

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

Financial Statements

Year Ended March 31, 2019

TAMARACK REHAB INC./T/A TAMARACK RECOVERY CENTRE

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INDEPENDENT AUDITOR'S REPORT

To the Members of TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

Opinion

We have audited the financial statements of TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE (the Company), which comprise the statement of financial position as at March 31, 2019, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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 those 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting

(continues)

process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company 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.



June 17, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS

TAMARACK REHAB INC./T/A TAMARACK RECOVERY CENTRE

Statement of Financial Position

March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 277,350	\$ 185,268
Accounts receivable	19,447	27,354
Goods and services tax recoverable	1,791	1,179
Prepaid expenses	3,575	3,770
	<u>302,163</u>	217,571
TANGIBLE CAPITAL ASSETS (Note 3)	<u>207,857</u>	215,631
	<u>\$ 510,020</u>	<u>\$ 433,202</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 9,281	\$ 7,537
Wages payable	37,473	7,036
Deferred income	22,159	-
	<u>68,913</u>	14,573
NET ASSETS	<u>441,107</u>	418,629
	<u>\$ 510,020</u>	<u>\$ 433,202</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

TAMARACK REHAB INC./T/A TAMARACK RECOVERY CENTRE

Statement of Revenues and Expenditures

Year Ended March 31, 2019

	Budget 2019	Total 2019	Total 2018
REVENUES			
Manitoba Health	\$ 328,100	\$ 328,100	\$ 328,100
Federal Government	104,130	126,702	103,209
Self Referrals	135,006	129,489	106,500
Third party funded treatment	47,125	77,407	34,135
Social Services	10,340	12,975	9,281
Other Grants	45,000	16,304	35,624
Fundraising	9,500	6,488	9,444
Other Income	-	1,046	2,439
ELF Grant	-	-	10,000
	679,201	698,511	638,732
EXPENSES			
Advertising and promotion	1,000	1,832	422
Amortization	-	7,774	8,330
Building Repairs	-	16,839	780
Delivery, freight and express	50	15	47
Employee benefits	3,329	34,785	2,765
Equipment and Furniture	13,700	11,350	10,086
Food	40,000	38,291	38,393
House Effects	1,000	1,386	667
Insurance	15,083	13,824	12,648
Interest and bank charges	5,000	2,220	1,826
Janitorial Supplies	4,200	4,905	4,193
Miscellaneous	8,006	396	1,447
Office	23,500	22,912	10,063
Professional Fees - Program	3,720	7,655	481
Professional fees	3,800	3,729	3,619
Project ELF	-	-	10,000
Property taxes	3,500	3,496	3,368
Repairs and maintenance	3,500	4,663	9,841
Research and development	2,500	288	288
Salaries and wages	521,213	476,810	476,529
Staff Development	2,500	1,113	4,349
Supplies	7,400	4,826	6,953
Telephone	4,800	4,999	4,934
Travel	300	102	160
Utilities	11,100	11,823	10,584
	679,201	676,033	622,773
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ 22,478	\$ 15,959

See notes to financial statements

TAMARACK REHAB INC./A TAMARACK RECOVERY CENTRE

Statement of Changes in Net Assets

Year Ended March 31, 2019

	Unrestricted Net Assets	Invested in Capital Assets	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 193,309	\$ 225,320	\$ 418,629	\$ 402,670
Excess of revenues over expenses	22,478	-	22,478	15,959
NET ASSETS - END OF YEAR	\$ 215,787	\$ 225,320	\$ 441,107	\$ 418,629

See notes to financial statements

TAMARACK REHAB INC./T/A TAMARACK RECOVERY CENTRE

Statement of Cash Flows

Year Ended March 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 22,478	\$ 15,959
Item not affecting cash:		
Amortization of tangible capital assets	7,774	8,330
	<u>30,252</u>	<u>24,289</u>
Changes in non-cash working capital:		
Accounts receivable	7,907	(2,713)
Accounts payable	1,744	1,860
Deferred income	22,159	(24,280)
Prepaid expenses	195	(320)
Goods and services tax payable	(612)	1,186
Wages payable	30,437	1,007
	<u>61,830</u>	<u>(23,260)</u>
INCREASE IN CASH FLOW	92,082	1,029
Cash - beginning of year	<u>185,268</u>	<u>184,239</u>
CASH - END OF YEAR	\$ 277,350	\$ 185,268

Notes to Financial Statements

Year Ended March 31, 2019

1. DESCRIPTION OF OPERATIONS

Tamarack Recovery Centre is a residential treatment facility for individuals with chemical and alcohol dependencies and other drug abuse problems, which facilitates independent living and lifestyle change. Tamarack Recovery Centre is incorporated under the Manitoba Corporations Act as a non-profit organization and is a registered charity under the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Revenue recognition

TAMARACK REHAB INC./T/A TAMARACK RECOVERY CENTRE 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Seminar fees are recognized as revenue when the seminars are held.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	declining balance method
Computer equipment	33%	declining balance method
Computer software	50%	declining balance method
Other machinery and equipment	20%	declining balance method
Furniture and fixtures	10%	declining balance method
Appliances	10%	declining balance method

The Company regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital asset cost.

TAMARACK REHAB INC. T/A TAMARACK RECOVERY CENTRE

Notes to Financial Statements

Year Ended March 31, 2019

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 42,836	\$ -	\$ 42,836	\$ 42,836
Buildings	218,710	68,057	150,653	156,930
Equipment	53,738	43,774	9,964	10,657
Computer equipment	31,660	30,844	816	1,219
Computer software	1,957	1,947	10	14
Appliances	21,109	17,531	3,578	3,975
	<u>\$ 370,010</u>	<u>\$ 162,153</u>	<u>\$ 207,857</u>	<u>\$ 215,631</u>

4. ECONOMIC DEPENDENCE

The operations of Tamarack Rehab Inc. T/A Tamarack Recovery Centre are economically dependent on the ongoing financial support of Manitoba Health, contracts and per diems.