



**Metis Addictions Council of Saskatchewan Inc.**  
**Financial Statements**  
*March 31, 2013*



ACCOUNTING › CONSULTING › TAX  
800, 119 – 4TH AVENUE S, SASKATOON SK, S7K 5X2  
1.877.500.0778 P: 306.665.6766 F: 306.665.9910 MNP.ca

# Metis Addictions Council of Saskatchewan Inc.

## Contents

For the year ended March 31, 2013

---

	Page
<b>Management's Responsibility</b>	
<b>Auditors' Report</b>	
<b>Financial Statements</b>	
Statement of Financial Position .....	1
Statement of Operations .....	2
Statement of Changes in Net Assets .....	3
Statement of Cash Flows .....	4
<b>Notes to the Financial Statements</b> .....	5
<b>Schedules</b>	
Schedule 1 - Schedule of Core Services Expenditures .....	11
Schedule 2 - Schedule of Addiction Services Expenditures .....	12
Schedule 3 - Schedule of Board Expenditures .....	13
Schedule 4 – Schedule of Field Educator Expenditures	

## Management's Responsibility

---

To the Members of Metis Addictions Council of Saskatchewan Inc.:

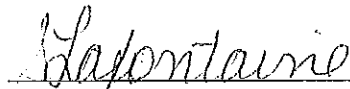
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained to provide reliable information for the preparation of financial statements.

The Board of Directors (the "Board") is comprised entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

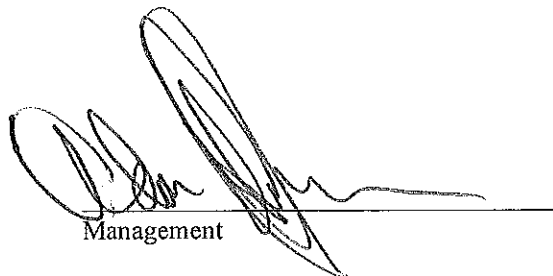
External auditors are appointed by the Board to audit the financial statements and report directly to the members; their report follows. The external auditors have full and free access to, and are available to meet periodically with, both management and the Board of Directors to discuss their audit findings.

June 7, 2013



---

Management



---

Management

---

To the Members of Metis Addictions Council of Saskatchewan Inc.:

We have audited the accompanying financial statements of Metis Addictions Council of Saskatchewan Inc., which comprise the statement of financial position as at March 31, 2013, the statements of operations, including supporting schedules, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2013, 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.

### *Comparative Information*

Without modifying our opinion, we draw attention to Note 3 to the financial statements which describes that Metis Addictions Council of Saskatchewan Inc. adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2012 and April 1, 2011, and the statements of operations, changes in net assets, and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information and, as such, it is unaudited.

Saskatoon, Saskatchewan

June 7, 2013

*MNP LLP*

Chartered Accountants

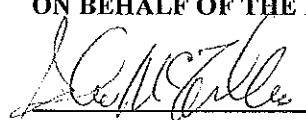
**Metis Addictions Council of Saskatchewan Inc.**  
**Statement of Financial Position**

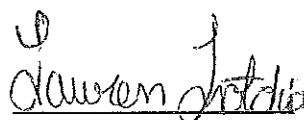
*As at March 31, 2013*

	March 31, 2013	March 31 2012	April 1, 2011
<b>Assets</b>			
<i>Current</i>			
Cash	219,072	356,033	321,041
Accounts receivable	6,248	5,069	433
Goods and Services Tax receivable	25,763	21,818	17,610
Prepaid expenses	67,784	54,304	2,760
Capital assets held for sale	-	-	40,128
	<b>318,867</b>	<b>437,224</b>	<b>381,972</b>
Capital assets (Note 4)	<b>1,070,054</b>	<b>875,187</b>	<b>848,516</b>
	<b>1,388,921</b>	<b>1,312,411</b>	<b>1,230,488</b>
<b>Liabilities</b>			
<i>Current</i>			
Accounts payable and accrued charges	244,096	212,181	222,291
Accounts payable Ministry of Health (Note 5)	228,890	133,137	258,038
Deferred contributions (Note 6)	38,250	77,059	97,276
Current portion of long-term debt (Note 7)	11,060	22,003	60,309
Current portion of term loans due on demand (Note 8)	9,957	20,816	22,523
	<b>532,253</b>	<b>465,196</b>	<b>660,437</b>
Term loans due on demand (Note 8)	-	9,579	30,369
	<b>532,253</b>	<b>474,775</b>	<b>690,806</b>
Deferred contributions (Note 6)	<b>552,232</b>	<b>560,223</b>	<b>346,604</b>
	<b>1,084,485</b>	<b>1,034,998</b>	<b>1,059,293</b>
Contingencies (Note 9)			
Lease commitments (Note 10)			
<b>Net Assets</b>			
Invested in capital assets	711,518	635,729	618,175
Externally funded	(407,082)	(358,316)	(446,980)
	<b>304,436</b>	<b>277,413</b>	<b>171,195</b>
	<b>1,388,921</b>	<b>1,312,411</b>	<b>1,230,488</b>

