
**Financial statements of
The Portage Program for
Drug Dependencies Inc.**

March 31, 2023

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Independent Auditor's Report

To the Board of Directors of The Portage Program for Drug Dependencies Inc.

Opinion

We have audited the financial statements of The Portage Program for Drug Dependencies Inc. (the "Corporation"), which comprise the statement of financial position as at March 31, 2023, and the statements of revenue and expenses, changes in net deficit and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation 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 ("Canadian GAAS"). 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 Corporation 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.

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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 GAAS 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 GAAS, 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 Corporation'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 Corporation'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 Corporation 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.

Deloitte LLP

June 30, 2023

¹ CPA auditor, public accountancy permit No. A132478

The Portage Program for Drug Dependencies Inc.
Statement of revenue and expenses
Year ended March 31, 2023

	Notes	2023	2022
		\$	\$
Revenue			
Government programs	12	6,521,191	6,480,527
Services	11	1,994,816	1,962,199
Donations from The Portage Foundation	11	3,048,585	932,784
Amortization of deferred contributions related to fixed assets	7	2,277	2,846
Amortization of deferred grants related to fixed assets	8	6,003	35,556
Other		1,392	45
		11,574,264	9,413,957
Expenses			
Clinical services	11 and 12	5,318,883	4,899,828
Support services		2,031,834	2,195,792
Service costs – programs		2,402,395	2,340,561
Administration	11	760,361	471,172
Doubtful accounts		6,405	11,428
Amortization of fixed assets		26,768	58,267
		10,546,646	9,977,048
Excess (deficiency) of revenue over expenses		1,027,618	(563,091)

The accompanying notes are an integral part of the financial statements.

The Portage Program for Drug Dependencies Inc.

Statement of changes in net deficit

Year ended March 31, 2023

			2023	2022
	Invested in fixed assets	Unrestricted	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	48,994	(3,075,439)	(3,026,445)	(2,463,354)
Excess (deficiency) of revenue over expenses	(18,488)	1,046,106	1,027,618	(563,091)
Balance, end of year	30,506	(2,029,333)	(1,998,827)	(3,026,445)

The accompanying notes are an integral part of the financial statements.

The Portage Program for Drug Dependencies Inc.
Statement of financial position
As at March 31, 2023

	Notes	2023	2022
		\$	\$
Assets			
Current assets			
Cash		31,307	—
Accounts receivable	3	639,172	715,035
Prepaid expenses		61,907	52,660
		732,386	767,695
Fixed assets			
	4	54,732	81,500
		787,118	849,195
Liabilities			
Current liabilities			
Bank overdraft		—	107,240
Bank loan	5	365,000	215,000
Accounts payable and accrued liabilities	6	2,354,007	3,481,806
Deferred revenue		42,712	39,088
		2,761,719	3,843,134
Deferred contributions related to fixed assets	7	9,110	11,387
Deferred grants related to fixed assets	8	15,116	21,119
		2,785,945	3,875,640
Commitments			
	10		
Net deficit			
Invested in fixed assets		30,506	48,994
Unrestricted		(2,029,333)	(3,075,439)
		(1,998,827)	(3,026,445)
		787,118	849,195

The accompanying notes are an integral part of the financial statements.

Approved by the Board

 _____, Director

 _____, Director

The Portage Program for Drug Dependencies Inc.

Statement of cash flows

Year ended March 31, 2023

	Notes	2023	2022
		\$	\$
Operating activities			
Excess (deficiency) of revenue over expenses		1,027,618	(563,091)
Adjustments for:			
Amortization of deferred contributions related to fixed assets		(2,277)	(2,846)
Amortization of deferred grants related to fixed assets		(6,003)	(35,556)
Amortization of fixed assets		26,768	58,267
		1,046,106	(543,226)
Changes in non-cash operating working capital items	9	(1,057,559)	214,732
		(11,453)	(328,494)
Financing activity			
Bank loan		150,000	215,000
Net increase (decrease) in cash and cash equivalents		138,547	(113,494)
(Bank overdraft) cash, beginning of year		(107,240)	6,254
Cash (bank overdraft), end of year		31,307	(107,240)

The accompanying notes are an integral part of the financial statements.

The Portage Program for Drug Dependencies Inc.

Notes to the financial statements

March 31, 2023

1. Description of the Corporation

The Portage Program for Drug Dependencies Inc. (the "Corporation") was incorporated under the *Canada Not-for-profit Corporations Act* and is a registered charity under the *Income Tax Act*.

The Corporation operates drug rehabilitation programs in New Brunswick, Ontario and Québec.

The Corporation, Centre d'accueil le Programme de Portage Inc. (the "Centre") and The Portage Foundation (the "Foundation") are managed, for the most part, by the same members of the Board of Directors and are therefore related entities.

2. Accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Corporation follows the deferral method of accounting for contributions. Deferred contributions are recognized as contributions in the year in which the related expenses are incurred. Restricted contributions related to fixed assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired fixed assets. Unrestricted contributions are recognized as contributions when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fixed assets are recorded at cost. Contributed fixed assets are recorded at fair value at the date of contribution. Amortization is based on the estimated useful life of the assets and the following methods:

Renovations – generator	Straight-line	5%
Equipment – generator	Straight-line	20%
Sewage treatment system	Straight-line	5%
Leasehold improvements	Declining balance	10%
Automotive equipment	Straight-line	30%
Trailers	Straight-line	10%
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	33 1/3%
Accounting software	Straight-line	33 1/3%

Impairment of fixed assets

When conditions indicate that a fixed asset is impaired, the net carrying amount of the fixed asset shall be written down to the asset's fair value or replacement cost. The write-downs of fixed assets shall be accounted for as expenses in the statement of revenue and expenses. A write-down shall not be reversed.

The Portage Program for Drug Dependencies Inc.

Notes to the financial statements

March 31, 2023

2. Accounting policies (continued)

Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Corporation becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Corporation in the transaction.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost.

Transaction costs

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of revenue and expenses as interest income or expense.

Impairment

With respect to financial assets measured at cost or amortized cost, the Corporation recognizes in the statement of revenue and expenses an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of revenue and expenses in the period the reversal occurs.

Allocation of expenses

Salaries and benefits are allocated between clinical services, support services, service costs and administration in proportion to the estimated amount of time employees spend on each activity. This allocation methodology is applied consistently.

The Portage Program for Drug Dependencies Inc.

Notes to the financial statements

March 31, 2023

2. Accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

3. Accounts receivable

	2023	2022
	\$	\$
Private beds	108,053	79,481
Ministry of Health of New Brunswick	—	459,154
Ministry of Community and Social Services of Ontario	31,143	12,155
Mouvement pour l'Intégration et la Rétention en Emploi	1,624	35,552
Centre d'accueil le Programme de Portage Inc.	362,687	—
Les habitations communautaires Portage	12,735	3,531
Consumer sales tax and other	154,068	152,057
	670,310	741,930
Allowance for doubtful accounts	(31,138)	(26,895)
	639,172	715,035

4. Fixed assets

	2023		2022	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Renovations – generator	22,996	7,282	15,714	16,863
Equipment – generator	152,150	152,150	—	—
Sewage treatment system	114,714	114,714	—	5,711
Leasehold improvements	173,056	159,171	13,885	15,429
Automotive equipment	49,092	49,092	—	—
Trailers	63,128	63,128	—	—
Furniture and equipment	205,811	191,831	13,980	17,475
Computer equipment	17,703	17,703	—	—
Accounting software	44,607	33,454	11,153	26,022
	843,257	788,525	54,732	81,500

The Portage Program for Drug Dependencies Inc.

Notes to the financial statements

March 31, 2023

5. Credit facility

The Corporation has a credit facility up to a maximum of \$450,000, renewable each year, bearing interest at a rate equal to the financial institution's prime rate (6.70% as at March 31, 2023; 2.70% as at March 31, 2022), plus 0.25%. As at March 31, 2023, the outstanding balance is \$365,000 (\$215,000 as at March 31, 2022).

6. Accounts payable and accrued liabilities

	2023	2022
	\$	\$
Suppliers	145,451	142,993
Accrued liabilities	169,007	264,621
Salaries and vacation payable	700,489	501,775
Government remittances	42,113	26,874
Centre d'accueil le Programme de Portage Inc.	—	1,157,168
The Portage Foundation	1,230,219	1,305,298
Les habitations communautaires Portage II	66,728	83,077
	2,354,007	3,481,806

7. Deferred contributions related to fixed assets

	2023	2022
	\$	\$
Balance, beginning of year	11,387	14,233
Amortization of deferred contributions related to fixed assets	(2,277)	(2,846)
Balance, end of year	9,110	11,387

8. Deferred grants related to fixed assets

	2023	2022
	\$	\$
Balance, beginning of year	21,119	56,675
Amortization of deferred grants related to fixed assets	(6,003)	(35,556)
Balance, end of year	15,116	21,119

The Portage Program for Drug Dependencies Inc.

