
**États financiers de
Le Programme de Portage Relatif à la
Dépendance de la Drogue Inc.**

31 mars 2023

Rapport de l'auditeur indépendant	1-2
État des produits et des charges.....	3
État de l'évolution des actifs nets déficitaires.....	4
État de la situation financière.....	5
État des flux de trésorerie	6
Notes complémentaires.....	7-13

Rapport de l'auditeur indépendant

Aux administrateurs de
Le Programme de Portage Relatif à la Dépendance de la Drogue Inc.

Opinion

Nous avons effectué l'audit des états financiers de Le Programme de Portage Relatif à la Dépendance de la Drogue Inc. (la « Corporation »), qui comprennent l'état de la situation financière au 31 mars 2023, et les états des produits et des charges, de l'évolution des actifs nets déficitaires et des flux de trésorerie pour l'exercice terminé à cette date, ainsi que les notes complémentaires, y compris le résumé des principales méthodes comptables (appelés collectivement les « états financiers »).

À notre avis, les états financiers ci-joints donnent, dans tous leurs aspects significatifs, une image fidèle de la situation financière de la Corporation au 31 mars 2023, ainsi que des résultats de ses activités et de ses flux de trésorerie pour l'exercice terminé à cette date, conformément aux Normes comptables canadiennes pour les organismes sans but lucratif.

Fondement de l'opinion

Nous avons effectué notre audit conformément aux normes d'audit généralement reconnues (NAGR) du Canada. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités de l'auditeur à l'égard de l'audit des états financiers » du présent rapport. Nous sommes indépendants de la Corporation conformément aux règles de déontologie qui s'appliquent à notre audit des états financiers au Canada et nous nous sommes acquittés des autres responsabilités déontologiques qui nous incombent selon ces règles. Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

Responsabilités de la direction et des responsables de la gouvernance à l'égard des états financiers

La direction est responsable de la préparation et de la présentation fidèle des états financiers conformément aux Normes comptables canadiennes pour les organismes sans but lucratif, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états financiers exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

Lors de la préparation des états financiers, c'est à la direction qu'il incombe d'évaluer la capacité de la Corporation à poursuivre son exploitation, de communiquer, le cas échéant, les questions relatives à la continuité de l'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si la direction a l'intention de liquider la Corporation ou de cesser son activité ou si aucune autre solution réaliste ne s'offre à elle.

Il incombe aux responsables de la gouvernance de surveiller le processus d'information financière de la Corporation.

Responsabilités de l'auditeur à l'égard de l'audit des états financiers

Nos objectifs sont d'obtenir l'assurance raisonnable que les états financiers pris dans leur ensemble sont exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, et de délivrer un rapport de l'auditeur contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux NAGR du Canada permettra toujours de détecter toute anomalie significative qui pourrait exister. Les anomalies peuvent résulter de fraudes ou d'erreurs et elles sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce qu'elles, individuellement ou collectivement, puissent influencer sur les décisions économiques que les utilisateurs des états financiers prennent en se fondant sur ceux-ci.

Dans le cadre d'un audit réalisé conformément aux NAGR du Canada, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique tout au long de cet audit. En outre :

- Nous identifions et évaluons les risques que les états financiers comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, concevons et mettons en œuvre des procédures d'audit en réponse à ces risques, et réunissons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative résultant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne.
- Nous acquérons une compréhension des éléments du contrôle interne pertinents pour l'audit afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de la Corporation.
- Nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, de même que des informations y afférentes fournies par cette dernière.
- Nous tirons une conclusion quant au caractère approprié de l'utilisation par la direction du principe comptable de continuité d'exploitation et, selon les éléments probants obtenus, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité de la Corporation à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport sur les informations fournies dans les états financiers au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants obtenus jusqu'à la date de notre rapport. Des événements ou situations futurs pourraient par ailleurs amener la Corporation à cesser son exploitation.
- Nous évaluons la présentation d'ensemble, la structure et le contenu des états financiers, y compris les informations fournies dans les notes, et apprécions si les états financiers représentent les opérations et événements sous-jacents d'une manière propre à donner une image fidèle.

Nous communiquons aux responsables de la gouvernance notamment l'étendue et le calendrier prévus des travaux d'audit et nos constatations importantes, y compris toute déficience importante du contrôle interne que nous aurions relevée au cours de notre audit.

