58,018	32,428
Office supplies and printing	49,000	55,103	38,865
Accreditation process	30,000	36,426	34,955
Material/program/aids	35,000	29,091	95,745
Maintenance and supplies	28,000	22,828	24,804
Heat and electricity	23,000	21,662	16,218
Auditing and accounting	14,000	14,975	11,780
Food	5,000	12,657	5,483
Computer material and support	6,500	9,621	27,924
Vehicle maintenance and transportation	6,000	8,157	3,803
Honorarium	-	7,900	1,000
Telephone	20,000	7,831	7,352
Ground maintenance	15,000	7,076	14,899
Travel – resource people	-	5,996	-
Travel – staff	5,000	4,523	3,960
Travel – board	5,000	3,858	-
Bank charges	2,500	3,200	2,912
Resource people	10,000	2,226	6,749
Internet/alarm/television	3,000	703	4,303
Expenses transferred to fixed assets	1,300,000	-	-
	2,954,371	1,957,809	1,951,425
EXCESS OF REVENUE OVER EXPENSES	\$ 1,741,540	\$ 610,032	\$ 1,853,276

WANAKI CENTER

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 5,595,644	\$ 4,345,080
Accounts receivable (Note 3)	1,088,965	16,336
Prepaid expenses	17,749	13,379
	6,702,358	4,374,795
FIXED ASSETS (Note 4)	1,992,705	1,867,834
	\$ 8,695,063	\$ 6,242,629
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges (Note 5)	\$ 215,801	\$ 443,519
Deferred contributions (Note 6)	3,939,374	1,750,398
	4,155,175	2,193,917
DEFERRED CONTRIBUTIONS RELATED TO FIXED ASSETS	1,992,705	1,867,834
	6,147,880	4,061,751
NET ASSETS		
UNSPENT FUNDS – ISC	1,996,475	1,785,555
UNAPPROPRIATED	550,708	395,323
	2,547,183	2,180,878
	\$ 8,695,063	\$ 6,242,629

Commitment (Note 9)

ON BEHALF OF THE BOARD

Roger Mitchell
 Roger Mitchell (Jul 5, 2023 11:54 EDT)

Director

SIGNATURE

Ghislain Nequado
 Ghislain Nequado (Jul 5, 2023 12:06 EDT)

Director

SIGNATURE

WANAKI CENTER
CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2023

	Appropriated for acquisition of fixed assets – ISC	Unspent funds – ISC	Unappropriated	2023 Total	2022 Total
BALANCE, BEGINNING OF YEAR					
As previously reported	\$ 550,145	\$ 1,361,263	\$ 269,470	\$ 2,180,878	\$ 1,904,853
Adjustment based on ISC analysis	(550,145)	424,292	125,853	-	-
Balance in accordance with ISC	-	1,785,555	395,323	2,180,878	1,904,853
Excess of revenue over expenses	1,783,085	(1,328,438)	155,385	610,032	1,853,276
Appropriation for acquisition of fixed assets	2,147,649	(2,147,649)	-	-	-
Acquisition of fixed assets	(243,727)	-	-	(243,727)	(1,577,251)
Deferred contributions from appropriation of fixed assets	(3,687,007)	3,687,007	-	-	-
BALANCE, END OF YEAR	\$ -	\$ 1,996,475	\$ 550,708	\$ 2,547,183	\$ 2,180,878

WANAKI CENTER

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 610,032	\$ 1,853,276
Non-cash items:		
Amortization of fixed assets	118,857	118,078
Gain on disposal of fixed assets	-	(1,100)
Amortization of deferred contributions related to fixed assets	(118,857)	(118,275)
	610,032	1,851,979
Net change in non-cash items related to operating activities:		
Accounts receivable	(1,072,629)	(12,468)
Prepaid expenses	(4,370)	(1,859)
Accounts payable and accrued charges	(227,718)	253,394
Cash flows from operating activities	(694,685)	2,091,046
INVESTING ACTIVITIES		
Acquisition of fixed assets	(243,727)	(1,577,251)
Proceeds from disposal of fixed assets	-	1,297
Cash flows from investing activities	(243,727)	(1,575,954)
FINANCING ACTIVITY		
Deferred contributions and cash flows from financing activity	2,188,976	700,154
INCREASE IN CASH AND CASH EQUIVALENTS	1,250,564	1,215,246
CASH, BEGINNING OF YEAR	4,345,080	3,129,834
CASH, END OF YEAR	\$ 5,595,644	\$ 4,345,080

