

Financial Statements of

**PARKGATE COMMUNITY  
SERVICES SOCIETY**

And Independent Practitioners' Review Engagement  
Report thereon

Period ended March 31, 2023



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## **INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT**

To the Members of Parkgate Community Services Society

We have reviewed the accompanying financial statements of Parkgate Community Services Society, which comprise the statement of financial position as at March 31, 2023, the statements of operations, statement of changes in net assets and statement of cash flows for the period January 1, 2023 to March 31, 2023, and notes, comprising 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.

### *Practitioners' Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.



*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Parkgate Community Services Society as at March 31, 2023, and its results of operations and its cash flows for the period January 1, 2023 to March 31, 2023 ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

Chartered Professional Accountants

Langley, Canada

September 26, 2023

# PARKGATE COMMUNITY SERVICES SOCIETY

## Statement of Financial Position

	March 31, 2023	December 31, 2022
<b>Assets</b>		
Current assets:		
Cash	\$ 240,401	\$ 389,493
Term deposits (note 2)	727,071	323,514
Externally restricted cash (note 3)	409,535	93,988
Accounts receivable (note 4)	42,177	43,176
Prepaid expenses	28,665	16,176
	<u>1,447,849</u>	<u>866,347</u>
Term deposits (note 2)	530,094	833,138
Capital assets (note 5)	154,511	170,177
	<u>\$ 2,132,454</u>	<u>\$ 1,869,662</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 464,188	\$ 374,077
Deferred operating contributions (note 7)	409,535	93,988
	<u>873,723</u>	<u>468,065</u>
Net assets:		
Invested in capital assets (note 8(a))	154,511	170,177
Internally restricted (note 9)	861,000	861,000
Unrestricted	243,220	370,420
	<u>1,258,731</u>	<u>1,401,597</u>
	<u>\$ 2,132,454</u>	<u>\$ 1,869,662</u>

See accompanying notes to financial statements.

Approved by the Directors:

  
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\_\_\_\_\_

Director

Director

# PARKGATE COMMUNITY SERVICES SOCIETY

## Statement of Operations

	Period from January 1 to March 31, 2023	Year ended December 31, 2022
Revenue:		
Grants and donations (note 10)	\$ 357,628	\$ 1,872,782
Other income:		
Child care services	56,898	329,153
Community programs and services	69,360	158,053
Facility rental and sundry	216	4,210
Fundraising and special events	8,208	20,677
Interest income	7,014	27,153
	<u>499,324</u>	<u>2,412,028</u>
Expenses:		
Accounting	3,600	17,920
Amortization of capital assets	15,666	48,429
Bursaries	-	1,821
Computer accessories	5,809	17,698
Contract service fees	3,250	-
Insurance	3,060	11,644
Office and sundry	1,772	11,778
Program expenses and supplies	28,987	96,707
Promotion and publicity	836	5,594
Transportation	5,028	21,010
Recruitment and training	6,490	15,451
Repairs and maintenance and security	5,317	13,779
Telephone	3,693	14,309
Wages and benefits	558,682	2,038,848
	<u>642,190</u>	<u>2,314,988</u>
Excess (deficiency) of revenue over expenses	\$ (142,866)	\$ 97,040

See accompanying notes to financial statements.

# PARKGATE COMMUNITY SERVICES SOCIETY

## Statement of Changes in Net Assets

Period ended March 31, 2023, with comparative information for December 31, 2022

	Investment in capital assets (note 8)	Internally restricted (note 9)	Unrestricted	March 31, 2023 Total	December 31, 2022 Total
Balance, beginning of period	\$ 170,177	\$ 861,000	\$ 370,420	\$ 1,401,597	\$ 1,304,557
Excess (deficiency) of revenue over expenses	(15,666)	-	(127,200)	(142,866)	97,040
Interfund transfer (note 9)	-	-	-	-	-
Net change in investment in capital assets (note 8(b))	-	-	-	-	-
<b>Balance, end of period</b>	<b>\$ 154,511</b>	<b>\$ 861,000</b>	<b>\$ 243,220</b>	<b>\$ 1,258,731</b>	<b>\$ 1,401,597</b>

See accompanying notes to financial statements.

# PARKGATE COMMUNITY SERVICES SOCIETY

## Statement of Cash Flows

	Period from January 1 to March 31, 2023	Year ended December 31, 2022
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (142,866)	\$ 97,040
Items not involving cash:		
Amortization of capital assets	15,666	48,429
Changes in non-cash operating working capital:		
Accounts receivable	1,000	(907)
Prepaid expenses	(12,489)	(6,223)
Accounts payable and accruals	90,110	47,621
Deferred operating contributions	315,547	(28,744)
	<u>266,968</u>	<u>157,216</u>
Investment:		
Purchase of capital assets	-	(141,407)
Decrease (increase) in term deposits	(100,513)	76,924
	<u>(100,513)</u>	<u>(64,483)</u>
Increase in cash position	166,455	92,733
Cash position, beginning of period	483,481	390,748
Cash position, end of period	<u>\$ 649,936</u>	<u>\$ 483,481</u>
Cash position represented by:		
Cash	\$ 240,401	\$ 389,493
Externally restricted cash	409,535	93,988
	<u>\$ 649,936</u>	<u>\$ 483,481</u>

See accompanying notes to financial statements.