Deloitte S.E.N.C.R.L./s.r.l.¹

Le 30 juin 2023

¹ CPA auditeur, permis de comptabilité publique n° A132478

Le Programme de Portage Relatif à la Dépendance de la Drogue Inc.
État des produits et des charges
 Exercice terminé le 31 mars 2023

	Notes	2023	2022
		\$	\$
Produits			
Programmes gouvernementaux	12	6 521 191	6 480 527
Vente de services	11	1 994 816	1 962 199
Dons de La Fondation Portage	11	3 048 585	932 784
Amortissement des dons reportés afférents aux immobilisations	7	2 277	2 846
Amortissement des subventions reportées afférentes aux immobilisations	8	6 003	35 556
Autres		1 392	45
		11 574 264	9 413 957
Charges			
Services cliniques	11 et 12	5 318 883	4 899 828
Services de soutien		2 031 834	2 195 792
Coût de service des programmes		2 402 395	2 340 561
Administration	11	760 361	471 172
Créances douteuses		6 405	11 428
Amortissement des immobilisations		26 768	58 267
		10 546 646	9 977 048
Excédent (insuffisance) des produits sur les charges		1 027 618	(563 091)

Les notes complémentaires font partie intégrante des états financiers.

Le Programme de Portage Relatif à la Dépendance de la Drogue Inc.
État de l'évolution des actifs nets déficitaires
 Exercice terminé le 31 mars 2023

			2023	2022
	Investis en immobilisations	Non affectés	Total	Total
	\$	\$	\$	\$
Solde au début	48 994	(3 075 439)	(3 026 445)	(2 463 354)
Excédent (insuffisance) des produits sur les charges	(18 488)	1 046 106	1 027 618	(563 091)
Solde à la fin	30 506	(2 029 333)	(1 998 827)	(3 026 445)

Les notes complémentaires font partie intégrante des états financiers.

Le Programme de Portage Relatif à la Dépendance de la Drogue Inc.
État de la situation financière
 au 31 mars 2023

	Notes	2023	2022
		\$	\$
Actif			
À court terme			
Encaisse		31 307	—
Débiteurs	3	639 172	715 035
Frais payés d'avance		61 907	52 660
		732 386	767 695
Immobilisations	4	54 732	81 500
		787 118	849 195
Passif			
À court terme			
Découvert bancaire		—	107 240
Emprunt bancaire	5	365 000	215 000
Créditeurs et charges à payer	6	2 354 007	3 481 806
Produits reportés		42 712	39 088
		2 761 719	3 843 134
Dons reportés afférents aux immobilisations	7	9 110	11 387
Subventions reportées afférentes aux immobilisations	8	15 116	21 119
		2 785 945	3 875 640
Engagements	10		
Actifs nets déficitaires			
Investis en immobilisations		30 506	48 994
Non affectés		(2 029 333)	(3 075 439)
		(1 998 827)	(3 026 445)
		787 118	849 195

Les notes complémentaires font partie intégrante des états financiers.

Au nom du conseil

Feier A Hawley, administrateur

Donald H.T. Xing, administrateur

Le Programme de Portage Relatif à la Dépendance de la Drogue Inc.
État des flux de trésorerie
 Exercice terminé le 31 mars 2023

	Notes	2023	2022
		\$	\$
Activités de fonctionnement			
Excédent (insuffisance) des produits sur les charges		1 027 618	(563 091)
Ajustements pour :			
Amortissement des dons reportés afférents aux immobilisations		(2 277)	(2 846)
Amortissement des subventions reportées afférentes aux immobilisations		(6 003)	(35 556)
Amortissement des immobilisations		26 768	58 267
		1 046 106	(543 226)
Variation des éléments hors caisse du fonds de roulement de fonctionnement	9	(1 057 559)	214 732
		(11 453)	(328 494)
Activités de financement			
Emprunt bancaire		150 000	215 000
Augmentation (diminution) nette de l'encaisse et des équivalents de trésorerie		138 547	(113 494)
(Découvert bancaire) encaisse au début		(107 240)	6 254
Encaisse (découvert bancaire) à la fin		31 307	(107 240)

Les notes complémentaires font partie intégrante des états financiers.

Le Programme de Portage Relatif à la Dépendance de la Drogue Inc.

Notes complémentaires

31 mars 2023

1. Description de la Corporation

Le Programme de Portage Relatif à la Dépendance de la Drogue Inc. (la « Corporation »), constituée en vertu de la *Loi canadienne sur les organisations à but non lucratif*, est désignée comme une œuvre de bienfaisance en vertu de la *Loi de l'impôt sur le revenu*.

La Corporation gère des programmes de réadaptation en toxicomanie au Nouveau-Brunswick, en Ontario et au Québec.