WANAKI CENTER**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2023**

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 financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting and include the following significant accounting policies:

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.

Revenue Recognition*Revenue recognition*

Interest income is recognized as revenue when earned.

Contract revenue

Contract revenue from Canadore College is accounted for under the percentage of completion method. The degree of completion is determined on the basis of costs incurred to date compared with total expected costs for the entire contract.

Accounting for contributions

Contributions are recognized using the deferral method. Restricted contributions 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 can be reasonably estimated and receipt is reasonably assured.

Contributions for the acquisition of depreciable long-term assets are recorded as deferred contributions and are amortized in the same manner as the related assets.

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.

WANAKI CENTER

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Financial Instruments (continued)**

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

Financial assets measured at amortized cost on a straight-line basis include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued charges.

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 earnings. 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 earnings.

Fixed Assets

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

	Periods
Building	25 years
Furniture and equipment	10 years
Automotive equipment	5 years
Computer equipment	5 years
Telephone system	5 years
Parking and cultural space	15 years

Phase 2 of 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.

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.

WANAKI CENTER

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

3. ACCOUNTS RECEIVABLE

	2023	2022
Contribution receivable	\$ 1,066,867	\$ -
Accounts receivable	16,956	14,736
GST and QST receivable	5,142	1,600
	<u>\$ 1,088,965</u>	<u>\$ 16,336</u>

4. FIXED ASSETS

	2023		2022	
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Building under construction	\$ 144,682	\$ -	\$ 144,682	\$ 22,416
Building	1,743,749	135,865	1,607,884	1,586,761
Furniture and equipment	458,388	298,149	160,239	164,718
Automotive equipment	76,780	76,780	-	357
Computer equipment	69,649	61,510	8,139	10,853
Telephone system	25,728	18,010	7,718	12,864
Parking and cultural space	87,331	23,288	64,043	69,865
	<u>\$ 2,606,307</u>	<u>\$ 613,602</u>	<u>\$ 1,992,705</u>	<u>\$ 1,867,834</u>

5. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	2023	2022
Accounts payable and accrued charges	\$ 104,149	\$ 330,393
Payroll and benefits payable	111,652	113,126
	<u>\$ 215,801</u>	<u>\$ 443,519</u>

WANAKI CENTER

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**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:

	2023	2022
Balance at beginning	\$ 1,750,398	\$ 1,050,244
Contributions cashed during the year	4,229,716	4,298,894
Amount recognized as revenue during the year	(2,270,830)	(3,598,740)
Subsequent year contribution cashed during the year	230,090	-
Balance at end	\$ 3,939,374	\$ 1,750,398

7. ECONOMIC DEPENDENCE

The Center receives income under a funding agreement with Indigenous Services Canada. The contribution represents 93% of the total revenue of the Center.

8. INDIGENOUS SERVICES CANADA FUNDING RECONCILIATION

	2023	2022
Funding confirmed per agreement	\$ 4,229,716	\$ 4,298,894
Deferred revenue recognition	\$ 1,750,398	\$ 1,050,244
Funding deferred to the following year	\$ (3,709,284)	\$ (1,750,398)
Revenue per financial statements	\$ 2,270,830	\$ 3,598,740

9. COMMITMENT

The Center has undertaken the second phase of the construction work. A contract in the amount of \$2,955,060 has been signed for the construction. The work has started in May 2023 and should continue until February 2024.

10. COMPARATIVE FIGURES

Certain figures for 2022 have been reclassified to conform to the presentation adopted in 2023.