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

ON BEHALF OF THE BOARD:

 Director

 Director

**Metis Addictions Council of Saskatchewan Inc.**  
**Statement of Operations**  
*For the year ended March 31, 2013*

Externally-Funded Programs

	Budget 2013 (Note 11)	Core Services	Addition Services	Field Educators	Total 2013	Total 2012
<b>Revenues</b>						
Ministry of Health	3,071,436	593,305	2,302,626	142,552	3,038,483	2,924,868
Other	6,400	3,458	-	-	3,458	88,015
Contributions - building renovations	13,743	-	4,000	-	4,000	41,150
	<b>3,091,579</b>	<b>596,763</b>	<b>2,306,626</b>	<b>142,552</b>	<b>3,045,941</b>	<b>3,054,033</b>
<b>Expenditures</b>						
Core Services (Schedule 1)	563,220	582,778	-	-	582,778	490,726
Addition Services (Schedule 2)	2,226,148	-	2,227,464	-	2,227,464	2,232,264
Board (Schedule 3)	25,000	13,985	-	-	13,985	37,574
Field Educators (Schedule 4)	220,494	-	-	142,552	142,522	130,850
	<b>3,034,862</b>	<b>596,763</b>	<b>2,227,464</b>	<b>142,552</b>	<b>2,966,779</b>	<b>2,891,414</b>
Excess (deficiency) of revenues over expenses before the following:	56,717	-	79,162	-	79,162	162,619
Amortization	56,689	7,319	44,820	-	52,139	56,401
Excess (deficiency) of revenues over expenses for the year	28	(7,319)	34,342	-	27,023	106,218

*The accompanying notes are an integral part of these financial statements.*

**Metis Addictions Council of Saskatchewan Inc.**  
**Statement of Changes in Net Assets**  
*For the year ended March 31, 2013*

			2013	2012
	Invested in Capital Assets	Externally Funded Programs	Total	Total
Balance, beginning of year	635,729	(358,316)	277,413	171,195
Excess (deficiency) of revenues over expenses	(15,636)	42,659	27,023	106,218
Advances (repayments) of debt related to the purchase of capital assets (net)	31,381	(31,381)	-	-
Investment in capital assets	247,007	(247,007)	-	-
Receipt of deferred contributions	(186,963)	186,963	-	-
<b>Balance, end of year</b>	<b>711,518</b>	<b>(407,082)</b>	<b>304,436</b>	<b>277,413</b>

*The accompanying notes are an integral part of these financial statements.*

**Metis Addictions Council of Saskatchewan Inc.**  
**Statement of Cash Flows**  
*For the year ended March 31, 2013*

	2013	2012
<b>Cash provided by (used for) the following activities:</b>		
<b>Operating</b>		
Excess (deficiency) of revenues over expenditures	27,023	106,218
Add (deduct) items not affecting cash:		
Amortization	52,139	56,401
Deferred revenue	(36,503)	(64,635)
Gain on disposal of capital assets	-	(79,933)
	42,659	18,051
Changes in non-cash working capital:		
Accounts receivable	(1,179)	(4,636)
Goods and Services Tax receivable	(3,945)	(4,208)
Prepaid expenses	(13,480)	(51,544)
Accounts payable and accrued charges	31,915	(22,111)
Deferred contributions	(10,296)	270,037
	45,674	205,589
<b>Financing</b>		
Repayment of term loans due on demand	(20,438)	(22,497)
Repayment of long-term debt	(10,943)	(60,189)
Payable to Ministry of Health	95,753	(124,901)
	64,372	(207,587)
<b>Investing</b>		
Purchase of capital assets	(247,007)	(83,011)
Proceeds on disposal of capital assets	-	120,000
	(247,007)	36,989
<b>Net change in cash during year</b>	(136,961)	34,991
<b>Cash resources, beginning of year</b>	356,033	321,042
<b>Cash resources, end of year</b>	219,072	356,033

*The accompanying notes are an integral part of these financial statements.*



**Metis Addictions Council of Saskatchewan Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2013*

---

**1. Nature of organization**

MACSI (the "Organization") was established in November 1969 as an organization called the Native Alcoholism Council (NAC), which was mandated to provide rehabilitation, education, and prevention services to all Aboriginal people seeking help for drug and alcohol abuse. NAC was incorporated under the Non-Profit Act of Saskatchewan on March 8, 1983, as the Saskatchewan Native Addictions Council Corporation (SNACC), and changed its corporate name in 1992 to the Metis Addictions Council of Saskatchewan Inc. (MACSI). The Organization is a Registered Charity under the Income Tax Act (Canada).

