

**WANAHI CENTER
FINANCIAL REPORT
MARCH 31, 2022**

WANAKI CENTER

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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, 2022, 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, 2022, 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 2022 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.

*Mazars, LLP*¹

Maniwaki, June 29, 2022

¹ By CPA auditor, public accountancy permit No. A104361

WANAKI CENTER**STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2022**

	Budget	2022	2021
REVENUES			
Indigenous Services Canada (ISC) (note 8)	\$ 4,669,339	\$ 3,598,740	\$ 2,106,983
Canadore college	-	64,276	54,545
Other income (Schedule A)	-	21,180	23,016
Interest earned	-	2,230	3,006
Amortization of deferred contributions related to fixed assets	-	118,275	55,829
	4,669,339	3,804,701	2,243,379
EXPENSES			
Salaries	982,613	1,057,116	881,624
Fringe benefits	251,085	193,152	176,721
Staff training and development	10,000	86,618	78,540
Resource people	20,000	6,749	16,417
Honorarium	-	1,000	1,775
Material/Program/Aids	30,000	95,745	25,034
Food	5,000	5,483	5,205
Accreditation Process	-	34,955	30,207
Telephone	20,000	7,352	6,922
Office supplies and printing	49,000	38,865	16,072
Internet/Alarm/Television	3,000	4,303	2,818
Computer material and support	5,000	27,924	28,850
Advertising	5,000	-	-
Auditing and accounting	14,000	11,780	11,510
Legal and professional fees	45,000	163,281	95,178
Strategic Planning	-	-	29,050
Insurance	23,000	32,428	27,345
Heat and electricity	23,000	16,218	20,911
Maintenance and supplies	27,500	24,804	7,228
Ground maintenance	15,000	14,899	15,311
Vehicule maintenance and transportation	6,000	3,803	3,218
Travel - Board	5,000	-	1,303
Travel - Staff and other	5,000	3,960	1,230
Bank charges	2,500	2,912	2,974
Amortization of fixed assets (Schedule B)	-	118,078	55,829
Expenses transferred to fixed assets	1,300,000	-	-
	2,846,698	1,951,425	1,541,272
EXCESS OF REVENUES OVER EXPENSES	\$ 1,822,641	\$ 1,853,276	\$ 702,107

WANAKI CENTER**CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2022**

				2022	2021
	Appropriated for acquisition of fixed assets - ISC	Unspent funds ISC	Unappropriated	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 1,626,497	\$ 96,573	\$ 181,783	\$ 1,904,853	\$ 1,395,944
Excess of revenues over expenses	1,297	1,764,292	87,687	1,853,276	702,107
Appropriation for acquisition of fixed assets	2,250,000	(2,250,000)	-	-	-
Acquisition of fixed assets	(1,577,251)	-	-	(1,577,251)	(193,198)
Deferred contributions from appropriation of fixed assets	(1,750,398)	1,750,398	-	-	-
BALANCE, END OF YEAR	\$ 550,145	\$ 1,361,263	\$ 269,470	\$ 2,180,878	\$ 1,904,853

WANAKI CENTER

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 4,345,080	\$ 3,129,834
Accounts receivable (Note 3)	16,336	3,868
Prepaid expenses	13,379	11,520
	4,374,795	3,145,222
FIXED ASSETS (Note 4)	1,867,834	408,857
	\$ 6,242,629	\$ 3,554,079
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges (Note 5)	\$ 443,519	\$ 190,125
Deferred contributions (Note 6)	1,750,398	1,050,244
	2,193,917	1,240,369
DEFERRED CONTRIBUTIONS RELATED TO FIXED ASSETS	1,867,834	408,857
	4,061,751	1,649,226
NET ASSETS		
APPROPRIATED FOR ACQUISITION OF FIXED ASSETS	550,145	1,626,497
UNSPENT FUNDS - ISC	1,361,263	96,573
UNAPPROPRIATED	269,470	181,783
	2,180,878	1,904,853
	\$ 6,242,629	\$ 3,554,079
COMMITMENT (Note 9)		

ON BEHALF OF THE BOARD

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WANAKI CENTER**STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,853,276	\$ 702,107
Non-cash items:		
Amortization of fixed assets	118,078	55,829
Gain on disposal of fixed assets	(1,100)	(750)
Amortization of deferred contributions related to fixed assets	(118,275)	(55,829)
	1,851,979	701,357
Net change in non-cash items related to operating activities:		
Accounts receivable	(12,468)	15,692
Prepaid expenses	(1,859)	(726)
Accounts payable and accrued charges	253,394	62,173
Cash flows from operating activities	2,091,046	778,496
INVESTING ACTIVITIES		
Acquisition of fixed assets	(1,577,251)	(193,198)
Proceeds from disposal of fixed assets	1,297	750
Cash flows from investing activities	(1,575,954)	(192,448)
FINANCING ACTIVITY		
Deferred contributions	700,154	1,050,244
INCREASE IN CASH AND CASH EQUIVALENTS	1,215,246	1,636,292
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,129,834	1,493,542
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,345,080	\$ 3,129,834

Cash and cash equivalents consist of cash.

WANAKI CENTER**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2022**

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.

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.

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 along with payroll and benefits payable.