WANAKI CENTER

ADDITIONAL INFORMATION
YEAR ENDED MARCH 31, 2023

	2023	2022
SCHEDULE A – OTHER INCOME		
Administration fees	\$ 8,095	\$ 9,580
Donations	1,890	500
Contribution for cost sharing	1,208	-
Gain on disposal of a fixed asset	-	1,100
Thunderbird Partnership Foundation	-	10,000
	\$ 11,193	\$ 21,180

SCHEDULE B – AMORTIZATION OF FIXED ASSETS

Building	\$ 69,750	\$ 66,115
Parking and cultural space	5,822	5,822
Telephone system	5,146	5,146
Computer equipment	2,715	2,713
Automotive equipment	357	6,859
	\$ 118,858	\$ 118,078

WANAKI CENTER

ADDITIONAL INFORMATION
YEAR ENDED MARCH 31, 2023

	2023	2022
SCHEDULE C – MENTAL WELLNESS TEAM Q21G		
Revenue		
ISC	\$ 269,500	\$ 269,500
Prior year unexpended funding	313,469	383,516
Canadore College	5,960	64,276
Other income	11,491	9,580
	600,420	726,872
Expenses		
Salaries and fringe benefits	72,114	128,510
Staff training and development	146,716	83,260
Resource people	2,227	6,124
Honorarium	-	400
Material/program/aids	8,265	14,412
Food	8,161	4,985
Telephone	767	611
Office supplies and printing	3,648	9,351
Internet/alarm/television	-	1,763
Computer material and support	706	2,022
Advertising	-	162
Legal and professional fees	36,392	68,507
Insurance	-	589
Heat and electricity	-	529
Maintenance and supplies	382	3,785
Ground maintenance	324	270
Vehicle maintenance and transportation	113	-
Travel	5,736	-
Furniture and equipment	-	8,769
Computer equipment	-	5,498
	285,551	339,547
Excess of revenue over expenses	\$ 314,869	\$ 387,325

WANAKI CENTER

ADDITIONAL INFORMATION
YEAR ENDED MARCH 31, 2023

	2023	2022
SCHEDULE D – ACCREDITATION Q30Q		
Revenue		
ISC	\$ 42,309	\$ 38,691
Prior year unexpended funds	(44,097)	19,304
	(1,788)	57,995
Expenses		
Salaries and fringe benefits	70,694	62,231
Accreditation process	30,757	30,038
Maintenance and supplies	-	113
Food	414	-
Ground maintenance	-	960
Furniture and equipment	-	8,750
	101,865	102,092
Deficiency of revenue over expenses	\$ (103,653)	\$ (44,097)

SCHEDULE E – CAPITAL INVESTMENTS Q3XZ

Revenue		
ISC	\$ 2,147,649	\$ 2,250,000
Plus: Deferred revenue recognition	1,750,398	1,050,244
Less: Funding deferred to the following year	(3,687,007)	(1,750,398)
	211,040	1,549,846
Expenses		
Office supplies and printing	96	1,945
Computer material and support	-	5,865
Legal and professional fees	1,063	-
Maintenance and supplies	2,263	3,686
Ground maintenance	300	2,111
Telecommunications	1,500	-
Building under construction	-	22,416
Building	205,818	1,466,999
Furniture and equipment	-	46,824
	211,040	1,549,846
Excess of revenue over expenses	\$ -	\$ -

WANAKI CENTER

ADDITIONAL INFORMATION
YEAR ENDED MARCH 31, 2023

	2023	2022
SCHEDULE F – AHHRI TRAINING Q01T		
Income		
ISC	\$ 16,666	\$ 16,666
Plus: Deferred revenue recognition	491	-
	-	(491)
	17,157	16,175
Expenses		
Material/program/aids	12,409	9,737
Accreditation process	-	4,917
Travel – staff	6,102	1,521
	18,511	16,175
Deficiency of revenue over expenses	\$ (1,354)	\$ -