

June 16, 2022

Tamarack Rehab Inc.
T/A Tamarack Recovery Centre
60 Balmoral Street
Winnipeg MB R3C 1X4

ATTENTION: BOARD MEMBERS

Dear Board Members:

RE: AUDIT FOR THE YEAR ENDED MARCH 31, 2022

We have completed our audit of the March 31, 2022, financial statements for Tamarack Rehab Inc. T/A Tamarack Recovery Centre and are pleased to provide the following report.

The objective of our audit was to obtain reasonable assurance that the financial statements were free of material misstatement: our audit was not designed for the purpose of identifying matters to communicate. Accordingly, our audit would not usually identify all such matters that may be of interest to you and it is inappropriate to conclude that no such matters exist.

During the course of our audit of Tamarack Rehab Inc. T/A Tamarack Recovery Centre for the year ended March 31, 2022, we did not identify any of the following matters: misstatements; fraud; misstatements that may cause future financial statements to be materially misstated; illegal or possible illegal acts; or significant weakness in internal control.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We would like to thank you for allowing us the opportunity to serve you and wish you continued success in the future. Should you have any questions regarding this year's audit or any other financial matters do not hesitate to contact our office.

Sincerely,

THORNTON & CO.



Todd Thornton, CPA, CGA, CAFM
TT/dl

TAMARACK REHAB INC./A TAMARACK RECOVERY CENTRE
Financial Statements
Year Ended March 31, 2022

TAMARACK REHAB INC.T/A TAMARACK RECOVERY CENTRE

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Year Ended March 31, 2022

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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, 2022, 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, 2022, 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.

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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 13, 2022



CHARTERED PROFESSIONAL ACCOUNTANTS

TAMARACK REHAB INC. T/A TAMARACK RECOVERY CENTRE

Statement of Financial Position

March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 363,644	\$ 651,004
Accounts receivable	44,096	13,813
Goods and services tax recoverable	9,235	6,958
Prepaid expenses	1,739	1,555
	418,714	673,330
TANGIBLE CAPITAL ASSETS (Note 3)	1,154,468	955,428
	\$ 1,573,182	\$ 1,628,758
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 10,750	\$ 7,939
Current portion of long term debt (Note 4)	18,000	18,000
Wages payable	63,566	52,551
Deferred income	144,303	468,752
	236,619	547,242
LONG TERM DEBT (Note 4)	293,870	300,868
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	546,417	323,310
	1,076,906	1,171,420
NET ASSETS	496,276	457,336
	\$ 1,573,182	\$ 1,628,756

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

TAMARACK REHAB INC./T/A TAMARACK RECOVERY CENTRE

Statement of Revenues and Expenses

Year Ended March 31, 2022

	Budget 2022	Total 2022	Total 2021
REVENUES			
Manitoba Health	\$ 623,070	\$ 328,100	\$ 328,100
Federal Government	78,380	80,123	56,107
Self Referrals	52,500	78,033	54,400
Third party funded treatment	9,000	62,650	50,138
Client subsidy fund	228,840	121,945	65,975
Other Grants	302,538	353,794	120,544
Fundraising and donations	25,000	18,767	32,820
Other Income	700	624	20,213
Deferred contributions related to capital assets	-	17,750	10,338
Grocery contribution	10,500	5,285	-
Wage subsidies	-	-	71,230
Forgiveable portion of CEBA loan	-	-	20,000
	1,330,528	1,067,071	829,865
EXPENSES			
Advertising and promotion	9,000	4,073	18,755
Amortization	-	41,814	35,504
Building Repairs	248,000	-	34,593
Delivery, freight and express	50	50	348
Employee benefits	44,535	46,364	38,935
Equipment and Furniture	111,000	63,494	37,030
Food	85,000	56,077	31,155
House Effects	4,000	3,504	3,289
Insurance	18,715	19,215	17,861
Interest and bank charges	3,500	2,470	1,137
Interest on long term debt	11,002	11,002	10,521
Janitorial Supplies	12,500	11,199	6,231
Miscellaneous	2,350	2,757	811
Office	15,200	14,978	12,153
Professional Fees - Program	1,000	1,976	175
Professional fees	5,500	10,226	5,640
Property taxes	8,200	8,173	12,823
Repairs and maintenance	12,800	9,797	13,053
Salaries and wages	689,938	677,527	499,804
Staff Development	7,500	3,831	859
Supplies	12,450	10,324	6,598
Telephone	6,100	6,250	5,348
Travel	500	210	51
Utilities	26,500	22,820	15,173
	1,335,340	1,028,131	807,847
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (4,812)	\$ 38,940	\$ 22,018

TAMARACK REHAB INC./T/A TAMARACK RECOVERY CENTRE

Statement of Changes in Net Assets

Year Ended March 31, 2022

	Unrestricted Net Assets	Invested in Capital Assets	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 104,088	\$ 353,248	\$ 457,336	\$ 435,318
Excess of revenues over expenses	63,004	(24,064)	38,940	22,018
Invested in Capital Assets	-	-	-	-
Principal reduction of mortgage	(6,998)	6,998	-	-
NET ASSETS - END OF YEAR	\$ 160,094	\$ 336,182	\$ 496,276	\$ 457,336

TAMARACK REHAB INC. T/A TAMARACK RECOVERY CENTRE**Statement of Cash Flows
Year Ended March 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 38,940	\$ 22,018
Item not affecting cash:		
Amortization of tangible capital assets	41,814	35,504
	<u>80,754</u>	<u>57,522</u>
Changes in non-cash working capital:		
Accounts receivable	(30,283)	31,493
Accounts payable	2,811	2,080
Deferred income	(324,449)	(28,258)
Prepaid expenses	(184)	(360)
Goods and services tax payable	(2,277)	(2,380)
Wages payable	11,015	10,915
	<u>(343,367)</u>	<u>13,490</u>
Cash flow from (used by) operating activities	<u>(262,613)</u>	<u>71,012</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	(240,856)	(150,381)
Cash flow used by investing activity	<u>(240,856)</u>	<u>(150,381)</u>
FINANCING ACTIVITIES		
Proceeds from long term financing	-	60,000
Repayment of long term debt	(6,998)	(91,132)
Deferred contributions related to capital assets	223,107	140,044
Cash flow from financing activities	<u>216,109</u>	<u>108,912</u>
INCREASE (DECREASE) IN CASH FLOW	(287,360)	29,543
Cash - beginning of year	<u>651,004</u>	<u>621,461</u>
CASH - END OF YEAR	\$ 363,644	\$ 651,004

TAMARACK REHAB INC. T/A TAMARACK RECOVERY CENTRE

Notes to Financial Statements

Year Ended March 31, 2022

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, 2022

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 42,836	\$ -	\$ 42,836	\$ 42,836
Buildings	1,263,003	162,378	1,100,625	900,611
Equipment	53,738	45,584	8,154	8,716
Computer equipment	31,660	31,415	245	367
Computer software	1,957	1,957	-	-
Appliances	21,109	18,501	2,608	2,898
	\$ 1,414,303	\$ 259,835	\$ 1,154,468	\$ 955,428

4. LONG TERM DEBT

	2022	2021
Belgian-Alliance Credit Union loan bearing interest at 3.99% per annum. The loan was secured by building at 54 Balmoral Street.	\$ 271,870	\$ 278,868
Belgian Alliance Credit Union loan bearing interest at 0% per annum, secured by CEBA Loan..	40,000	40,000
	311,870	318,868
Amounts payable within one year	(18,000)	(18,000)
	\$ 293,870	\$ 300,868

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.