Notes to the financial statements

March 31, 2023

9. Additional information relating to the statement of cash flows

	2023	2022
	\$	\$
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	75,863	(295,368)
Prepaid expenses	(9,247)	(17,116)
Accounts payable and accrued liabilities	(1,127,799)	525,229
Deferred revenue	3,624	1,987
	<u>(1,057,559)</u>	<u>214,732</u>

10. Commitments

The Corporation is committed to the Foundation under premises rental leases to pay a fixed amount of \$655,075 annually and an additional rent amount of \$468,594, over the next five years. In addition, the Corporation is committed under long-term leases to pay an amount of \$52,721, over four years, for the use of premises and vehicles. The commitments for the next years are as follows:

	\$
2024	777,855
2025	763,225
2026	755,308
2027	751,508
2028	748,794

11. Related party transactions

Economic interest

The Corporation has an economic interest in the Foundation, given that the Foundation was created to provide the Corporation with financial assistance. The Corporation requires private donations through the Foundation in addition to public funding to meet its financial obligations.

The Foundation's fund balances amount to \$12,182,000 as at March 31, 2023 (\$16,426,397 as at March 31, 2022). Of this amount, \$6,282,460 (\$4,876,068 in 2022) represents the fixed assets fund.

Related party transactions

The following table summarizes the Corporation's related party transactions for the year. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Portage Program for Drug Dependencies Inc.
Notes to the financial statements
 March 31, 2023

11. Related party transactions

Related party transactions (continued)

	2023	2022
	\$	\$
Revenue		
Centre d'accueil le Programme de Portage Inc.		
Management fees ⁽¹⁾	1,483,500	1,481,585
The Portage Foundation		
Management fees ⁽¹⁾	160,000	160,000
Donations (including \$2,277 of amortization of deferred contributions related to fixed assets; \$2,846 in 2022)	3,050,862	935,630
Expenses		
Centre d'accueil le Programme de Portage Inc.		
Private beds	78,529	45,433
Interest ⁽²⁾	10,524	19,266
The Portage Foundation		
Rent	744,253	745,520
Interest ⁽²⁾	26,981	12,507
Expenses charged to programs		
Centre d'accueil le Programme de Portage Inc.		
Clinical services ⁽³⁾	1,180,242	911,780
Administration ⁽³⁾	134,030	88,099

At the end of the year, the amounts due to (from) related entities are payable on demand and have arisen from the transactions referred to above.

1. Management fees represent centralized management fees and are charged to related parties, which are included in services revenue.
2. Interest is calculated on related party balances on a quarterly basis at the rate of 1.635%.
3. Represent corporate expenses that are centralized and charged to related parties in order to benefit from economies.

12. Job Readiness Measure project

The Corporation has signed an agreement with the ministère du Travail, de l'Emploi et de la Solidarité sociale (Emploi-Québec) for the project "Job Readiness Measure". The total revenue and expenses for this project were \$219,805 from April 1 to June 30, 2022, and \$636,545 from July 1, 2022 to March 31, 2023 (\$200,666 from April 1 to June 30, 2021, and \$536,589 from July 1, 2021, to March 31, 2022).

The Portage Program for Drug Dependencies Inc.

Notes to the financial statements

March 31, 2023

13. Financial instruments

Credit risk

The Corporation provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions to mitigate credit losses.

Liquidity risk

The Corporation's objective is to have sufficient liquidity to meet its liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations, including expected public funding, to meet its requirements. As at March 31, 2023, the most significant liabilities are the bank loan and accounts payable and accrued liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The bank loan has a fixed interest rate. Therefore, a variation in interest rates on the market would have an impact on the fair value of this financial instrument.

**Financial statements of
The Portage Program for
Drug Dependencies Inc.
“Portage Program Atlantic”**

March 31, 2023

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Independent Auditor's Report

To the Directors of
The Portage Program for Drug Dependencies Inc. "Portage Program Atlantic"

Opinion

We have audited the financial statements of The Portage Program for Drug Dependencies Inc. "Portage Program Atlantic" (the "Organization"), which comprise the statement of financial position as at March 31, 2023, and the statements of revenue and expenses, changes in net deficit and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 ("Canadian GAAS"). 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 Organization 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.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 GAAS 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 GAAS, 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 Organization'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 Organization'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 Organization 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.

Deloitte LLP

June 30, 2023

¹ CPA auditor, public accountancy permit No. A132478

The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"

Statement of revenue and expenses

Year ended March 31, 2023

	Notes and schedule	2023	2022
		\$	\$
Revenue			
Ministry of Health of New Brunswick		3,358,000	3,525,154
Wage subsidy		8,450	4,898
Private beds	10	94,350	77,250
Donations from The Portage Foundation	10	141,427	327,088
Amortization of deferred contributions related to fixed assets	7	2,277	2,846
Amortization of deferred grants related to fixed assets	8	4,896	4,897
		3,609,400	3,942,133
Expenses			
Clinical services	A	2,408,321	2,236,115
Support services	A	1,133,556	1,173,086
Administration	A	323,867	306,081
Amortization of fixed assets		10,750	11,819
		3,876,494	3,727,101
(Deficiency) excess of revenue over expenses		(267,094)	215,032

The accompanying notes and supporting schedule are an integral part of the financial statements.