**2. Significant accounting policies**

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

***Cash***

Cash consists of cash on hand and on deposit.

***Capital assets and amortization***

Capital assets are initially recorded at cost. Donated capital assets are recorded at their estimated fair market value plus any costs incurred at the date of acquisition. Amortization is provided using the straight line method at rates intended to amortize the costs of assets over their estimated useful lives:

Buildings	25 years
Computer equipment	3 years
Equipment	10 years
Leasehold improvements	over the term of the lease
Parking lot	10 years
Vehicles	5 years

In the year of acquisition, amortization is recorded at the full amount. No amortization is charged in the year of disposal.

***Financial instruments***

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CICA 3840 Related Party Transactions.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

**2. Significant accounting policies – continued**

***Financial asset impairment***

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. Management considers whether a debtor is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in payments; etc. in determining whether objective evidence of impairment exists. Where there is an indication of impairment, the Organization determines whether it has resulted in a significant difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses upon derecognition or impairment.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

***Measurement uncertainty***

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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenue over expenditures in the years in which they become known.

***Revenue recognition***

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred contributions related to capital assets represent the unamortized portion of restricted contributions that were used to purchase or renovate the buildings. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

***Pension***

Employees of the Organization participate in a multi-employer defined benefit pension plan. The Organization follows defined contribution accounting for its participation in the plan. Total amount expensed in the current year was \$135,574 (2012 - \$132,026).

**3. Impact of adopting accounting standards for not-for-profit organizations**

These are the Organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012, and the opening ASNPO balance sheet as at April 1, 2011 (the Organization's date of transition to ASNPO).

The transition to ASNPO has not affected the statements of financial position, operations, changes in net assets or cash flows previously reported under Canadian generally accepted accounting principles (GAAP).

**Metis Addictions Council of Saskatchewan Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2013*

**4. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2013 Net book value</i>	<i>2012 Net book value</i>
Land	12,100	-	12,100	12,100
Buildings	1,554,434	607,200	947,234	831,328
Computer equipment	61,028	46,093	14,935	4,596
Equipment	458,221	406,415	51,806	26,479
Leasehold improvements	33,591	27,209	6,382	-
Parking lot	3,550	3,550	-	-
Vehicles	99,557	61,960	37,597	684
	<b>2,210,381</b>	<b>1,154,427</b>	<b>1,070,054</b>	<b>875,187</b>

**5. Payable to Ministry of Health**

The 2013 surplus in the amount of \$95,753 (2012 - \$133,137) has been recorded as a payable to the Ministry as per the revenue contribution agreement (see Note 9). The payable from 2012 is still outstanding as at the date of the financial statements as this amount is still under review.

**6. Deferred contributions**

	<i>Saskatoon</i>			<i>2013</i>	<i>2012</i>
	<i>House Renovations</i>	<i>Sprinkler Upgrades</i>	<i>Renovations &amp; Training</i>	<i>Total</i>	
Balance, beginning of year	64,000	254,152	319,130	637,282	443,880
Add: amounts received during the year	-	186,963	-	186,963	258,037
Less: amounts earned during the year	(4,000)	(32,503)	(197,260)	(233,763)	(64,635)
Balance, end of year	60,000	408,612	121,870	590,482	637,282
Less: Current portion	(4,000)	(34,250)	-	(38,250)	(77,059)
	<b>56,000</b>	<b>374,362</b>	<b>121,870</b>	<b>552,232</b>	<b>560,223</b>

**Metis Addictions Council of Saskatchewan Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2013*

**7. Long-term debt**

	2013	2012
Loan payable to D & B Jenic in monthly instalments of \$5,494 including interest at 0%, due July 2013, secured by a building with a net book value of \$387,029	11,060	22,003
Less: Current portion	(11,060)	(22,003)

Principal repayments in the next year are estimated as follows:

2014	11,060
------	--------

**8. Term loans due on demand**

	2013	2012
Royal Bank of Canada term loan;	-	6,587
Royal Bank of Canada term loan; repayable in monthly instalments of \$1,263 including interest at 5.34% per annum; secured by land, building and equipment having a combined net book value of \$573,552 and an assignment of fire insurance and accounts receivable; maturing January 2014	9,957	23,808
	9,957	30,395
Less: Current portion	(9,957)	(20,816)
	-	9,579

Principal repayments in the next two years are estimated as follows:

2014	9,957
------	-------

The demand loans are subject to certain non-financial covenants. As at March 31, 2013, the Organization is in compliance with all such covenants. It is management's opinion that the Organization is likely to remain in compliance with all debt covenants throughout the 12 months subsequent, to the March 31, 2013 year end.

