

Financial Statements

**Bangladesh Centre and Community Services  
(BCCS)**

March 31, 2018

# Bangladesh Centre and Community Services (BCCS)

March 31, 2018

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Bangladesh Centre and Community Services (BCCS)

We have audited the accompanying financial statements of Bangladesh Centre and Community Services (BCCS), which comprise the statement of financial position as at March 31, 2018 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*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 entity'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 entity'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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*(Continues)*



Independent Auditor's Report to the Members of Bangladesh Centre and Community Services (BCCS) (*continued*)

***Basis for Qualified Opinion***

In common with many not-for-profit organizations, the Organization derives revenue from donations and fund raising activities, the completeness of which, is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fund raising activities revenues, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2018 and 2017, current assets as at March 31, 2018 and 2017 and net assets as at April 1 and March 31 for both 2018 and 2017. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly, because of the possible effects of this scope limitation.

***Qualified Opinion***

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Bangladesh Centre and Community Services as at March 31, 2018, 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.

*SRCO Professional Corporation*

Richmond Hill, Canada  
September 25, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practise public accounting by the  
Chartered Professional Accountants of Ontario

# Bangladesh Centre and Community Services (BCCS)


## STATEMENT OF FINANCIAL POSITION

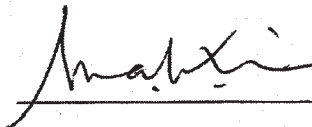
As at March 31,

	2018	2017
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	58,746	9,384
Accounts receivable - grants	1,600	1,600
Prepaid expenses	—	1,400
	<b>60,346</b>	<b>12,384</b>
<b>CAPTIAL ASSETS [Note 3]</b>	<b>377,130</b>	<b>387,534</b>
	<b>437,476</b>	<b>399,918</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	6,326	6,009
Deferred revenue [Note 4]	30,381	—
Harmonized sales tax payable	5,260	7,498
Current portion mortgage payable [Note 6]	23,219	21,630
	<b>65,186</b>	<b>35,137</b>
<b>ADVANCE [Note 5]</b>	<b>3,042</b>	<b>3,042</b>
<b>MORTGAGE PAYABLE [Note 6]</b>	<b>318,053</b>	<b>341,272</b>
	<b>386,281</b>	<b>379,451</b>
<b>Net assets</b>		
Unrestricted fund	51,195	20,467
	<b>51,195</b>	<b>20,467</b>
	<b>437,476</b>	<b>399,918</b>

See accompanying notes

On behalf of the Board of Directors

  
\_\_\_\_\_  
Director  
SYED MAHMOOD

  
\_\_\_\_\_  
Director  
ALAMGIR HAKIM

# Bangladesh Centre and Community Services (BCCS)

## STATEMENT OF OPERATIONS

Year ended March 31,

	Unrestricted Fund \$	Grant Programs Fund \$	Total 2018 \$	Total 2017 \$
<b>REVENUE</b>				
Operating grants				
City of Toronto, Arts & Cultural Services - <i>Mural art projects</i>	—	4,500	4,500	—
City of Toronto, Toronto Public Health - <i>Prevention of type 2 diabetes</i>	—	1,575	1,575	—
Ministry of Canadian Heritage - <i>Proud to be Canadian</i>	—	37,500	37,500	8,000
Ministry of Employment and Social Development Canada - <i>New horizons for seniors</i>	—	25,000	25,000	24,056
Ministry of Citizenship and Immigration, Seniors Community Grant Program	—	8,000	8,000	—
Ministry of Employment and Social Development Canada - <i>Canada summer job</i>	—	12,364	12,364	6,300
Rental income	44,945	—	44,945	44,126
Membership fees and donations	40,243	—	40,243	20,109
Fundraising and other	31,148	—	31,148	10,453
	<b>116,336</b>	<b>88,939</b>	<b>205,274</b>	<b>113,044</b>
<b>EXPENDITURES</b>				
Direct program [Notes 7 & 9]	—	89,433	89,433	38,901
Mortgage interest	14,681	—	14,681	14,861
Property taxes	14,010	—	14,010	14,714
Fundraising and other expenses	13,854	—	13,854	2,729
Utilities	9,088	—	9,088	5,929
Salaries and wages	6,600	—	6,600	—
Professional fees	4,706	—	4,706	3,100
Insurance	3,939	—	3,939	4,063
Repairs and maintenance	3,692	—	3,692	2,797
Office and general	2,749	—	2,749	4,391
Telecommunications	1,028	—	1,028	1,048
Bank charges and interest	362	—	362	336
	<b>74,709</b>	<b>89,433</b>	<b>164,142</b>	<b>92,869</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE UNDERNOTED ITEM</b>	<b>41,626</b>	<b>(494)</b>	<b>41,132</b>	<b>20,175</b>
Amortization	10,404	—	10,404	10,838
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>31,222</b>	<b>(494)</b>	<b>30,728</b>	<b>9,337</b>

