

**PROGRESSIVE INTERCULTURAL COMMUNITY
SERVICES SOCIETY**

Financial Statements

Year Ended March 31, 2020

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, 2020, 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, 2020 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 contributions, 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on basis consistent with that of preceding year.

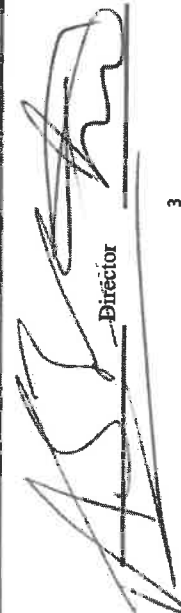
T&L GROUP LLP.

Chartered Professional Accountants LLP
September 10, 2020
Surrey, British Columbia

**Progressive Intercultural Community Services Society
Statement of Financial Position
March 31, 2020**

	General Fund	Restricted Fund	Capital Asset Fund	Total March 31, 2020	Total March 31, 2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	1,234,783	2,998,879	-	4,233,662	2,089,458
Accounts receivable	-	351,978	-	351,978	241,299
GST receivable	99,626	-	-	99,626	43,905
Inventory	-	2,383	-	2,383	6,941
Prepaid expense (Note 13)	15,452	132,493	-	147,945	63,544
	1,349,860	3,485,733	-	4,835,594	2,445,148
RESTRICTED CASH AND CASH EQUIVALENTS (Note 7)	-	1,151,618	-	1,151,618	959,260
CAPITAL ASSETS, NET (Note 5)	-	-	20,212,214	20,212,214	19,750,942
	1,349,860	4,637,351	20,212,214	26,199,426	23,155,350
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	31,315	281,604	-	312,920	390,582
Due to government agencies	17,483	6,385	-	23,868	37,055
Deferred revenue	-	1,475,078	-	1,475,078	245,613
Security deposits (Note 7)	-	81,998	-	81,998	80,086
Current portion of long term debt (Note 6)	-	-	828,221	828,221	4,996,884
	48,799	1,845,064	828,221	2,722,083	5,750,219
LONG TERM DEBT (Note 6)	-	-	11,643,023	11,643,023	5,827,292
	48,799	1,845,064	12,471,244	14,365,106	11,577,511
FUND BALANCES					
Externally restricted	-	1,233,616	-	1,233,616	1,039,346
Internally restricted	-	(25,853)	25,853	-	-
Unrestricted	1,301,062	1,584,525	7,715,118	10,600,703	10,538,493
	1,301,062	2,792,287	7,740,971	11,834,319	11,577,839
	1,349,860	4,637,351	20,212,214	26,199,426	23,155,350

Approved on behalf of the Board


Director

Progressive Intercultural Community Services Society
Statement of Operations
For The Year Ended March 31, 2020

	General Fund	Restricted Fund	Capital Asset Fund	Total March 31, 2020	Total March 31, 2019
REVENUES					
Assisted Living - telephone	-	1,857	-	1,857	2,050
Assisted Living - utilities	-	10,476	-	10,476	10,062
Community services	961,666	5,610,394	-	6,572,060	5,470,969
Donations	42,195	132,442	-	174,638	118,403
Food revenue	-	15,774	-	15,774	12,374
Gaming	-	38,763	-	38,763	31,684
Interest	25,351	61,259	-	86,610	46,346
Other misc. revenue	-	25,564	-	25,564	36,222
Subsidy - BC Housing (Note 9)	-	224,099	-	224,099	239,734
Subsidy - Fraser Health (Note 9)	-	1,475,357	-	1,475,357	1,325,310
Tenant - rent parking	-	4,080	-	4,080	3,980
Tenant rent contribution PH I	-	338,223	-	338,223	331,012
Tenant rent contribution PH II	-	799,465	-	799,465	763,769
Total revenues	1,029,212	8,737,755	-	9,766,967	8,391,914
EXPENSES					
Advertising	8,911	56,598	-	65,508	82,781
Amortization of capital assets	-	-	621,556	621,556	622,803
Audit and legal	13,171	15,461	-	28,632	25,678
Bank charges	10,544	2,914	-	13,458	7,321
Building maintenance	15,299	96,123	-	111,422	146,013
Electricity	14,106	87,645	-	101,751	98,624
Equipment and vehicle maintenance	16,181	64,028	-	80,210	53,545
Food supplies	0	119,062	-	119,062	96,766
Garbage removal	-	27,384	-	27,384	28,386
Grounds maintenance	-	12,275	-	12,275	10,185
Heating	9,723	58,500	-	68,223	73,027
Insurance	8,946	76,086	-	85,032	77,430
Mortgage interest	-	-	204,478	204,478	202,355
Office	42,133	693,766	-	735,899	516,196
Program development costs	34,993	705,756	-	740,749	308,053
Property taxes	-	35,021	-	35,021	39,209
Rent expense	4,100	392,057	-	396,157	385,439
Salaries, wages and benefits	456,968	5,383,850	-	5,840,818	5,392,060
Service contracts	-	15,855	-	15,855	20,757
Telephone	6,417	34,815	-	41,233	55,420
Training and travel	(1,246)	54,898	-	53,653	36,513
Utilities	66,834	27,493	-	94,327	87,804
Water and sewer	-	17,786	-	17,786	16,294
Total expenses	707,082	7,977,373	826,034	9,510,487	8,382,661
Excess (deficiency) of revenue over expenses	322,130	760,383	(826,034)	256,479	9,254
OTHER EXPENSE					
Excess (deficiency) of revenue over expenses	322,130	760,383	(826,034)	256,479	9,254