**The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"**

Statement of changes in net deficit

Year ended March 31, 2023

	2023			2022
	Invested in fixed assets	Unrestricted	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	22,332	(729,549)	(707,217)	(922,249)
(Deficiency) excess of revenue over expenses	(3,577)	(263,517)	(267,094)	215,032
Balance, end of year	18,755	(993,066)	(974,311)	(707,217)

The accompanying notes and supporting schedule are an integral part of the financial statements.

**The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"**

Statement of financial position

As at March 31, 2023

	Notes	2023	2022
		\$	\$
Assets			
Current assets			
Cash		218,832	—
Accounts receivable	3	19,783	481,976
Prepaid expenses		3,434	3,042
		242,049	485,018
Fixed assets			
	4	27,865	38,615
		269,914	523,633
Liabilities			
Current liabilities			
Bank overdraft	5	—	294,469
Accounts payable and accrued liabilities	6	1,235,115	920,098
		1,235,115	1,214,567
Deferred contributions related to fixed assets	7	9,110	11,387
Deferred grants related to fixed assets	8	—	4,896
		1,244,225	1,230,850
Commitments			
	9		
Net deficit			
Invested in fixed assets		18,755	22,332
Unrestricted		(993,066)	(729,549)
		(974,311)	(707,217)
		269,914	523,633

The accompanying notes and supporting schedule are an integral part of the financial statements.

Approved by the Board


 _____, Director

 _____, Director

The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"

Statement of cash flows

Year ended March 31, 2023

	2023	2022
	\$	\$
Operating activities		
(Deficiency) excess of revenue over expenses	(267,094)	215,032
Adjustments for:		
Amortization of deferred contributions related to fixed assets	(2,277)	(2,846)
Amortization of deferred grants related to fixed assets	(4,896)	(4,897)
Amortization of fixed assets	10,750	11,819
	(263,517)	219,108
Changes in non-cash operating working capital items		
Accounts receivable	462,193	(463,199)
Prepaid expenses	(392)	(1,120)
Accounts payable and accrued liabilities	315,017	82,867
	776,818	(381,452)
Net increase (decrease) in cash and cash equivalents	513,301	(162,344)
Bank overdraft, beginning of year	(294,469)	(132,125)
Cash (bank overdraft), end of year	218,832	(294,469)

The accompanying notes and supporting schedule are an integral part of the financial statements.

The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"

Notes to the financial statements

March 31, 2023

1. Description of the Organization

Pursuant to an agreement between the Ministry of Health of New Brunswick, the Ministry of Public Safety of New Brunswick and The Portage Program for Drug Dependencies Inc., The Portage Program for Drug Dependencies Inc. "Portage Program Atlantic" (the "Organization") operates a drug rehabilitation program in New Brunswick.

The contract with the Ministry of Health of New Brunswick was renewed from October 1, 2022, until September 30, 2023. Negotiations for a new contract are currently underway.

The Portage Program for Drug Dependencies Inc., Centre d'accueil le Programme de Portage Inc. and The Portage Foundation (the "Foundation") are managed, for the most part, by the same members of the Board of Directors and are therefore related entities. The Organization constitutes a division of The Portage Program for Drug Dependencies Inc.

2. Accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Deferred contributions are recognized as contributions in the year in which the related expenses are incurred. Restricted contributions related to fixed assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired fixed assets. Unrestricted contributions are recognized as contributions when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fixed assets

Fixed assets are recorded at cost. Contributed fixed assets are recorded at fair value at the date of contribution. Amortization is based on the estimated useful life of the assets and the following methods:

Sewage treatment system	Straight-line	5%
Leasehold improvements	Declining balance	10%
Automotive equipment	Straight-line	30%
Trailers	Straight-line	10%
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	33 1/3%

Impairment of fixed assets

When conditions indicate that a fixed asset is impaired, the net carrying amount of the fixed asset shall be written down to the asset's fair value or replacement cost. The write-downs of fixed assets shall be accounted for as expenses in the statement of revenue and expenses. A write-down shall not be reversed.

The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"

Notes to the financial statements

March 31, 2023

2. Accounting policies (continued)

Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Organization in the transaction.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost.

Transaction costs

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of revenue and expenses as interest income or expense.

Impairment

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in the statement of revenue and expenses an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of revenue and expenses in the period the reversal occurs.

