ARIRANG AGE-FRIENDLY COMMUNITY CENTRE

FINANCIAL STATEMENTS

March 31, 2016

ARIRANG AGE-FRIENDLY COMMUNITY CENTRE
TABLE OF CONTENTS
March 31, 2016

JOHN K. JANG
CHARTERED PROFESSIONAL ACCOUNTANT
LICENSED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Members of
Arirang Age-Friendly Community Centre

I have audited the accompanying financial statements of Arirang Age-Friendly Community Centre, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion
In common with many not-for-profit organizations, Arirang Age-Friendly Community Centre derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly my verification of these revenues was limited to the amounts recorded in the records of Arirang Age-Friendly Community Centre and I was not able to determine whether any adjustments might be necessary to donations, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2016, current assets as at March 31, 2016 and net assets as at April 1 and March 31, 2016.

INDEPENDENT AUDITOR'S REPORT, continued

Qualified Opinion
Except as noted in the above paragraph, in my opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2016 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.

Comparative Information
Without modifying our opinion, we draw attention to note 3 to the financial statements which describes that Arirang Age-Friendly Community Centre adopted Canadian accounting standards for not-for-profit organizations on April 1, 2015 with a transition date of April 1, 2014. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at March 31, 2015 and April 1, 2014, and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2015 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Other Matter
The balance sheets as at March 31, 2015 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2015, were prepared by another chartered professional accountant under a Notice to Reader engagement issued August 28, 2015.

John K. Jang Chartered Professional Accountant
Licensed Public Accountant
Toronto, Ontario
December 7, 2017

ARIRANG AGE-FRIENDLY COMMUNITY CENTRE
STATEMENT OF OPERATIONS
Year ended March 31, 2016

	2016	2015 (Unaudited)
Revenue		
New Horizons for Seniors Program Grant	$ 22,673	$ 90
Donations	16,905	-
	39,578	90
Disbursements		
Brochure and educational materials	8,774	-
Salaries and related benefits	6,020	-
Workshop expenses	3,160	-
Professional fees	3,000	-
Advertising and promotion	2,379	39
Office and general	1,405	-
Honorarium	1,000	-
Telephone	586	-
Amortization	265	-
Interest and bank charges	74	51
	26,663	90
Excess of revenue over disbursements	**$ 12,915**	**$ -**

ARIRANG AGE-FRIENDLY COMMUNITY CENTRE
STATEMENT OF CHANGES IN NET ASSETS
Year ended March 31, 2016

		2016		2015 (Unaudited)
Balance, beginning of year	$	-	$	-
Excess of revenue over disbursements		12,915		-
Unrestricted net assets, end of year	**$**	**12,915**	**$**	**-**

ARIRANG AGE-FRIENDLY COMMUNITY CENTRE
STATEMENT OF FINANCIAL POSITION
March 31, 2016

	March 31, 2016	March 31, 2015 (Unaudited)	April 1, 2014 (Unaudited)
ASSETS			
Current			
Cash	$ 15,915	$ 23,949	$ -
Property, plant and equipment - note 5	1,238	-	-
	$ 17,153	**$ 23,949**	**$ -**
LIABILITIES AND FUND BALANCES			
Current			
Accounts payable and accrued liabilities	$ 3,001	$ 39	$ -
Unearned revenue - note 6	1,237	23,910	-
	4,238	23,949	-
Net assets (unrestricted net assets)	12,915	-	-
	$ 17,153	**$ 23,949**	**$ -**

On behalf of the board

____________________ Director ____________________ Director

The accompanying notes are an integral part of these financial statements

ARIRANG AGE-FRIENDLY COMMUNITY CENTRE
STATEMENT OF CASH FLOWS
Year ended March 31, 2016

	2016	2015 (Unaudited)
Operating activities		
Excess of revenue over disbursements	$ 12,915	$ -
Adjustment for		
Amortization	265	-
	13,180	-
Change in non-cash working capital items		
Accounts payable and accrued liabilities	2,962	39
Unearned revenue	(22,673)	23,910
	(6,531)	23,949
Investing activity		
Purchase of property, plant and equipment	(1,503)	-
Increase (decrease) in cash	(8,034)	23,949
Cash, beginning of year	23,949	-
Cash, end of year	**$ 15,915**	**$ 23,949**

ARIRANG AGE-FRIENDLY COMMUNITY CENTRE
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2016

1. NATURE OF OPERATIONS

Arirang Age-Friendly Community Centre was incorporated under the Canada Not-for-profit Corporations Act on March 17, 2014 as a corporation without share capital to provide services to relieve conditions associated with the elderly by providing services for senior citizens with Senior Citizens' Centres, Respite Services, Home Care, and such other complementary purposes not inconsistent with these.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The organization applies the Canadian accounting standards for not-for-profit organizations.