See accompanying notes

# Bangladesh Centre and Community Services (BCCS)

## STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31,

	Unrestricted Fund \$	Grant Programs Fund \$	Total 2018 \$	Total 2017 \$
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>20,467</b>	<b>—</b>	<b>20,467</b>	11,130
Excess (deficiency) of revenue over expenditures	31,222	(494)	30,728	9,337
Interfund transfer	(494)	494	—	—
<b>NET ASSETS - END OF YEAR</b>	<b>51,195</b>	<b>—</b>	<b>51,195</b>	20,467

*See accompanying notes*

# Bangladesh Centre and Community Services (BCCS)

## STATEMENT OF CASH FLOWS

Year ended March 31,

	2018	2017
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	30,728	9,337
Items not affecting cash:		
Amortization	10,404	10,838
	<b>41,132</b>	20,175
Change in non-cash working capital items:		
Accounts receivable	—	(14)
Prepaid expenses	1,400	(1,400)
Accounts payable and accrued liabilities	317	5,976
Deferred revenue	30,381	—
Harmonized sales tax payable	(2,238)	2,359
<b>Cash provided by operating activities</b>	<b>70,992</b>	27,096
<b>FINANCING ACTIVITIES</b>		
Advance	—	(6,000)
Mortgage payable	(21,630)	(21,451)
<b>Cash used in financing activities</b>	<b>(21,630)</b>	(27,451)
<b>INCREASE (DECREASE) IN CASH</b>	<b>49,362</b>	(355)
<b>CASH - BEGINNING OF YEAR</b>	<b>9,384</b>	9,739
<b>CASH - END OF YEAR</b>	<b>58,746</b>	9,384

*See accompanying notes*



# Bangladesh Centre and Community Services (BCCS)

## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

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### 1. INCORPORATION AND PURPOSE

Bangladesh Centre and Community Services (BCCS) (the “Organization”) was incorporated without share capital, under the laws of the Province of Ontario on March 10, 2010. The Organization is a registered charity under the Income Tax Act and is not subjected to income tax. The objective of the Organization is to help newcomers and long-time residents integrate into Canadian society through knowledge, skills, and other support by:

- a. Responding to the community’s needs;
- b. Promoting independence and dignity;
- c. Participating in community activities;
- d. Operating efficiently, honestly, and openly; and
- e. Providing a voice to the South Asian community.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as contained in Part III of the Chartered Professional Accountant Canada (“CPAC”) Handbook. To the extent Part III of the CPAC Handbook does not address certain matters applicable to the Organization; it will use accounting standards for private enterprises contained in Part II of the CPAC Handbook. The significant accounting policies are detailed as follows:

#### **Fund accounting**

All programs receive program specific government grants, the uses of which are restricted to specific programs. In order to ensure observance of the restrictions on the use of resources, the Organization has classified these activities for accounting and reporting purposes into funds as follows:

- Unrestricted revenue and expenses relating to non-program activities are reported in the unrestricted fund.
- Contributions restricted to programs, program revenues and program expenses are reported in the grant programs fund.

# Bangladesh Centre and Community Services (BCCS)

## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition

The Organization uses the restricted fund method of accounting for contributions for programs which are reported in the grant programs fund. Restricted contributions are recognized as revenue of the restricted grant programs fund in the year received, or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributions, which consists of subscriptions, donations and fundraising, for which no corresponding programs fund is presented are recognized in the unrestricted fund in accordance with the deferral method. Restricted contributions for expenses of future periods are deferred and recognized as revenue in the same period as the related expenses are incurred. Contributions restricted for the purchase of equipment are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired equipment. Unrestricted contributions, revenue from fundraising activities and other income are recognized as revenue of the unrestricted fund in the year received, or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Rental income is recognized on a straight-line basis over the lease term.

#### Donated equipment

Donations of equipment are recorded at fair value when fair value can reasonably be estimated and when such value is significant.

#### Donated material and services

Volunteers contribute extensive time and effort to assist the Organization in carrying out its activities. The value of donated materials and services are not recorded in these financial statements due to the difficulty in determining their fair value.

#### Capital assets

Capital assets is stated at cost less accumulated amortization. Capital assets, other than the land, is amortized over its estimated useful life using the following rate and method:

Building	4%	declining balance method
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Land is not amortized.