Allocation of expenses

Salaries and benefits are allocated between clinical services, support services and administration in proportion to the estimated amount of time employees spend on each activity. This allocation methodology is applied consistently.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

**The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"**

Notes to the financial statements

March 31, 2023

3. Accounts receivable

	2023	2022
	\$	\$
Ministry of Health of New Brunswick	—	459,154
Consumer sales tax	18,855	17,601
Miscellaneous	928	5,221
	19,783	481,976

4. Fixed assets

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Sewage treatment system	114,714	114,714	—	5,711
Leasehold improvements	173,056	159,171	13,885	15,429
Automotive equipment	49,092	49,092	—	—
Trailers	63,128	63,128	—	—
Furniture and equipment	205,811	191,831	13,980	17,475
Computer equipment	17,703	17,703	—	—
	623,504	595,639	27,865	38,615

5. Credit facility

The Organization is a division of The Portage Program for Drug Dependencies Inc. which has a credit facility up to a maximum of \$450,000, renewable each year, bearing interest at a rate equal to the financial institution's prime rate (6.70% as at March 31, 2023; 2.70% as at March 31, 2022), plus 0.25%. As at March 31, 2023, the outstanding balance is nil (nil as at March 31, 2022).

The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"
Notes to the financial statements
March 31, 2023

6. Accounts payable and accrued liabilities

	2023	2022
	\$	\$
Suppliers	62,770	47,003
Accrued liabilities	18,815	12,053
Professional fees	16,806	14,874
Salaries payable	16,002	18,329
Government remittances	10,258	6,617
Accrued vacation	193,050	183,569
Centre d'accueil le Programme de Portage Inc.	183,787	173,087
The Portage Program for Drug Dependencies Inc.	684,310	371,604
The Portage Foundation	49,317	92,962
	1,235,115	920,098

7. Deferred contributions related to fixed assets

	2023	2022
	\$	\$
Balance, beginning of year	11,387	14,233
Amortization of deferred contributions related to fixed assets	(2,277)	(2,846)
Balance, end of year	9,110	11,387

8. Deferred grants related to fixed assets

	2023	2022
	\$	\$
Balance, beginning of year	4,896	9,793
Amortization of deferred grants related to fixed assets	(4,896)	(4,897)
Balance, end of year	—	4,896

The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"

Notes to the financial statements

March 31, 2023

9. Commitments

The Organization is committed to the Foundation under premises rental lease for a building for a fixed amount of \$200,000 annually and an additional rent amount of \$284,875 over the next five years. The Organization is also committed to pay an amount of \$44,542, over the next two years, for another building and vehicle leases. Minimum payments for the forthcoming years are as follows:

	\$
2024	277,858
2025	271,406
2026	263,489
2027	259,689
2028	256,975

10. Related party transactions

Economic interest

The Organization has an economic interest in the Foundation, given that the Foundation was created to give financial help to The Portage Program for Drug Dependencies Inc. The Organization requires private donations through the Foundation in addition to public funding to meet its financial obligations.

The Foundation's fund balances amount to \$12,182,000 as at March 31, 2023 (\$16,426,397 as at March 31, 2022). Of this amount, \$6,282,460 (\$4,876,068 in 2022) represents the fixed assets fund.

**The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"**

Notes to the financial statements

March 31, 2023

10. Related party transactions (continued)

Related party transactions

The following table summarizes the Organization's related party transactions for the year. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2023	2022
	\$	\$
Revenue		
The Portage Foundation		
Donations (including \$2,277 of amortization of deferred contributions; \$2,846 in 2022)	143,704	329,934
The Portage Program for Drug Dependencies Inc. Private beds	94,350	77,250
Expenses		
The Portage Program for Drug Dependencies Inc.		
Clinical and management fees	350,040	351,562
Allocated expenses	194,429	159,755
Interest ⁽¹⁾	8,764	6,833
Centre d'accueil le Programme de Portage Inc.		
Interest ⁽¹⁾	2,291	2,102
The Portage Foundation		
Rent	256,975	340,803
Interest ⁽¹⁾	424	1,566

⁽¹⁾ Interest is calculated on related party balances on a quarterly basis at the rate of 1.635%.

11. Financial instruments

Liquidity risk

The Organization's objective is to have sufficient liquidity to meet its liabilities when due. The Organization monitors its cash balances and cash flows generated from operations, including expected public funding, to meet its requirements. As at March 31, 2023, the most significant liabilities are accounts payable and accrued liabilities.

