

WANAHI CENTER
FINANCIAL REPORT
MARCH 31, 2024

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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, 2024, 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, 2024, 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 2024 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.

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.

Forv/s Mazars LLP ¹

Maniwaki, June 26, 2024

¹ By CPA auditor, public accountancy permit No. A139307

WANAKI CENTER

STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024

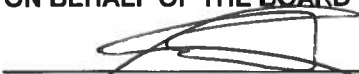
| | Budget | 2024 | 2023 |
|--|-------------------|-------------------|-------------------|
| REVENUE | | | |
| Indigenous Services Canada (ISC) (Note 9) | \$ 1,913,735 | \$ 2,137,878 | \$ 2,027,103 |
| Amortization of deferred contributions related to fixed assets | - | 251,581 | 118,857 |
| Interest earned | 67,879 | 219,664 | 115,157 |
| Canadore College | - | 74,141 | 51,804 |
| Other income (Schedule A) | 559 | 16,697 | 11,193 |
| | 1,982,173 | 2,699,961 | 2,324,114 |
| EXPENSES | | | |
| Salaries | 1,076,307 | 1,172,801 | 1,046,343 |
| Amortization of fixed assets | - | 251,581 | 118,858 |
| Fringe benefits | 330,893 | 249,317 | 218,775 |
| Staff training and development | 5,000 | 119,830 | 94,349 |
| Legal and professional fees | 65,000 | 85,356 | 169,859 |
| Insurance | 59,830 | 73,849 | 58,018 |
| Office supplies and printing | 44,000 | 40,237 | 55,103 |
| Computer material and support | 10,000 | 38,318 | 9,621 |
| Material/program/aids | 20,000 | 33,344 | 29,091 |
| Accreditation process | 10,000 | 30,176 | 36,426 |
| Heat and electricity | 30,000 | 27,461 | 21,662 |
| Auditing and accounting | 26,975 | 16,025 | 14,975 |
| Food | 25,000 | 15,964 | 12,657 |
| Telephone | 20,000 | 13,041 | 7,831 |
| Maintenance and supplies | 29,500 | 12,725 | 22,828 |
| Travel – staff | 10,000 | 9,005 | 4,523 |
| Ground maintenance | 15,000 | 8,008 | 7,076 |
| Travel – resource people | 10,000 | 7,154 | 5,996 |
| Vehicle maintenance and transportation | 8,000 | 6,617 | 8,157 |
| Honorarium | 10,000 | 5,300 | 7,900 |
| Bank charges | 2,500 | 3,389 | 3,200 |
| Internet/alarm/television | 3,000 | 2,706 | 703 |
| Travel – board | 1,000 | 2,062 | 3,858 |
| Advertising | 5,000 | - | - |
| | 1,817,005 | 2,224,266 | 1,957,809 |
| EXCESS OF REVENUE OVER EXPENSES | \$ 165,168 | \$ 475,695 | \$ 366,305 |


WANAKI CENTER

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

| | 2024 | 2023 |
|--|--------------|--------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 4,098,630 | \$ 5,595,644 |
| Accounts receivable (Note 3) | 58,451 | 1,088,965 |
| Prepaid expenses | 19,666 | 17,749 |
| | 4,176,747 | 6,702,358 |
| FIXED ASSETS (Note 4) | 4,873,924 | 1,992,705 |
| | \$ 9,050,671 | \$ 8,695,063 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued charges (Note 5) | \$ 615,607 | \$ 215,801 |
| Deferred contributions (Note 6) | 538,262 | 3,939,374 |
| | 1,153,869 | 4,155,175 |
| DEFERRED CONTRIBUTIONS RELATED TO FIXED ASSETS (Note 7) | 4,873,924 | 1,992,705 |
| | 6,027,793 | 6,147,880 |
| NET ASSETS | | |
| UNSPENT FUNDS – ISC | 2,235,810 | 1,996,475 |
| UNAPPROPRIATED | 787,068 | 550,708 |
| | 3,022,878 | 2,547,183 |
| | \$ 9,050,671 | \$ 8,695,063 |
| COMMITMENT (Note 10) | | |

ON BEHALF OF THE BOARD

 Director

 Director

WANAHI CENTER

CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2024

| | Unspent funds ISC | Unappropriated | 2024 Total | 2023 Total |
|-----------------------------------|-------------------|----------------|---------------|---------------|
| BALANCE, BEGINNING OF YEAR | \$ 1,996,475 | \$ 550,708 | \$ 2,547,183 | \$ 2,180,878 |
| Excess of revenue over expenses | 239,335 | 236,360 | 475,695 | 366,305 |
| BALANCE, END OF YEAR | \$ 2,235,810 | \$ 787,068 | \$ 3,022,878 | \$ 2,547,183 |