WANAKI CENTER**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022**

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 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 FINANCIAL STATEMENTS
MARCH 31, 2022

3. ACCOUNTS RECEIVABLE

	2022		2021	
Accounts receivable	\$	14,736	\$	403
GST and QST receivable		1,600		3,465
	\$	16,336	\$	3,868

4. FIXED ASSETS

	2022		2021	
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Building under construction	\$ 22,416	\$ -	\$ 22,416	\$ 185,878
Building	1,652,876	66,115	1,586,761	-
Furniture and equipment	427,799	263,081	164,718	122,066
Automotive equipment	76,780	76,423	357	7,216
Computer equipment	69,649	58,796	10,853	-
Telephone system	25,728	12,864	12,864	18,010
Parking and cultural space	87,331	17,466	69,865	75,687
	\$ 2,362,579	\$ 494,745	\$ 1,867,834	\$ 408,857

5. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	2022		2021	
Accounts payable and accrued charges	\$	330,393	\$	84,235
Payroll and benefits payable		113,126		105,890
	\$	443,519	\$	190,125

WANAKI CENTER**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022****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 :

	2022	2021
Balance at beginning of year	\$ 1,050,244	\$ -
Contributions cashed during the year	4,298,894	3,157,227
Amount recognized as revenue during the year	(3,598,740)	(2,106,983)
Balance at end	\$ 1,750,398	\$ 1,050,244

7. ECONOMIC DEPENDANCE

The Center receives income under a funding agreement with Indigenous Services Canada. The contribution represents 98% of the total revenue of the Center.

8. INDIGENOUS SERVICES CANADA FUNDING RECONCILIATION

	2022	2021
Funding confirmed per agreement	\$ 4,298,894	\$ 3,157,227
Deferred revenue recognition	1,050,244	-
Funding deferred to the following year	(1,750,398)	(1,050,244)
Revenue per financial statements	\$ 3,598,740	\$ 2,106,983

9. COMMITMENT

The Center has undertaken the second phase of the construction work. No contract has yet been signed but calls for bids are out for the plans and construction work. The work is expected to start in September 2022 and should continue until December 2023.

10. COMPARATIVE FIGURES

Certain figures for 2021 have been reclassified to conform to the presentation adopted in 2022.

WANAKI CENTER**ADDITIONAL INFORMATION
YEAR ENDED MARCH 31, 2022**

	2022	2021
SCHEDULE A - OTHER INCOME		
Sale of promotional items	\$ -	\$ 338
Administration fees	9,580	7,517
Thunderbird Partnership Foundation	10,000	-
Donations	500	10,200
Contribution for cost sharing	-	4,211
Gain on disposal of a fixed asset	1,100	750
	\$ 21,180	\$ 23,016

SCHEDULE B - AMORTIZATION OF FIXED ASSETS

Building	\$ 66,115	\$ -
Furniture and equipment	31,423	27,620
Automotive equipment	6,859	15,356
Computer equipment	2,713	1,885
Telephone system	5,146	5,146
Parking and cultural space	5,822	5,822
	\$ 118,078	\$ 55,829

WANAKI CENTER**ADDITIONAL INFORMATION
YEAR ENDED MARCH 31, 2022**

	2022	2021
SCHEDULE C - MENTAL WELLNESS TEAM SCHEDULE Q21G		
Revenues		
ISC	\$ 959,899	\$ 320,166
Prior year unexpended funding	319,365	173,790
Canadore College	64,276	54,545
Other income	9,580	11,728
	1,353,120	560,229
Expenses		
Salaries and fringe benefits	128,510	91,825
Staff training and development	83,260	75,147
Resource people	6,124	14,767
Honorarium	400	-
Material/Program/Aids	14,412	15,435
Food	4,985	574
Telephone	611	-
Office supplies and printing	9,351	1,810
Internet/Alarm/Television	1,763	1,758
Computer material and support	2,022	585
Advertising	162	-
Legal and professional fees	68,507	33,195
Insurance	589	-
Heat and electricity	529	3,226
Maintenance and supplies	3,785	1,003
Ground maintenance	270	-
Vehicule maintenance and transportation	-	297
Travel	-	1,230
Bank charges	-	12
Expenses transferred to fixed assets :		
Furniture and equipment	8,769	-
Computer equipment	5,498	-
	339,547	240,864
Excess of revenues over expenses	\$ 1,013,573	\$ 319,365

WANAKI CENTER**ADDITIONAL INFORMATION
YEAR ENDED MARCH 31, 2022**

	2022	2021
SCHEDULE D - ACCREDITATION SCHEDULE Q30Q		
Income		
ISC	\$ 38,691	\$ 37,521
Expenses		
Salaries and fringe benefits	62,231	-
Resource people	-	160
Accreditation Process	30,038	22,650
Maintenance and supplies	113	-
Ground maintenance	960	-
Expenses transferred to fixed assets :		
Furniture and equipment	8,750	-
	102,092	22,810
Excess (deficiency) of revenues over expenses	\$ (63,401)	\$ 14,711

SCHEDULE E - TRADITIONAL HEALER SCHEDULE Q01T

Income		
ISC	\$ 16,666	\$ -
Expenses		
Material/Program/Aids	9,737	-
Accreditation Process	4,917	-
Travel - Staff and other	1,521	-
	16,175	-
Excess of revenues over expenses	\$ 491	\$ -

WANAKI CENTER**ADDITIONAL INFORMATION
YEAR ENDED MARCH 31, 2022**

	2022	2021
SCHEDULE F - CAPITAL INVESTMENTS SCHEDULE Q300		
Revenues		
ISC	\$ 2,250,000	\$ 1,095,000
Plus: Deferred revenue recognition	1,050,244	-
Less : Funding deferred to the following year	(1,750,398)	(1,050,244)
Prior year unexpended funding	-	164,084
	1,549,846	208,840
Expenses		
Resource people	-	450
Program/Material/Aids	-	1,175
Office supplies and printing	1,945	362
Computer material and support	5,865	-
Legal and professional fees	-	1,725
Maintenance and supplies	3,686	3,546
Ground maintenance	2,111	8,384
Expenses transferred to fixed assets :		
Building under construction	22,416	185,878
Building	1,466,999	-
Furniture and equipment	46,824	7,320
	1,549,846	208,840
Excess of revenues over expenses	\$ -	\$ -