The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"

Supporting schedule

Year ended March 31, 2023

Expenses – Schedule A

	2023	2022
	\$	\$
Clinical services		
Salaries and fringe benefits	1,917,866	1,793,806
Clinical fees (Note 10)	175,020	175,781
Staff training	10,231	4,207
Service contract	4,650	5,800
Travel and transportation	22,863	9,641
Membership fees	1,863	2,984
Residents' allowances	—	713
Special events and activities	14,458	13,096
Telephone	21,430	21,509
Office supplies and equipment	10,388	13,499
Bursaries	26,944	40,558
Medication and supplies	8,645	4,712
Allocated expenses (Note 10)	177,267	146,828
Publicity	16,572	2,981
Miscellaneous	124	—
	2,408,321	2,236,115
Support services		
Salaries and fringe benefits	233,943	209,461
Staff training	516	559
Rent		
Cassidy Lake (Note 10)	256,975	340,803
Fredericton	7,721	7,257
Fuel	3,387	12,168
Electricity	157,410	153,592
Food costs and supplies	242,409	217,597
Building maintenance	94,261	91,792
Property insurance	41,050	38,780
Furniture and fixtures	349	9,413
Vehicle operating costs	47,496	44,736
Laundry	7,261	12,747
Cleaning	8,405	4,477
Taxes	953	742
Garbage removal	17,551	12,927
Computer maintenance	13,614	11,037
Travel and transportation	255	4,998
	1,133,556	1,173,086

The Portage Program for Drug Dependencies Inc.
"Portage Program Atlantic"
Supporting schedule (continued)
Year ended March 31, 2023

Expenses – Schedule A (continued)

	2023	2022
	\$	\$
Administration		
Salaries and fringe benefits	52,668	52,985
Management fees (Note 10)	175,020	175,781
Publicity	7,510	985
Staff training	129	—
Travel and transportation	679	339
Telephone	9,189	9,218
Office supplies and equipment	4,319	5,785
Liability insurance	9,300	7,155
Professional and audit fees	26,709	16,981
Bank charges	3,543	5,646
Postal charges	4,530	6,339
Allocated expenses (Note 10)	17,162	12,927
Board meetings	1,360	906
Membership fees	—	69
Subscriptions	126	63
Activity	46	401
Intercompany interest	11,479	10,501
Miscellaneous	98	—
	323,867	306,081

**Financial statements of
The Portage Program for
Drug Dependencies Inc.
"Portage Program Ontario"**

March 31, 2023

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Independent Auditor's Report

To the Directors of The Portage Program for Drug Dependencies Inc. "Portage Program Ontario"

Opinion

We have audited the financial statements of The Portage Program for Drug Dependencies Inc. "Portage Program Ontario" (the "Organization"), which comprise the statement of financial position as at March 31, 2023, and the statements of revenue and expenses, changes in net assets (deficit) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 ("Canadian GAAS"). 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 Organization 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.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 GAAS 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 GAAS, 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 Organization'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 Organization'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 Organization 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.

Deloitte LLP

June 30, 2023

¹ CPA auditor, public accountancy permit No. A132478

The Portage Program for Drug Dependencies Inc.
"Portage Program Ontario"
Statement of revenue and expenses
Year ended March 31, 2023

	Notes and schedule	2023	2022
		\$	\$
Revenue			
Ministry of Children and Youth Services of Ontario – open custody contract		798,279	859,004
Ministry of Health and Long-Term Care (LHIN)		1,153,026	1,147,985
Ministry of Community and Social Services of Ontario		57,271	46,231
LHIN – Community Outreach Project		286,995	160,000
Donations from The Portage Foundation	9	2,576,142	296,373
Wage subsidy		2,821	—
Private beds	9	22,500	8,850
Amortization of deferred grants related to fixed assets	7	1,106	30,659
Other		1,322	—
		4,899,462	2,549,102
Expenses			
Clinical services	A	1,959,528	1,924,178
Support services	A	898,277	1,022,706
Administration	A	339,570	348,463
Bad debts		532	297
Amortization of fixed assets		1,150	31,580
		3,199,057	3,327,224
Excess (deficiency) of revenue over expenses		1,700,405	(778,122)

The accompanying notes and supporting schedule are an integral part of the financial statements.

The Portage Program for Drug Dependencies Inc.
"Portage Program Ontario"
Statement of changes in net assets (deficit)
Year ended March 31, 2023

			2023	2022
	Invested in fixed assets	Unrestricted	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	640	(1,699,333)	(1,698,693)	(920,571)
Excess (deficiency) of revenue over expenses	(44)	1,700,449	1,700,405	(778,122)
Balance, end of year	596	1,116	1,712	(1,698,693)

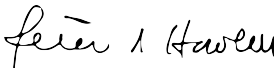
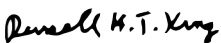
The accompanying notes and supporting schedule are an integral part of the financial statements.

The Portage Program for Drug Dependencies Inc.
"Portage Program Ontario"
Statement of financial position
As at March 31, 2023

	Notes	2023	2022
		\$	\$
Assets			
Current assets			
Cash		130,386	33,828
Accounts receivable	3	433,385	26,962
Prepaid expenses		7,849	3,065
		571,620	63,855
Fixed assets			
	4	15,713	16,863
		587,333	80,718
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	570,504	1,763,188
Deferred grants related to fixed assets			
	7	15,117	16,223
		585,621	1,779,411
Commitments			
	8		
Net assets (deficit)			
Invested in fixed assets		596	640
Unrestricted		1,116	(1,699,333)
		1,712	(1,698,693)
		587,333	80,718

The accompanying notes and supporting schedule are an integral part of the financial statements.