WANAKI CENTER

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2024

| | 2024 | 2023 |
|---|--------------|--------------|
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenses | \$ 475,695 | \$ 366,305 |
| Non-cash items: | | |
| Amortization of fixed assets | 251,581 | 118,857 |
| Amortization of deferred contributions related to fixed assets | (251,581) | (118,857) |
| | 475,695 | 366,305 |
| Net change in non-cash items related to operating activities | (1,972,709) | 884,259 |
| Cash flows from (used in) operating activities | (1,497,014) | 1,250,564 |
| INVESTING ACTIVITY | | |
| Acquisition of fixed assets and cash flows used in investing activity | (3,132,800) | (243,727) |
| FINANCING ACTIVITY | | |
| Deferred contributions related to fixed assets and cash flows from financing activity | 3,132,800 | 243,727 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (1,497,014) | 1,250,564 |
| CASH, BEGINNING OF YEAR | 5,595,644 | 4,345,080 |
| CASH, END OF YEAR | \$ 4,098,630 | \$ 5,595,644 |

WANAKI CENTER**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2024**

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 revenue and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the impairment of assets and the useful lives of fixed assets.

Revenue Recognition*Revenue recognition*

Interest income is recognized as revenue when earned.

Service revenue

Revenue from Canadore College are accounted for when services have been rendered in accordance with the agreement.

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, 2024

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 |

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.

WANAKI CENTER

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024**3. ACCOUNTS RECEIVABLE**

| | 2024 | 2023 |
|-------------------------|------------------|---------------------|
| Accounts receivable | \$ 18,962 | \$ 1,000 |
| Contribution receivable | 17,380 | 1,066,867 |
| Accrued interest | 14,223 | 15,956 |
| GST and QST receivable | 7,886 | 5,142 |
| | <u>\$ 58,451</u> | <u>\$ 1,088,965</u> |

4. FIXED ASSETS

| | 2024 | | | 2023 | |
|-----------------------------|--------------|--------------------------|----------------|----------------|--|
| | COST | ACCUMULATED AMORTIZATION | NET BOOK VALUE | NET BOOK VALUE | |
| Building under construction | \$ - | \$ - | \$ - | \$ 144,682 | |
| Building | 5,016,426 | 336,522 | 4,679,904 | 1,607,884 | |
| Furniture and equipment | 463,192 | 335,392 | 127,800 | 160,239 | |
| Automotive equipment | 76,780 | 76,780 | - | - | |
| Computer equipment | 69,649 | 64,223 | 5,426 | 8,139 | |
| Telephone system | 25,728 | 23,155 | 2,573 | 7,718 | |
| Parking and cultural space | 87,331 | 29,110 | 58,221 | 64,043 | |
| | \$ 5,739,106 | \$ 865,182 | \$ 4,873,924 | \$ 1,992,705 | |

5. ACCOUNTS PAYABLE AND ACCRUED CHARGES

| | 2024 | 2023 |
|--------------------------------------|-------------------|-------------------|
| Accounts payable and accrued charges | \$ 495,148 | \$ 104,149 |
| Payroll and benefits payable | 120,459 | 111,652 |
| | <u>\$ 615,607</u> | <u>\$ 215,801</u> |

WANAKI CENTER

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024**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:

| | 2024 | 2023 |
|---|--------------|--------------|
| Balance at beginning | \$ 3,939,374 | \$ 1,750,398 |
| Contributions cashed during the current year | 1,869,566 | 4,459,806 |
| Amount recognized as revenue during the current year | (2,137,878) | (2,027,103) |
| Amount recognized as deferred contributions related to fixed assets | (3,132,800) | (243,727) |
| Balance at end | \$ 538,262 | \$ 3,939,374 |

7. DEFERRED CONTRIBUTIONS RELATED TO FIXED ASSETS

Deferred contributions related to fixed assets represent contributions received that have been used for the purchase of fixed assets.

| | 2024 | 2023 |
|---|--------------|--------------|
| Balance at beginning | \$ 1,992,705 | \$ 1,867,835 |
| Plus : deferred contributions related to fixed assets during the current year | 3,132,800 | 243,727 |
| Less : deferred contributions recognized as revenue during the current year | (251,581) | (118,857) |
| Balance at end | \$ 4,873,924 | \$ 1,992,705 |

8. ECONOMIC DEPENDENCE

The Center receives income under a funding agreement with Indigenous Services Canada. The contribution represents 88% (92% in 2023) of the total revenue of the Center.