All additions made during the year are amortized at 50% of the above rate.

# Bangladesh Centre and Community Services (BCCS)

## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at carrying amount or exchange amount, as appropriate.

The Organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at cost or amortized cost consist of cash and accounts receivable.

Financial liabilities measured at cost or amortized cost consist of accounts payable and accrued liabilities, advance and mortgage payable.

#### Impairment of financial instruments

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

#### Impairment of capital assets

The Organization reviews capital assets whenever events or changes in circumstances indicate that the 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 at the amount by which the carrying amount of the capital assets exceeds its fair value. There were no significant indications of impairment of the carrying value of the Organization's capital assets as at March 31, 2018.

# Bangladesh Centre and Community Services (BCCS)

## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Such estimates include useful life of capital assets and accruals, and as adjustments become necessary they are reported in earnings in the period in which they become known. Actual results may vary from the current estimates.

#### Cash

The Organization's policy is to present bank balances under cash.

### 3. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
	\$	\$	\$	\$
Land	127,422	—	127,422	127,422
Building	300,000	50,292	249,708	260,112
	427,422	50,292	377,130	387,534

# Bangladesh Centre and Community Services (BCCS)

## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

### 4. DEFERRED REVNUUE

<b>City of Toronto, Toronto Public Health - Prevention of type 2 diabetes</b>		
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>DEFERRED REVENUE - BEGINNING OF YEAR</b>	—	—
Funds received	7,500	—
Less: revenue recognized during the year	(1,575)	—
<b>DEFERRED REVENUE - END OF YEAR</b>	<b>5,925</b>	<b>—</b>

<b>Ministry of Employment and Social Development Canada - Moving Seniors to Digital Era</b>		
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>DEFERRED REVENUE - BEGINNING OF YEAR</b>	—	—
Funds received	24,456	—
Less: revenue recognized during the year	—	—
<b>DEFERRED REVENUE - END OF YEAR</b>	<b>24,456</b>	<b>—</b>

### 5. ADVANCE

The advance is payable to a related party who is a member of the Organization's board of directors. The advance is unsecured, non-interest bearing, and has no set terms of repayment. The director has confirmed in writing not to require payment within the next fiscal year. Accordingly, the advance has been classified as a non-current liability.

# Bangladesh Centre and Community Services (BCCS)

## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

### 6. MORTGAGE PAYABLE

	2018	2017
	\$	\$
Mortgage repayable in monthly instalments of \$3,026 at an interest rate of 4% and maturing in 2030. The loan is secured by the capital assets with a net carrying amount of \$377,130 as at March 31, 2018.	341,272	362,902
Less: current portion	(23,219)	(21,630)
	<b>318,053</b>	<b>341,272</b>
		\$
2019		23,219
2020		24,158
2021		25,134
2022		26,149
2023		27,205
Thereafter		215,407
		<b>341,272</b>

### 7. RELATED PARTY TRANSACTIONS

Transactions between the Organization and its board members and/or entities with common control are considered to be related party transactions. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2018	2017
	\$	\$
Transactions:		
Included in direct program are expenditures from a company owned by a director of the Organization	1,000	1,000
Included in donations are donations from directors of the Organization	825	7,000

# Bangladesh Centre and Community Services (BCCS)

## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

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### 8. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure at the balance sheet date, March 31, 2018:

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligation. The Organization is exposed to credit risk through its cash and accounts receivable balances. The Organization reduces credit risk from its cash balance by maintaining its funds with credit worthy financial institutions. In order to reduce its credit risk from accounts receivable balances, the Organization performs credit assessments on a regular basis and creates an allowance for doubtful accounts when applicable. In the opinion of management, the credit risk exposure to the Organization is not significant.

#### Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with the settlement of its financial liabilities. The Organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities and the mortgage payable. The Organization has a plan in place to meet its obligations as they come due, primarily from cash flow from operations, and advances from members of the Organization's board of directors.

#### 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. The Organization is exposed to interest rate risk primarily through its mortgage payable. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities.

### 9. DIRECT PROGRAM EXPENSES

Direct expenses include salaries and wages amounting to \$13,623 (2017- \$6,825) relating to Canada Summer Jobs Program.

### 10. ECONOMIC DEPENDENCE

The Organization is dependent on government funding to sustain its operations.

# Bangladesh Centre and Community Services (BCCS)

## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

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### 11. COMPARITIVE FIGURES

Certain figures for 2017 have been reclassified to conform to the presentation adopted in 2018.