La Corporation, le Centre d'accueil le Programme de Portage Inc. (le « Centre ») et La Fondation Portage (la « Fondation ») sont gérés, en majorité, par les mêmes membres du conseil d'administration et constituent, par conséquent, des parties liées.

2. Méthodes comptables

Les états financiers ont été préparés selon les Normes comptables canadiennes pour les organismes sans but lucratif et tiennent compte des principales méthodes comptables suivantes :

Constatation des produits

La Corporation applique la méthode du report pour comptabiliser les apports. Les apports affectés sont constatés à titre de produits de l'exercice au cours duquel les charges connexes sont engagées. Les apports non affectés sont constatés à titre de produits lorsqu'ils sont reçus ou à recevoir si le montant à recevoir peut faire l'objet d'une estimation raisonnable et si sa réception est raisonnablement assurée.

Immobilisations

Les immobilisations sont comptabilisées au coût. Les immobilisations reçues à titre de dons sont comptabilisées à la juste valeur lors de leur réception. L'amortissement est estimé selon la durée de vie utile des immobilisations selon les méthodes suivantes :

Rénovations – génératrice	Linéaire	5 %
Équipement – génératrice	Linéaire	20 %
Système d'épuration des eaux	Linéaire	5 %
Améliorations locatives	Dégressif	10 %
Matériel roulant	Linéaire	30 %
Roulottes	Linéaire	10 %
Mobilier et équipement	Dégressif	20 %
Matériel informatique	Dégressif	33 1/3 %
Logiciel comptable	Linéaire	33 1/3 %

Dépréciation d'immobilisations

Lorsque les circonstances indiquent qu'une immobilisation a subi une dépréciation, sa valeur comptable nette doit être ramenée à la juste valeur ou au coût de remplacement de l'immobilisation. Les réductions d'immobilisations doivent être comptabilisées à titre de charges dans l'état des produits et des charges. Une réduction de valeur ne doit pas faire l'objet de reprises.

2. Méthodes comptables (suite)

Instruments financiers

Évaluation initiale

Les actifs financiers et les passifs financiers créés ou échangés dans des opérations conclues dans des conditions de pleine concurrence sont constatés initialement à la juste valeur au moment où la Corporation devient partie aux dispositions contractuelles de l'instrument financier. Les instruments financiers créés ou échangés dans des opérations entre parties liées sont initialement évalués au coût.

Le coût d'un instrument financier issu d'une opération entre parties liées dépend du fait que l'instrument est assorti ou non de modalités de remboursement. Lorsqu'il l'est, le coût est déterminé au moyen de ses flux de trésorerie non actualisés, compte non tenu des paiements d'intérêts et de dividendes, et déduction faite des pertes de valeur déjà comptabilisées par le cédant. Sinon, le coût est déterminé en fonction de la contrepartie transférée ou reçue par la Corporation dans le cadre de l'opération.

Évaluation ultérieure

Tous les instruments financiers sont évalués au coût après amortissement.

Coûts de transaction

Les coûts de transaction liés aux instruments financiers comptabilisés à la juste valeur sont passés en charges au moment où ils sont engagés. Dans le cas des autres instruments financiers, les coûts de transaction sont comptabilisés en augmentation de la valeur comptable de l'actif ou en diminution de la valeur comptable du passif et sont ensuite constatés sur la durée de vie prévue de l'instrument selon la méthode linéaire. Tout escompte ou prime lié à un instrument comptabilisé au coût après amortissement est amorti sur la durée de vie prévue de l'instrument selon la méthode linéaire et comptabilisé à l'état des produits et des charges à titre de produit ou de charge d'intérêts.

Dépréciation

Dans le cas des actifs financiers comptabilisés au coût ou au coût après amortissement, la Corporation comptabilise à l'état des produits et des charges une perte de valeur, le cas échéant, lorsqu'elle observe un changement défavorable important au cours de la période dans le calendrier ou le montant prévu des flux de trésorerie futurs. Lorsque l'ampleur de la dépréciation d'un actif précédemment déprécié se réduit et que cette réduction peut être rattachée à un événement postérieur à la comptabilisation de la moins-value, la moins-value déjà comptabilisée fait l'objet d'une reprise à même l'état des produits et des charges de l'exercice au cours duquel la reprise a lieu.

Ventilation des charges

Les salaires et les charges sociales sont ventilés entre les services cliniques, les services de soutien, le coût de service et l'administration au prorata du temps estimatif que les employés consacrent à chaque activité. Cette clé de répartition est utilisée avec constance.