Approved by the Board


_____, Director

_____, Director

The Portage Program for Drug Dependencies Inc.
"Portage Program Ontario"
Statement of cash flows
Year ended March 31, 2023

	2023	2022
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses	1,700,405	(778,122)
Adjustments for:		
Amortization of deferred grants related to fixed assets	(1,106)	(30,659)
Amortization of fixed assets	1,150	31,580
	1,700,449	(777,201)
Changes in non-cash operating working capital items		
Accounts receivable	(406,423)	6,938
Prepaid expenses	(4,784)	(541)
Accounts payable and accrued liabilities	(1,192,684)	669,186
	(1,603,891)	675,583
Net increase (decrease) in cash	96,558	(101,618)
Cash, beginning of year	33,828	135,446
Cash, end of year	130,386	33,828

The accompanying notes and supporting schedule are an integral part of the financial statements.

The Portage Program for Drug Dependencies Inc.
"Portage Program Ontario"
Notes to the financial statements
March 31, 2023

1. Description of the Organization

Pursuant to an agreement between the Ministry of Children and Youth Services of Ontario and The Portage Program for Drug Dependencies Inc., The Portage Program for Drug Dependencies Inc. "Portage Program Ontario" (the "Organization") operates a drug rehabilitation program in Ontario.

The Portage Program for Drug Dependencies Inc., Centre d'accueil le Programme de Portage Inc. and The Portage Foundation (the "Foundation") are managed, for the most part, by the same members of the Board of Directors and are therefore related entities. The Organization constitutes a division of The Portage Program for Drug Dependencies Inc.

2. Accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Deferred contributions are recognized as contributions in the year in which the related expenses are incurred. Restricted contributions related to fixed assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired fixed assets. Unrestricted contributions are recognized as contributions when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fixed assets

Fixed assets are recorded at cost. Contributed fixed assets are recorded at fair value at the date of contribution. Amortization is based on the estimated useful life of the assets and the following method:

Renovations – generator	Straight-line	5%
Equipment – generator	Straight-line	20%

Impairment of fixed assets

When conditions indicate that a fixed asset is impaired, the net carrying amount of the fixed asset shall be written down to the asset's fair value or replacement cost. The write-downs of fixed assets shall be accounted for as expenses in the statement of revenue and expenses. A write-down shall not be reversed.

Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions are initially recognized at cost.

2. Accounting policies (continued)

Financial instruments (continued)

Initial measurement (continued)

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Organization in the transaction.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost.

Transaction costs

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of revenue and expenses as interest income or expense.

Impairment

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in the statement of revenue and expenses an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of revenue and expenses in the period the reversal occurs.

Allocation of expenses

Salaries and benefits are allocated between clinical services, support services and administration in proportion to the estimated amount of time employees spend on each activity. This allocation methodology is applied consistently.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

The Portage Program for Drug Dependencies Inc.
"Portage Program Ontario"
Notes to the financial statements
 March 31, 2023

3. Accounts receivable

	2023	2022
	\$	\$
Ministry of Community and Social Services of Ontario	31,143	12,155
Centre d'accueil le Programme de Portage Inc.	99,622	—
The Portage Foundation	281,771	—
Consumer sales tax	19,975	17,117
Miscellaneous	1,977	422
	434,488	29,694
Allowance for doubtful accounts	(1,103)	(2,732)
	433,385	26,962

4. Fixed assets

	2023		2022
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Renovations – generator	22,996	(7,283)	16,863
Equipment – generator	152,150	(152,150)	—
	175,146	(159,433)	16,863

5. Credit facility

The Organization is a division of The Portage Program for Drug Dependencies Inc. which has a credit facility up to a maximum of \$450,000, renewable each year, bearing interest at a rate equal to the financial institution's prime rate (6.70% as at March 31, 2023; 2.70% as at March 31, 2022), plus 0.25%. As at March 31, 2023, the outstanding balance is nil (nil as at March 31, 2022).

The Organization has a letter of guarantee up to a maximum of \$9,170. As at March 31, 2023, the outstanding balance is nil (nil as at March 31, 2022).

