

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE
Financial Statements
Year Ended March 31, 2020

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

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Year Ended March 31, 2020

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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, 2020, 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, 2020, 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)

Independent Auditor's Report to the Members of TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE (continued)

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.

Winnipeg, MB
June 15, 2020



CHARTERED PROFESSIONAL ACCOUNTANTS

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

Statement of Financial Position

March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 621,461	\$ 277,350
Accounts receivable	45,306	19,447
Goods and services tax recoverable	4,578	1,791
Prepaid expenses	1,195	3,575
	672,540	302,163
TANGIBLE CAPITAL ASSETS (Note 3)	840,550	207,858
	\$ 1,513,090	\$ 510,021
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 5,859	\$ 9,282
Wages payable	41,636	37,473
Deferred income	497,010	22,159
	544,505	68,914
LONG TERM DEBT (Note 4)	350,000	-
DEFERRED CONTRIBUTIONS REALTED TO CAPITAL ASSETS	183,267	-
	1,077,772	68,914
NET ASSETS	435,318	441,107
	\$ 1,513,090	\$ 510,021

ON BEHALF OF THE BOARD

_____ Director

_____ Director

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

Statement of Revenues and Expenditures

Year Ended March 31, 2020

	Budget 2020	Total 2020	Total 2019
REVENUES			
Manitoba Health	\$ 328,100	\$ 328,100	\$ 328,100
Federal Government	120,000	104,471	126,702
Self Referrals	128,000	121,800	129,489
Third party funded treatment	55,000	88,425	77,407
Social Services	10,340	8,412	12,975
Other Grants	62,158	25,427	16,304
Fundraising	27,000	26,008	6,488
Other Income	500	16,924	1,046
Deferred contributions related to capital assets	-	11,735	-
	<u>731,098</u>	<u>731,302</u>	<u>698,511</u>
EXPENSES			
Advertising and promotion	20,713	22,122	1,832
Amortization	-	20,363	7,774
Building Repairs	60,000	27,564	16,839
Delivery, freight and express	-	-	15
Employee benefits	36,622	35,882	34,785
Equipment and Furniture	12,000	23,846	11,350
Food	42,000	41,261	38,291
Fundraising	-	476	-
House Effects	1,500	2,782	1,386
Insurance	15,083	17,885	13,824
Interest and bank charges	2,500	3,207	2,220
Janitorial Supplies	4,500	5,900	4,905
Miscellaneous	500	595	396
Office	10,100	10,685	22,912
Professional Fees - Program	1,000	-	7,655
Professional fees	3,800	4,229	3,729
Property taxes	3,500	3,530	3,496
Repairs and maintenance	4,000	7,826	4,663
Research and development	500	288	288
Salaries and wages	496,831	481,079	476,810
Staff Development	5,000	5,079	1,113
Supplies	6,100	5,205	4,826
Telephone	5,000	5,271	4,999
Travel	150	186	102
Utilities	11,600	11,830	11,823
	<u>742,999</u>	<u>737,091</u>	<u>676,033</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (11,901)	\$ (5,789)	\$ 22,478

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

Statement of Changes in Net Assets

Year Ended March 31, 2020

	Unrestricted Net Assets	Invested in Capital Assets	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 233,250	\$ 207,857	\$ 441,107	\$ 418,629
Deficiency of revenues over expenses	2,839	(8,628)	(5,789)	22,478
Invested in Capital Assets	(108,054)	108,054	-	-
NET ASSETS - END OF YEAR	\$ 128,035	\$ 307,283	\$ 435,318	\$ 441,107

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

Statement of Cash Flows

Year Ended March 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (5,789)	\$ 22,478
Item not affecting cash:		
Amortization of tangible capital assets	<u>20,363</u>	<u>7,774</u>
	<u>14,574</u>	<u>30,252</u>
Changes in non-cash working capital:		
Accounts receivable	(25,859)	7,907
Accounts payable	(3,422)	1,744
Deferred income	474,851	22,159
Prepaid expenses	2,380	195
Goods and services tax payable	(2,787)	(612)
Wages payable	<u>4,163</u>	<u>30,437</u>
	<u>449,326</u>	<u>61,830</u>
Cash flow from operating activities	<u>463,900</u>	<u>92,082</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(653,056)</u>	-
Cash flow from (used by) investing activity	<u>(653,056)</u>	-
FINANCING ACTIVITIES		
Mortgages payable - long term #1	350,000	-
Deferred Contributions Related to Capital Assets	<u>183,267</u>	-
Cash flow from financing activities	<u>533,267</u>	-
INCREASE IN CASH FLOW	344,111	92,082
Cash - beginning of year	<u>277,350</u>	<u>185,268</u>
CASH - END OF YEAR	<u>\$ 621,461</u>	<u>\$ 277,350</u>

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

Notes to Financial Statements

Year Ended March 31, 2020

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

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

Notes to Financial Statements

Year Ended March 31, 2020

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 42,836	\$ -	\$ 42,836	\$ 42,836
Buildings	871,766	87,144	784,622	150,653
Equipment	53,738	44,420	9,318	9,964
Computer equipment	31,660	31,113	547	817
Computer software	1,957	1,950	7	10
Appliances	21,109	17,889	3,220	3,578
	<u>\$ 1,023,066</u>	<u>\$ 182,516</u>	<u>\$ 840,550</u>	<u>\$ 207,858</u>

4. LONG TERM DEBT

	2020	2019
Belgian-Alliance Credit Union loan bearing interest at 3.99% per annum,. The loan was secured by building at 54 Balmoral Street.	\$ 350,000	\$ -
Amounts payable within one year	-	-
	<u>\$ 350,000</u>	<u>\$ -</u>

5. 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.

6. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

COVID 19 World Wide Pandemic

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The organization in the current fiscal year was not financially affected by the pandemic.

As of June 15, 2020 the organization is aware of changes in its operations as a result of the COVID-19 crisis including closure of its programming until the easing of restrictions occurs , when it will re-open at reduced capacity.

Management is closely monitoring the situation and already estimates that it will result, among other things , in the loss of at least \$100,000 in programming revenue. The overall effect of these events on the organization and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed. Management does not believe any adjustment to the current financial statements is necessary.