

**PROGRESSIVE INTERCULTURAL COMMUNITY  
SERVICES SOCIETY**

**Financial Statements**

**Year Ended March 31, 2019**

## INDEPENDENT AUDITORS' REPORT

To the members of  
**PROGRESSIVE INTERCULTURAL COMMUNITY SERVICES SOCIETY**

### *Qualified Opinion*

We have audited the accompanying financial statements of Progressive Intercultural Community Services Society, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in fund balance, changes in replacement reserve fund and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Progressive Intercultural Community Services Society as at March 31, 2019 and the results of its operations and its cash flows for the years then ended, in accordance with Canadian Accounting Standards for Not-For Profit Organizations.

### *Basis for Qualified Opinion*

In common with many charitable organizations, the society derives revenue from charitable donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in records of the society and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expense, current assets and fund balances.

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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:

- 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 Organization'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 Organization'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 Organization 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.

T&L GROUP LLP.

Chartered Professional Accountants LLP  
August 21, 2019  
Surrey, British Columbia

Unit 407  
15336 / 31st Avenue  
Surrey / B.C. / V3Z 0X2

T 604 580 5000  
F 604 576 2138

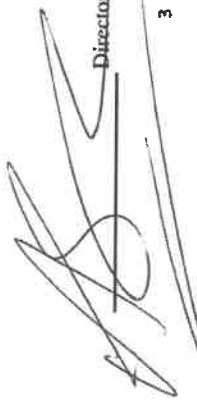
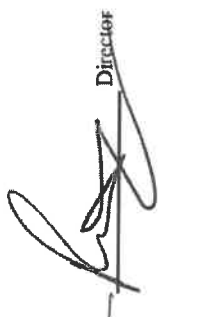
www.tglcpa.com



**Progressive Intercultural Community Services Society  
Statement of Financial Position  
March 31, 2019**

	General Fund	Restricted Fund	Capital Asset Fund	Total March 31, 2019	Total March 31, 2018
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	750,485	1,338,973	-	2,089,458	1,324,226
Accounts receivable	500	240,799	-	241,299	460,484
GST receivable	43,905	-	-	43,905	35,714
Inventory	199	6,743	-	6,941	6,237
Prepaid expense (Note 13)	186	63,358	-	63,544	86,269
	795,275	1,649,873	-	2,445,148	1,912,930
<b>RESTRICTED CASH AND CASH EQUIVALENTS (Note 7)</b>					
	-	959,260	-	959,260	847,196
<b>CAPITAL ASSETS, NET (Note 5)</b>					
	795,275	2,609,133	19,750,942	19,750,942	19,619,385
			19,750,942	23,155,350	22,379,511
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued liabilities	18,430	372,152	-	390,582	293,647
Due to government agencies	5,141	31,914	-	37,055	39,378
Deferred revenue	-	245,613	-	245,613	266,079
Security deposits (Note 7)	-	80,086	-	80,086	79,604
Current portion of long term debt (Note 6)	-	-	4,996,884	4,996,884	309,417
	23,571	729,765	4,996,884	5,750,219	988,125
<b>LONG TERM DEBT (Note 6)</b>					
	-	-	5,827,292	5,827,292	9,822,778
	23,571	729,765	10,824,176	11,577,510	10,810,903
<b>FUND BALANCES</b>					
Externally restricted	-	1,039,346	-	1,039,346	926,800
Internally restricted	(2,871)	(25,853)	28,724	-	-
Unrestricted	774,575	865,875	8,898,043	10,538,493	10,641,808
	771,704	1,879,369	8,926,767	11,577,839	11,568,608
	795,275	2,609,133	19,750,942	23,155,350	22,379,511

Approved on behalf of the Board

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**Progressive Intercultural Community Services Society  
Statement of Operations  
For The Year Ended March 31, 2019**

	General Fund	Restricted Fund	Capital Asset Fund	Total March 31, 2019	Total March 31, 2018
<b>REVENUES</b>					
Assisted Living - telephone	-	2,050	-	2,050	2,425
Assisted Living - utilities	-	10,062	-	10,062	10,422
Community services	693,470	4,777,499	-	5,470,969	4,638,816
Donations	24,173	94,230	-	118,403	253,884
Food revenue	-	12,374	-	12,374	12,399
Gaming	-	31,684	-	31,684	33,109
Interest	10,614	35,732	-	46,346	24,590
Other misc. revenue	-	36,222	-	36,222	60,210
Subsidy - BC Housing	-	239,734	-	239,734	244,593
Subsidy - Fraser Health	-	1,325,310	-	1,325,310	1,195,632
Tenant - rent parking	-	3,980	-	3,980	2,565
Tenant rent contribution PH I	-	331,012	-	331,012	323,149
Tenant rent contribution PH II	-	763,769	-	763,769	782,896
<b>Total revenues</b>	<b>728,258</b>	<b>7,663,655</b>	<b>-</b>	<b>8,391,914</b>	<b>7,584,690</b>
<b>EXPENSES</b>					
Advertising	55,633	27,148	-	82,781	38,037
Amortization of capital assets	-	-	622,803	622,803	635,726
Audit and legal	11,812	13,866	-	25,678	26,805
Bank charges	4,651	2,670	-	7,321	5,667
Building maintenance	8,978	137,035	-	146,013	75,337
Electricity	23,182	75,442	-	98,624	88,943
Equipment and vehicle maintenance	18,440	35,105	-	53,545	43,183
Food supplies	2,824	93,942	-	96,766	98,878
Garbage removal	-	28,386	-	28,386	17,245
Grounds maintenance	-	10,185	-	10,185	6,029
Heating	5,266	67,761	-	73,027	60,258
Insurance	10,114	67,316	-	77,430	71,180
Mortgage interest	-	-	202,355	202,355	207,858
Office	57,097	459,099	-	516,196	541,314
Program development costs	44,512	263,541	-	308,053	118,805
Property taxes	-	39,209	-	39,209	80,723
Rent expense	58,459	326,979	-	385,439	400,803
Salaries, wages and benefits	463,875	4,928,185	-	5,392,060	4,903,679
Service contracts	-	20,757	-	20,757	23,214
Telephone	17,657	37,764	-	55,420	33,264
Training and travel	5,249	31,264	-	36,513	37,526
Utilities	57,310	30,494	-	87,804	82,086
Water and sewer	-	16,294	-	16,294	12,031
<b>Total expenses</b>	<b>845,061</b>	<b>6,712,443</b>	<b>825,158</b>	<b>8,382,660</b>	<b>7,608,592</b>
Excess (deficiency) of revenue over expenses before other expenses	(116,803)	951,213	(825,158)	9,253	(23,901)
<b>OTHER EXPENSE</b>					
Loss on loan	-	-	-	-	28,860
<b>Excess (deficiency) of revenue over expenses</b>	<b>(116,803)</b>	<b>951,213</b>	<b>(825,158)</b>	<b>9,253</b>	<b>(52,761)</b>