**9. Contingencies**

These financial statements are subject to review by the Ministry of Health. It is possible that adjustments could be made based on the results of their review.

As of the date of these statements, the Organization has been named as the defendant in two non-related law suits. The outcome of such suits is not known at this time, and any damages that may be awarded are not estimable.

**10. Lease commitments**

The Organization has entered into various lease agreements with estimated minimum annual payments as follows:

2014	95,124
2015	85,233
2016	36,938

**11. Budget**

The current year Board approved operating budget was based on planned expenses related to the current year funding as identified in the service agreement and other current year sources of revenue. This budget was also identified on the quarterly reports.

**12. Financial instruments**

The Organization as part of its operations carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its term loans and long-term debt.

**13. Economic dependence**

The Organization receives a substantial amount of its revenue in the form of government grants. These grants must be applied for on an annual basis.

**14. Income taxes**

The Organization is registered as a charitable organization under the *Income Tax Act* (the "*Act*") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the *Act*, the Organization must meet certain requirements within the *Act*. In the opinion of management, these requirements have been met.

**15. Comparative figures**

Certain comparative figures have been reclassified to conform with the current year presentation. A correction was made to the comparative figures to reclassify \$12,000 from deferred revenue to accounts payable.

**Metis Addictions Council of Saskatchewan Inc.****Schedule 1 - Schedule of Core Services Expenditures***For the year ended March 31, 2013*

	<i>Budget 2013 (Note 10)</i>	<i>2013</i>	<i>2012</i>
Advertising and promotion	1,400	1,006	1,790
Bank charges and interest	3,000	3,198	3,044
Building insurance	5,958	5,643	5,887
Director liability insurance	990	990	1,042
Professional & legal fees	17,754	16,641	60,505
Rent	41,011	37,519	28,083
Repairs and maintenance	5,600	1,392	3,872
Salaries, wages and benefits	447,558	457,385	338,816
Staff recruitment and education	6,700	5,200	2,484
Supplies: food	500	486	981
Supplies: housekeeping	750	1,141	959
Supplies: office	12,000	25,669	22,180
Supplies: programming	-	2,059	360
Telephone	7,000	8,180	6,972
Travel	7,000	12,900	13,295
Utilities	6,000	3,369	456
	<b>563,220</b>	<b>582,778</b>	<b>490,726</b>

**Metis Addictions Council of Saskatchewan Inc.**  
**Schedule 2 - Schedule of Addiction Services Expenditures**  
*For the year ended March 31, 2013*

	<i>Budget 2013 (Note 10)</i>	<i>2013</i>	<i>2012</i>
Advertising and promotion	3,395	7,022	650
Bank charges and interest	1,670	1,572	2,463
Building insurance	20,163	15,812	16,492
Director liability insurance	1,650	3,323	1,650
Professional fees	1,300	690	1,723
Property taxes	160	167	156
Repairs and maintenance	40,524	52,254	62,861
Salaries, wages and benefits	1,838,601	1,794,593	1,794,541
Staff recruiting and education	18,300	17,652	8,958
Supplies: food	114,705	119,449	92,972
Supplies: housekeeping	29,600	23,608	37,209
Supplies: medical	2,100	8,226	1,556
Supplies: office	22,180	36,884	46,735
Supplies: programming	28,500	32,479	36,021
Telephone	20,300	20,226	21,886
Travel	17,000	27,992	44,145
Utilities	66,000	65,515	62,246
	<b>2,226,148</b>	<b>2,227,464</b>	<b>2,232,264</b>

**Metis Addictions Council of Saskatchewan Inc.**  
**Schedule 3 - Schedule of Board Expenditures**  
*For the year ended March 31, 2013*

	<i>Budget 2013 (Note 10)</i>	<i>2013</i>	<i>2012</i>
Director liability insurance	1,320	1,320	1,320
Honorarium	8,000	5,895	11,915
Hotel	5,800	1,731	9,366
Meetings	380	-	1,766
Sustenance	2,500	1,490	5,421
Travel	7,000	3,549	7,786
	<b>25,000</b>	<b>13,985</b>	<b>37,574</b>



**Metis Addictions Council of Saskatchewan Inc.**  
**Schedule 4 - Schedule of Field Educator Expenditures**  
*For the year ended March 31, 2013*

	<i>Budget 2013 (Note 10)</i>	<i>2013</i>	<i>2012</i>
Advertising	100	-	-
Rent	1,500	1,500	1,500
Salaries, wages, and benefits	197,594	127,758	116,417
Staff recruiting & education	500	92	1,096
Supplies: office	5,500	6,815	7,316
Supplies: programming	3,500	3,596	3,486
Telephone	1,000	936	1,000
Training	2,000	-	-
Travel	8,800	1,855	35
	<b>220,494</b>	<b>142,552</b>	<b>130,850</b>