The Portage Program for Drug Dependencies Inc.
"Portage Program Ontario"
Notes to the financial statements
 March 31, 2023

6. Accounts payable and accrued liabilities

	2023	2022
	\$	\$
Suppliers	38,303	39,765
Accrued liabilities	31,573	137,493
Professional fees	20,460	18,103
Salaries payable	12,978	15,006
Government remittances	8,219	5,096
Accrued vacation	132,889	88,214
The Portage Program for Drug Dependencies Inc.	326,082	810,178
Centre d'accueil le Programme de Portage Inc.	—	436,949
The Portage Foundation	—	212,384
	570,504	1,763,188

7. Deferred grants related to fixed assets

	2023	2022
	\$	\$
Balance, beginning of year	16,223	46,882
Amortization of deferred grants related to fixed assets	(1,106)	(30,659)
Balance, end of year	15,117	16,223

8. Commitments

The Organization is committed to the Foundation under a rental lease for a building for a fixed amount of \$186,863 annually and an additional rent amount of \$183,720, over the next five years. The Organization is also committed under long-term leases to pay an amount of \$67,565, over the next two years, for another building and for vehicle leases. Minimum payments for the forthcoming years are as follows:

	\$
2024	271,016
2025	243,763
2026	223,607
2027	223,607
2028	223,607

The Portage Program for Drug Dependencies Inc.
"Portage Program Ontario"
Notes to the financial statements
 March 31, 2023

9. Related party transactions

Economic interest

The Organization has an economic interest in the Foundation, given that the Foundation was created to give financial help to The Portage Program for Drug Dependencies Inc. The Organization requires private donations through the Foundation in addition to public funding to meet its financial obligations.

The Foundation's fund balances amount to \$12,182,000 as at March 31, 2023 (\$16,426,397 as at March 31, 2022). Of this amount, \$6,282,460 (\$4,876,068 in 2022) represents the fixed assets fund.

Related party transactions

The following table summarizes the Organization's related party transactions for the year. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2023	2022
	\$	\$
Revenue		
The Portage Foundation		
Donations	2,576,142	296,373
The Portage Program for Drug Dependencies Inc.		
Private beds	22,500	8,850
Expenses		
The Portage Foundation		
Rent	223,608	345,972
Interest ⁽¹⁾	2,970	1,467
The Portage Program for Drug Dependencies Inc.		
Clinical and management fees	266,700	334,822
Allocated expenses	148,137	152,148
Interest ⁽¹⁾	13,821	9,153
Centre d'accueil le Programme de Portage Inc.		
Interest ⁽¹⁾	7,614	5,764

⁽¹⁾ Interest is calculated on related party balances on a quarterly basis at the rate of 1.635%.

10. Financial instruments

Credit risk

The Organization provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions to mitigate credit losses.

10. Financial instruments (continued)

Liquidity risk

The Organization's objective is to have sufficient liquidity to meet its liabilities when due. The Organization monitors its cash balances and cash flows generated from operations, including expected public funding, to meet its requirements. As at March 31, 2023, the most significant liabilities are accounts payable and accrued liabilities.

The Portage Program for Drug Dependencies Inc.
"Portage Program Ontario"
Supporting schedule
Year ended March 31, 2023

Expenses – Schedule A

	2023	2022
	\$	
Clinical services		
Salaries and fringe benefits	1,474,673	1,407,945
Clinical fees (Note 9)	133,350	167,411
Staff training	8,329	3,827
Travel and transportation	75,945	75,400
Membership fees	—	69
Residents' allowances	450	1,779
Special events and activities	9,502	4,653
Telephone	18,785	22,079
Office supplies and equipment	13,813	12,778
Medication and supplies	77,971	86,840
Allocated expenses (Note 9)	135,025	139,836
Publicity	8,475	1,561
Bursaries	2,500	—
Miscellaneous	710	—
	1,959,528	1,924,178
Support services		
Salaries and fringe benefits	152,863	163,169
Rent (including \$223,608, for rent to the Foundation; \$345,972 in 2022) (Note 9)	245,129	369,583
Fuel	30,474	18,399
Electricity	53,521	55,053
Food costs and supplies	155,099	173,160
Building maintenance	126,759	119,525
Property insurance	45,365	42,603
Furniture and fixtures	5,193	2,020
Vehicle operating costs	44,834	36,917
Laundry	6,330	10,655
Cleaning	22,733	15,071
Computer maintenance	8,528	8,386
Travel and transportation	879	5,864
Miscellaneous	570	2,301
	898,277	1,022,706

The Portage Program for Drug Dependencies Inc.
"Portage Program Ontario"
Supporting schedule (continued)
Year ended March 31, 2023

Expenses – Schedule A (continued)

	2023	2022
	\$	\$
Administration		
Salaries and fringe benefits	77,145	86,164
Publicity	1,514	269
Travel and transportation	4,029	569
Telephone	8,113	9,462
Office supplies and equipment	6,159	5,476
Liability insurance	8,824	7,143
Professional fees	55,773	34,329
Bank charges	3,989	5,952
Postal charges	3,157	2,992
Allocated expenses (Note 9)	13,112	12,312
Intercompany interest	24,405	16,384
Management fees (Note 9)	133,350	167,411
	339,570	348,463