

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

Financial Statements

Year Ended March 31, 2021

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, 2021, and the statements of revenues and expenses, 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, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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 ASNPO, 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 related 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 process.

(continues)

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

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.

Thompson & Co.



Winnipeg, MB
August 12, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

TAMARACK REHAB INC. T/A TAMARACK RECOVERY CENTRE
Statement of Financial Position
March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 651,004	\$ 621,461
Accounts receivable	13,813	45,306
Goods and services tax recoverable	6,958	4,578
Prepaid expenses	1,555	1,195
	673,330	672,540
TANGIBLE CAPITAL ASSETS (Note 3)	955,426	840,550
	\$ 1,628,756	\$ 1,513,090
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 7,939	\$ 5,859
Current portion of long term debt (Note 4)	18,000	-
Wages payable	52,551	41,636
Deferred income	468,752	497,010
	547,242	544,505
LONG TERM DEBT (Note 4)	300,868	350,000
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	323,310	183,267
	1,171,420	1,077,772
NET ASSETS	457,336	435,318
	\$ 1,628,756	\$ 1,513,090

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

TAMARACK REHAB INC./A TAMARACK RECOVERY CENTRE

Statement of Revenues and Expenses

Year Ended March 31, 2021

	Budget 2021	Total 2021	Total 2020
REVENUES			
Manitoba Health	\$ 648,060	\$ 328,100	\$ 328,100
Federal Government	110,000	56,107	104,471
Self Referrals	188,000	54,400	121,800
Third party funded treatment	55,000	50,138	88,425
Client subsidy fund	201,340	65,975	8,412
Other Grants	427,100	120,544	25,427
Fundraising and donations	25,000	32,820	26,008
Other Income	18,700	20,213	693
Deferred contributions related to capital assets	-	10,338	11,735
Wage subsidies	-	71,230	16,232
Forgiveable portion of CEBA loan	-	20,000	-
	1,673,200	829,865	731,303
EXPENSES			
Advertising and promotion	33,950	18,755	22,122
Amortization	-	35,504	20,363
Board expenses	750	-	-
Building Repairs	413,257	34,593	27,564
Delivery, freight and express	50	348	-
Employee benefits	52,321	38,935	35,882
Equipment and Furniture	161,641	37,030	23,846
Food	89,000	31,155	41,261
Fundraising	-	-	476
House Effects	4,000	3,289	2,782
Insurance	26,619	17,861	17,885
Interest and bank charges	4,500	1,138	3,208
Interest on long term debt	17,109	10,521	-
Janitorial Supplies	12,500	6,231	5,900
Miscellaneous	17,000	810	595
Office	15,500	12,153	10,685
Professional Fees - Program	1,000	175	-
Professional fees	7,000	5,640	4,229
Property taxes	11,100	12,823	3,530
Rent up cost	27,000	-	-
Repairs and maintenance	13,000	13,053	7,826
Research and development	500	-	288
Salaries and wages	721,555	499,804	481,079
Staff Development	8,000	859	5,079
Supplies	13,200	6,598	5,205
Telephone	6,100	5,348	5,271
Travel	400	51	186
Utilities	31,850	15,173	11,830
	1,688,902	807,847	737,092
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (15,702)	\$ 22,018	\$ (5,789)

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

Statement of Changes in Net Assets

Year Ended March 31, 2021

	Unrestricted Net Assets	Invested in Capital Assets	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 128,035	\$ 307,283	\$ 435,318	\$ 441,107
Excess of revenues over expenses	47,183	(25,165)	22,018	(5,789)
Invested in Capital Assets	-	-	-	-
Principal reduction of mortgage	(71,130)	71,130	-	-
NET ASSETS - END OF YEAR	<u>\$ 104,088</u>	<u>\$ 353,248</u>	<u>\$ 457,336</u>	<u>\$ 435,318</u>

See notes to financial statements

TAMARACK REHAB INC./T/A TAMARACK RECOVERY CENTRE**Statement of Cash Flows
Year Ended March 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 22,018	\$ (5,789)
Item not affecting cash:		
Amortization of tangible capital assets	<u>35,504</u>	<u>20,363</u>
	<u>57,522</u>	<u>14,574</u>
Changes in non-cash working capital:		
Accounts receivable	31,493	(25,859)
Accounts payable	2,080	(3,422)
Deferred income	(28,258)	474,851
Prepaid expenses	(360)	2,380
Goods and services tax payable	(2,380)	(2,787)
Wages payable	<u>10,915</u>	<u>4,163</u>
	<u>13,490</u>	<u>449,326</u>
Cash flow from operating activities	<u>71,012</u>	<u>463,900</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(150,381)</u>	<u>(653,056)</u>
Cash flow used by investing activity	<u>(150,381)</u>	<u>(653,056)</u>
FINANCING ACTIVITIES		
Proceeds from long term financing	60,000	350,000
Repayment of long term debt	(91,132)	-
Deferred contributions related to capital assets	<u>140,044</u>	<u>183,267</u>
Cash flow from financing activities	<u>108,912</u>	<u>533,267</u>
INCREASE IN CASH FLOW	29,543	344,111
Cash - beginning of year	<u>621,461</u>	<u>277,350</u>
CASH - END OF YEAR	<u>\$ 651,004</u>	<u>\$ 621,461</u>

See notes to financial statements

TAMARACK REHAB INC./T/A TAMARACK RECOVERY CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

1. DESCRIPTION OF OPERATIONS

Tamarack Recovery Centre operates two residential treatment facilities 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, 2021

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 42,836	\$ -	\$ 42,836	\$ 42,836
Buildings	1,022,147	121,537	900,610	784,622
Equipment	53,738	45,022	8,716	9,318
Computer equipment	31,660	31,294	366	547
Computer software	1,957	1,957	-	7
Appliances	21,109	18,211	2,898	3,220
	\$ 1,173,447	\$ 218,021	\$ 955,426	\$ 840,550

4. LONG TERM DEBT

	2021	2020
Belgian-Alliance Credit Union loan bearing interest at 3.99% per annum. The loan was secured by building at 54 Balmoral Street.	\$ 278,868	\$ 350,000
Belgian Alliance Credit Union loan bearing interest at 0% per annum, secured by CEBA Loan..	40,000	-
	318,868	350,000
Amounts payable within one year	(18,000)	-
	\$ 300,868	\$ 350,000

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.

TAMARACK REHAB INC./T/A TAMARACK RECOVERY CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

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 financially affected by the pandemic.

As of July 6, 2021 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 , a reduction 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.