Fund accounting

The organization follows the deferral method of accounting for contributions which includes grants and donations. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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.

Receipts recognition

Revenue are derived from fundraising activities, donations, and New Horizons for Seniors Program Grant from the Employment and Social Development Canada. Revenue from fundraising activities and donations is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. The New Horizons Grant is externally restricted and is recognized as revenue in the period in which the related expenses are made.

Contributed materials and services

Directors, committee members and volunteers volunteer their time to assist in the corporation's activities. While these services benefit the corporation considerably, a reasonable estimate of their amount and fair value cannot be made and accordingly, these contributed services are not recognized in the financial statements. Contributions of materials are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials are used in the normal course of operations, and would otherwise have been purchased.

ARIRANG AGE-FRIENDLY COMMUNITY CENTRE
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Financial instruments

The company initially measures its financial assets and liabilities at fair value, except for certain non-arm’s length transactions. The company subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities.

Property, plant and equipment

Property, plant and equipment are recorded at cost, less accumulated amortization. The organization provides for amortization using the following methods at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% Declining balance
Computer equipment	55% Declining balance

Impairment of long-lived assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. Any impairment results in a writedown of the asset and a charge to income during the year. An impairment loss is not reversed if the fair value of the related long-lived asset subsequently increases. Since there were no events or changes in circumstances which indicated that the carrying amount of the organization's long lived assets may not be recoverable, property, plant and equipment were not tested for impairment.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are useful lives of property, plant and equipment and accrued liabilities .

ARIRANG AGE-FRIENDLY COMMUNITY CENTRE
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2016

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

The organization has elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations in accordance with Canadian accounting standards for non-profit organizations.

These financial statements are the first financial statements for which the entity has applied Canadian accounting standards for not-for-profit organizations hereafter referred to as "ASNPO".

The financial statements for the year ended March 31, 2016 were prepared in accordance with the accounting principles and provisions set out in FIRST-TIME ADOPTION BY NOT-FOR-PROFIT ORGANIZATIONS, Section 1501, for first-time adopters of this basis of accounting.

The impact of adopting these standards has not resulted in any material changes to the opening financial statements for the current or previous year end.

4. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates.

(b) Liquidity risk

The organization does have a liquidity risk in the accounts payable and accrued liabilities of $3,001 (2015-$39). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the organization low and is not material.

(c) Interest rate risk

The organization's exposure to interest rate fluctuations is low as there is no operating credits and no long term debt. In the opinion of management the interest rate risk exposure to the organization low and is not material.

ARIRANG AGE-FRIENDLY COMMUNITY CENTRE
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2016

5. PROPERTY, PLANT AND EQUIPMENT

				2016	2015 (Unaudited)
	Rate	Cost	Accumulated amortization	Net Book Value	Net Book Value (Unaudited)
Furniture and fixtures	20	$ 845	$ 84	$ 761	$ -
Computer equipment	55	658	181	477	-
		$ 1,503	$ 265	$ 1,238	$ -

6. UNEARNED REVENUE

The unearned revenue represents the New Horizons for Seniors Program Grant received from the Employment and Social Development Canada. The fund is externally restricted only for the New Horizons for Seniors Program. As with the deferral method for contribution which was adapted as revenue recognition policy, restricted contributions are deferred until corresponding expenses arise and is recognized as revenue in the period in which the related expenses are made. Current year balance represents unamortized portion of capital assets.

	2016	2015 (Unaudited)	2014 (Unaudited)
	$ 1,237	$ 23,910	$ -

7. ECONOMIC DEPENDENCE

The organization received $24,000 in 2015 for its 2016 operation, which represents a significant portion of the organization’s receipts from the Employment and Social Development Canada.

8. COMPARATIVE AMOUNTS

The previous year's financial statements were prepared by another chartered professional accountant under a Notice to Reader engagement. We have not attempted to verify the accuracy or completeness of this information and certain of the prior year's amounts have been reclassified to conform with the current year 's presentation. The changes do not affect prior year earnings.