

**PEMBROKE 50+ ACTIVE LIVING CENTRE INC.**  
**Financial Statements**  
**Year Ended March 31, 2022**

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**PEMBROKE 50+ ACTIVE LIVING CENTRE INC.**  
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**Year Ended March 31, 2022**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Pembroke 50+ Active Living Centre Inc.

*Qualified Opinion*

We have audited the financial statements of Pembroke 50+ Active Living Centre Inc. (the corporation), which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the corporation 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 Qualified Opinion*

In common with many charitable organizations, the corporation derives revenue from donations and fundraising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the corporation and we were not able to determine whether any adjustments might be necessary to donations and membership fees, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation of scope.

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 corporation 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 qualified audit 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.

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Independent Auditor's Report to the To the Members of Pembroke 50+ Active Living Centre Inc.  
(continued)

In preparing the financial statements, management is responsible for assessing the corporation'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 corporation or to cease operations, or has no realistic alternative but to do so.

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

- 1 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.
- 1 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 corporation's internal control.
- 1 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 1 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 corporation'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 corporation to cease to continue as a going concern.
- 1 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.

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Independent Auditor's Report to the To the Members of Pembroke 50+ Active Living Centre Inc.  
(continued)

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.

*Baker Tilly* REO LLP

Pembroke, Ontario  
June 20, 2022

Chartered Professional Accountants, Licensed Public Accountants

**PEMBROKE 50+ ACTIVE LIVING CENTRE INC.**  
**Statement of Financial Position**  
**March 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 33,592	\$ 19,233
Accounts receivable	3,000	17,829
Harmonized sales tax recoverable	10,239	5,567
Prepaid expenses	2,018	1,907
	48,849	44,536
<b>INVESTMENTS</b> <i>(Note 3)</i>	<b>31,042</b>	<b>30,669</b>
	<b>\$ 79,891</b>	<b>\$ 75,205</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 21,327	\$ 33,827
Government remittances payable	471	90
Deferred contributions <i>(Note 4)</i>	12,745	775
	34,543	34,692
<b>NET ASSETS - UNRESTRICTED</b>	<b>45,348</b>	<b>40,513</b>
	<b>\$ 79,891</b>	<b>\$ 75,205</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Chairperson*

\_\_\_\_\_ *Treasurer*

The accompanying notes are an integral part of these financial statements

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**PEMBROKE 50+ ACTIVE LIVING CENTRE INC.**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2022**

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	2022	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 40,513</b>	<b>\$ 31,193</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>4,835</b>	<b>9,320</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 45,348</b>	<b>\$ 40,513</b>

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The accompanying notes are an integral part of these financial statements

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**PEMBROKE 50+ ACTIVE LIVING CENTRE INC.****Statement of Operations  
Year Ended March 31, 2022**

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	2022	2021
<b>REVENUE</b>		
Province of Ontario		
- Maintenance and operating grant	\$ 42,700	\$ 42,700
- Special grant	20,000	11,314
Government of Canada		
- COVID-19 subsidies	21,252	30,577
- New Horizons	-	13,400
City of Pembroke	34,578	23,426
Membership fees	7,585	7,480
Donations	4,647	11,312
Interest earned	373	1,217
	<hr/> 131,135	<hr/> 141,426
<b>EXPENSES</b>		
Staffing costs		
- Wages and benefits	40,593	38,146
Program costs		
- Program expenses	5,248	19,207
Building and grounds expense		
- Utilities	8,227	7,369
- Rent	17,668	17,628
- Repairs and maintenance	10,324	6,715
- Equipment	2,502	10,142
Administrative costs		
Telephone	2,088	1,956
Office and miscellaneous	2,516	2,028
Professional fees	6,756	8,096
Other costs		
- Insurance	10,062	9,053
- Donations	275	-
Special grant expenditures	20,041	11,766
	<hr/> 126,300	<hr/> 132,106
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ 4,835</b>	<b>\$ 9,320</b>

The accompanying notes are an integral part of these financial statements



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**PEMBROKE 50+ ACTIVE LIVING CENTRE INC.**

**Statement of Cash Flows  
Year Ended March 31, 2022**

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	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 4,835	\$ 9,320
Changes in non-cash working capital:		
Accounts receivable	14,829	(14,829)
Accounts payable	(12,500)	27,194
Deferred contributions	11,970	(8,985)
Prepaid expenses	(111)	300
Harmonized sales tax payable	(4,672)	(2,659)
Government remittances payable	381	97
	<u>9,897</u>	<u>1,118</u>
Cash flow from operating activities	<u>14,732</u>	<u>10,438</u>
<b>INVESTING ACTIVITY</b>		
Increase in investments	<u>(373)</u>	<u>(1,218)</u>
<b>INCREASE IN CASH FLOW</b>	<b>14,359</b>	<b>9,220</b>
<b>CASH - BEGINNING OF YEAR</b>	<u>19,233</u>	<u>10,013</u>
<b>CASH - END OF YEAR</b>	<u>\$ 33,592</u>	<u>\$ 19,233</u>

The accompanying notes are an integral part of these financial statements

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**PEMBROKE 50+ ACTIVE LIVING CENTRE INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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**1. PURPOSE OF THE CORPORATION**

Pembroke 50+ Active Living Centre Inc. (the "corporation") was incorporated without share capital under the Ontario Corporations Act and is exempt from income taxes.

The corporation's mission is to provide activities, services and support to seniors to enable them to maintain a healthy, active lifestyle within their community, thereby enhancing the quality of life of seniors in the Pembroke area.

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**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).

Revenue recognition

Pembroke 50+ Active Living Centre Inc. 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.

Interest income is recognized as revenue when earned.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are short term deposits and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Capital assets

Capital assets are expensed in the year of acquisition. Capital assets held include office and computer equipment.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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**3. INVESTMENTS**

Investments consists of guaranteed investment certificates with varying maturity dates and interest rates.

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**PEMBROKE 50+ ACTIVE LIVING CENTRE INC.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

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**4. DEFERRED CONTRIBUTIONS**

Deferred contributions consist of amounts received for a specific purpose for which expenditures have not yet been incurred

	<u>2022</u>		<u>2021</u>
<b>Balance - beginning of year</b>	<b>\$ 775</b>	\$	3,460
Add: amount received related to the following year	<b>12,745</b>		775
Less: amount recognized as revenue in the year	<b>(775)</b>		<b>(3,460)</b>
<b>Balance - end of year</b>	<b><u>\$ 12,745</u></b>	\$	<b><u>775</u></b>

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**5. OPERATIONS**

The corporation receives a significant amount of support from the Ontario Ministry for Seniors and Accessibility and accordingly is dependent on this support to maintain its current programs and operations. Funding must be used in accordance with funding guidelines and criteria. Revenues are recognized based on the financial statements but are subject to a final reconciliation by the Ministry. Funding adjustments are recorded in the period of adjustment.

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**6. COVID-19**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The overall effect of these events on the corporation 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.

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**7. FINANCIAL INSTRUMENTS**

The corporation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the corporation's risk exposure and concentration as of March 31, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The corporation is exposed to this risk mainly in respect of its accounts payable.

Market risk

*(continues)*

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**PEMBROKE 50+ ACTIVE LIVING CENTRE INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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**7. FINANCIAL INSTRUMENTS *(continued)***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The corporation mitigates this risk through investing in guaranteed investment certificates.

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 corporation manages exposure through its normal operating and financing activities. The corporation is exposed to interest rate risk primarily through its fixed rate securities.

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