Utilisation d'estimations

Dans le cadre de la préparation des états financiers, conformément aux Normes comptables canadiennes pour les organismes sans but lucratif, la direction doit établir des estimations et des hypothèses qui ont une incidence sur les montants des actifs et des passifs présentés et sur la présentation des actifs et des passifs éventuels à la date des états financiers, ainsi que sur les montants des produits et des charges constatés au cours de la période visée par les états financiers. Les résultats réels pourraient varier par rapport à ces estimations.

Le Programme de Portage Relatif à la Dépendance de la Drogue Inc.
Notes complémentaires
31 mars 2023

3. Débiteurs

	2023	2022
	\$	\$
Lits privés	108 053	79 481
Ministère de la santé du Nouveau-Brunswick	—	459 154
Ministère des Services sociaux et communautaires de l'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
Taxes à la consommation et autres	154 068	152 057
	670 310	741 930
Provision pour créances douteuses	(31 138)	(26 895)
	639 172	715 035

4. Immobilisations

			2023	2022
	Coût	Amortissement cumulé	Valeur comptable nette	Valeur comptable nette
	\$	\$	\$	\$
Rénovations – génératrice	22 996	7 282	15 714	16 863
Équipement – génératrice	152 150	152 150	—	—
Système d'épuration des eaux	114 714	114 714	—	5 711
Améliorations locatives	173 056	159 171	13 885	15 429
Matériel roulant	49 092	49 092	—	—
Roulottes	63 128	63 128	—	—
Mobilier et équipement	205 811	191 831	13 980	17 475
Matériel informatique	17 703	17 703	—	—
Logiciel comptable	44 607	33 454	11 153	26 022
	843 257	788 525	54 732	81 500

5. Facilité de crédit

La Corporation dispose d'un prêt à demande d'un montant maximal de 450 000 \$, renouvelable annuellement, portant intérêt à un taux égal au taux préférentiel de l'institution financière (6,70% au 31 mars 2023; 2,70 % au 31 mars 2022), majoré de 0,25 %. Au 31 mars 2023, le montant utilisé est de 365 000 \$ (215 000 \$ au 31 mars 2022).

Le Programme de Portage Relatif à la Dépendance de la Drogue Inc.
Notes complémentaires

31 mars 2023

6. Crédoiteurs et charges à payer

	<u>2023</u>	<u>2022</u>
	\$	\$
Fournisseurs	145 451	142 993
Charges à payer	169 007	264 621
Salaires et vacances à payer	700 489	501 775
Sommes à remettre à l'État	42 113	26 874
Centre d'accueil le Programme de Portage Inc.	—	1 157 168
La Fondation Portage	1 230 219	1 305 298
Les habitations communautaires Portage II	66 728	83 077
	<u>2 354 007</u>	<u>3 481 806</u>

7. Dons reportés afférents aux immobilisations

	<u>2023</u>	<u>2022</u>
	\$	\$
Solde au début	11 387	14 233
Amortissement des dons reportés afférents aux immobilisations	(2 277)	(2 846)
Solde à la fin	<u>9 110</u>	<u>11 387</u>

8. Subventions reportées afférentes aux immobilisations

	<u>2023</u>	<u>2022</u>
	\$	\$
Solde au début	21 119	56 675
Amortissement des subventions reportées afférentes aux immobilisations	(6 003)	(35 556)
Solde à la fin	<u>15 116</u>	<u>21 119</u>

9. Renseignements complémentaires à l'état des flux de trésorerie

	<u>2023</u>	<u>2022</u>
	\$	\$
<i>Variation des éléments hors caisse du fonds de roulement de fonctionnement</i>		
Débiteurs	75 863	(295 368)
Frais payés d'avance	(9 247)	(17 116)
Créditeurs et charges à payer	(1 127 799)	525 229
Produits reportés	3 624	1 987
	<u>(1 057 559)</u>	<u>214 732</u>

Le Programme de Portage Relatif à la Dépendance de la Drogue Inc.
Notes complémentaires

31 mars 2023

10. Engagements

La Corporation s'est engagée auprès de la Fondation, en vertu de baux de location de locaux, à verser un montant de 655 075 \$ par année et un montant additionnel de 468 594 \$ pendant les cinq prochaines années. De plus, la Corporation s'est engagée en vertu de baux à long terme pour un montant total de 52 721 \$, sur quatre ans, pour l'utilisation de locaux et de véhicules. Les engagements pour les exercices suivants sont de :

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

11. Opérations entre parties liées

Intérêts économiques

La Corporation détient un intérêt économique dans la Fondation étant donné que la Fondation a été créée pour fournir de l'aide financière à la Corporation. La Corporation reçoit des dons de donateurs privés par l'intermédiaire de la Fondation, de même que des subventions publiques afin de respecter ses obligations financières.