9. INDIGENOUS SERVICES CANADA FUNDING RECONCILIATION

| | 2024 | 2023 |
|---|--------------|--------------|
| Funding as per confirmation | \$ 2,099,656 | \$ 4,229,716 |
| Deferred revenue from prior year | 3,939,374 | 1,736,761 |
| Current year contributions cashed in prior year | (230,090) | - |
| Deferred contributions related to fixed assets | (3,132,800) | - |
| Funding deferred to subsequent year | (538,262) | (3,939,374) |
| Revenue per financial statements | \$ 2,137,878 | \$ 2,027,103 |

WANAHI CENTER**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2024**

10. COMMITMENT

The Center has undertaken construction work in 2023. According to the signed contract, a total of \$241,372 remains to be done.

11. COMPARATIVE FIGURES

Certain figures for 2023 have been reclassified to conform to the presentation adopted in 2024.

WANAKI CENTER

ADDITIONAL INFORMATION
YEAR ENDED MARCH 31, 2024

| | 2024 | 2023 |
|--|--------------------|-------------------|
| SCHEDULE A – OTHER INCOME | | |
| Administration revenue | \$ 10,869 | \$ 8,095 |
| Contribution for cost sharing | 5,828 | 1,208 |
| Donations | - | 1,890 |
| | \$ 16,697 | \$ 11,193 |
| SCHEDULE B – MENTAL WELLNESS TEAM SCHEDULE Q21G | | |
| Revenue | | |
| ISC | \$ 269,500 | \$ 269,500 |
| Prior year unexpended funds from ISC | - | 313,469 |
| Canadore College | 19,205 | 5,960 |
| Other income | 5,328 | 11,491 |
| | 294,033 | 600,420 |
| Expenses | | |
| Salaries and fringe benefits | 125,671 | 72,114 |
| Staff training and development | 116,322 | 146,716 |
| Resource people | - | 2,227 |
| Material/program/aids | 7,779 | 8,265 |
| Food | 12,229 | 8,161 |
| Telephone | 614 | 767 |
| Office supplies and printing | 783 | 3,648 |
| Computer material and support | 2,599 | 706 |
| Legal and professional fees | 49,775 | 36,392 |
| Maintenance and supplies | - | 382 |
| Ground maintenance | - | 324 |
| Vehicle maintenance and transportation | 52 | 113 |
| Travel | 9,145 | 5,736 |
| | 324,969 | 285,551 |
| Excess (deficiency) of revenue over expenses | \$ (30,936) | \$ 314,869 |

WANAKI CENTER

ADDITIONAL INFORMATION
YEAR ENDED MARCH 31, 2024

| | 2024 | 2023 |
|---|--------------------|---------------------|
| SCHEDULE C – ACCREDITATION SCHEDULE Q30Q | | |
| Revenue | | |
| ISC | \$ 38,690 | \$ 42,309 |
| Prior year unexpended funds from ISC | - | (44,097) |
| | 38,690 | (1,788) |
| Expenses | | |
| Salaries and fringe benefits | 82,809 | 70,694 |
| Accreditation process | 30,176 | 30,757 |
| Food | - | 414 |
| | 112,985 | 101,865 |
| Deficiency of revenue over expenses | \$ (74,295) | \$ (103,653) |

SCHEDULE D – CAPITAL INVESTMENTS SCHEDULE Q300

| | | |
|---|-------------|--------------|
| Revenue | | |
| ISC | \$ - | \$ 2,147,649 |
| Plus: Deferred revenue recognition | 3,687,007 | 1,750,398 |
| Less: Funding deferred to the subsequent year | (505,416) | (3,687,007) |
| | 3,181,591 | 211,040 |
| Expenses | | |
| Food | 728 | - |
| Program/Material/Aids | 11,734 | - |
| Office supplies and printing | 16,411 | 96 |
| Computer material and support | 17,354 | - |
| Legal and professional fees | - | 1,063 |
| Maintenance and supplies | 1,869 | 2,263 |
| Ground maintenance | - | 300 |
| Telephone | 5,500 | 1,500 |
| Expenses transferred to fixed assets | 3,127,995 | 205,818 |
| | 3,181,591 | 211,040 |
| Excess of revenue over expenses | \$ - | \$ - |

WANAKI CENTER

ADDITIONAL INFORMATION
YEAR ENDED MARCH 31, 2024

| | 2024 | 2023 |
|--|-----------|------------|
| SCHEDULE E – TRADITIONAL HEALER SCHEDULE Q01T | | |
| Revenue | | |
| ISC | \$ 16,666 | \$ 16,666 |
| Plus: Deferred revenue recognition | - | 491 |
| Less: Deferred revenue to subsequent year | (11,921) | - |
| | 4,745 | 17,157 |
| Expenses | | |
| Material/program/aids | 3,968 | 12,409 |
| Travel – staff | 777 | 6,102 |
| | 4,745 | 18,511 |
| Deficiency of revenue over expenses | \$ - | \$ (1,354) |