Les soldes de fonds de la Fondation au 31 mars 2023 totalisent 12 182 000 \$ (16 426 397 \$ au 31 mars 2022). De ce montant, 6 282 460 \$ (4 876 068 \$ en 2022) sont inclus dans le Fonds d'immobilisations.

Le Programme de Portage Relatif à la Dépendance de la Drogue Inc.
Notes complémentaires
31 mars 2023

11. Opérations entre parties liées (suite)

Transactions entre parties liées

Les résultats de la Corporation incluent les transactions suivantes effectuées auprès d'entités liées. Ces transactions ont eu lieu dans le cours normal des activités et sont mesurées à la valeur d'échange, qui est le montant de la contrepartie établie et acceptée par les parties liées.

	2023	2022
	\$	\$
Produits		
Centre d'accueil le Programme de Portage Inc.		
Frais de gestion ⁽¹⁾	1 483 500	1 481 585
La Fondation Portage		
Frais de gestion ⁽¹⁾	160 000	160 000
Dons (incluant 2 277 \$ d'amortissement de dons reportés afférents aux immobilisations; 2 846 \$ en 2022)	3 050 862	935 630
Charges		
Centre d'accueil le Programme de Portage Inc.		
Lits privés	78 529	45 433
Intérêts ⁽²⁾	10 524	19 266
La Fondation Portage		
Loyer	744 253	745 520
Intérêts ⁽²⁾	26 981	12 507
Charges allouées aux programmes		
Centre d'accueil le Programme de Portage Inc.		
Services cliniques ⁽³⁾	1 180 242	911 780
Administration ⁽³⁾	134 030	88 099

À la fin de l'exercice, les montants dus aux (des) parties liées sont remboursables sur demande et résultent des transactions précitées.

- (1) Les frais de gestion représentent les frais de gestion centralisés et sont facturés aux entités liées, qui sont inclus dans la vente de services.
- (2) Les intérêts sont calculés sur les soldes entre parties liées sur une base trimestrielle au taux de 1,635 %.
- (3) Ces montants représentent les charges allouées qui sont centralisées et facturées aux entités liées afin de bénéficier d'économies.

12. Projet de préparation à l'emploi (PPE)

La Corporation a signé une entente avec le ministère du Travail, de l'Emploi et de la Solidarité sociale (Emploi-Québec) pour le projet « Projet de préparation à l'emploi (PPE) ». Le total des produits et des charges pour ce projet a été de 219 805 \$ du 1^{er} avril au 30 juin 2022 et de 636 545 \$ du 1^{er} juillet 2022 au 31 mars 2023 (200 666 \$ du 1^{er} avril au 30 juin 2021 et de 536 589 \$ du 1^{er} juillet 2021 au 31 mars 2022).

13. Instruments financiers

Risque de crédit

La Corporation consent du crédit à ses clients dans le cours normal de ses activités. Elle effectue, de façon continue, des évaluations de crédit à l'égard de ses clients et maintien des provisions pour créances douteuses.

Risque de liquidité

L'objectif de la Corporation est de disposer de liquidité suffisante pour être en mesure de remplir ses obligations financières à leur échéance. La Corporation surveille le solde de son encaisse et ses flux de trésorerie qui découlent de ses activités, incluant le financement public prévu, pour être en mesure de respecter ses engagements. Au 31 mars 2023, les principaux passifs financiers de la Corporation étaient l'emprunt bancaire et les créditeurs et charges à payer.

Risque de taux d'intérêt

Les placements en marché monétaire et en obligations ainsi que la dette portent intérêt à taux fixe.

L'emprunt bancaire porte intérêt à taux variable. Par conséquent, une variation des taux d'intérêt du marché aura une incidence sur les flux de trésorerie.

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

March 31, 2023

Independent Auditor’s Report	1-2
Statement of revenue and expenses	3
Statement of changes in net deficit.....	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7-12
Supporting schedule	13-14

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.

●, 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

Fei H. Havelle, Director

Donald H.T. King, 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

Independent Auditor’s Report	1-2
Statement of revenue and expenses	3
Statement of changes in net assets (deficit)	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7-12
Supporting schedule	13-14

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.

●, 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

Feier & Hawley, Director

Russell H.T. King, 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	Net book value
	\$	\$	\$	\$
Renovations – generator	22,996	(7,283)	15,713	16,863
Equipment – generator	152,150	(152,150)	—	—
	175,146	(159,433)	15,713	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.

The Portage Program for Drug Dependencies Inc.

“Portage Program Ontario”

Notes to the financial statements

March 31, 2023

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