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements

Period ended March 31, 2023

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## General:

Parkgate Community Services Society (the "Society") is organized with the objective of providing community based services, recreation, education, community development and health promotion activities through Parkgate Community Centre, the Seymour Youth Centre, and other satellite locations. The Society is a not-for-profit society incorporated under the Societies Act (British Columbia). The Society is a registered charitable organization under the Income Tax Act. Accordingly the Society is exempt from income taxes. During the current period, the Society changed its fiscal year end from December 31st to March 31st. The current period reflects the three month period from January 1, 2023 to March 31, 2023 whereas the comparative information is for the twelve month period from January 1, 2022 to December 31, 2022.

The Society has established a permanent endowment fund with the VanCity Community Foundation. Under the title of Parkgate Society Legacy Fund ("Legacy Fund"), the fund is held and administered by the VanCity Community Foundation, a separate legal entity from Parkgate Society. Accordingly, the Society's financial statements exclude the financial position and operating results of the Legacy Fund. See note 12.

## 1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

### (a) Term deposits:

Term deposits consist of deposits with terms of maturing of one to three years at the dates of acquisition. Interest income on the savings accounts and term deposit is recorded when earned.

### (b) Accounts receivable:

Accounts receivable are measured at fair value on origination.

At year end, the Society assesses whether there are any indications that the carrying value of the receivables may be impaired. For purposes of impairment testing, each individually significant account is assessed individually; the balance of the accounts are grouped on the basis of similar credit risk characteristics. When there is an indication of impairment, the Society determines whether there has been a significant adverse change in the expected timing or amount of future cash flows. When the Society identifies a significant adverse change, it reduces the carrying amount of the receivable to the higher of the amount that could be realized by selling the receivable at the balance sheet date and the present value of the cash flows expected to be generated by holding the receivable.

When the extent of impairment of a previously written down receivable decreases and the decrease can be related to an event occurring after the impairment was recognized, the impairment loss is reversed to the extent of the improvement.



# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Period ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life or improve the service potential of an asset are capitalized.

Amortization of capital assets is recorded over their estimated useful lives on the straight-line basis, as follows:

Vehicles	5 years
Furniture and equipment	2 to 5 years

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that either the full or partial amount of the asset no longer has long-term service potential to the Society. If such conditions exist, an impairment loss is measured at the amount by which either the full or partial carrying amount of the asset exceeds its residual value.

### (d) Deferred operating contributions:

Deferred operating contributions represents operating funds received for which the Society has not yet incurred the related expenditures. The Society records an identical amount of its cash as externally restricted funds - cash.

### (e) Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized amount and unspent amount of grants and donations received for the purchase of capital assets. The amortization of capital contributions will be recorded as revenue in the statement of operations at a rate corresponding with the amortization rate for the related capital assets.

### (f) Revenue recognition:

The Society follows the deferral method of accounting for grants and donations. This method recognizes unrestricted grants and donations as revenue in the year received or receivable, if the amount receivable can be reasonably estimated and collection is reasonably assured. Externally restricted donations and grants are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a declining balance basis, at a rate corresponding with the amortization rate for the related capital assets.

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Period ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (f) Revenue recognition (continued):

The Society records all other income such as child care services, community programs, facility rental, and fundraising revenues, as they are earned.

Volunteers contribute a significant amount of time each year to assist the Society in carrying out its programs and services. During the period Jan. - Mar. 2023, 106 (Jan. - Dec. 2022 - 114) volunteers contributed 1,612 (Jan. - Dec. 2022 - 8,756) hours. Because of the difficulty in determining their fair market value, contributed services of volunteers are not recognized in these financial statements.

### (g) Measurement uncertainty:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

### (h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Period ended March 31, 2023

## 2. Term deposits:

	March 31, 2023	December 31, 2022
Unrestricted term deposits	\$ 396,165	\$ 295,652
Internally restricted term deposits	861,000	861,000
Total term deposits	1,257,165	1,156,652
Less current portion	(727,071)	(323,514)
	\$ 530,094	\$ 833,138

The term deposits are at maturity dates ranging from September 2023 to July 2024 (2022 - January 2023 to June 2024) from the date of acquisition and bear interest from 1.65% to 3.95% (2022 - 1.40% to 4.25%).

## 3. Externally restricted cash:

Externally restricted cash relating to deferred operating contributions (note 7) which is earmarked to be spent on the subsequent year's programs as follows:

	March 31, 2023	December 31, 2022
Federal grants:		
Public Health Agency of Canada		
UW - Social prescribing	\$ -	\$ 17,500
Federal - others	-	4,258
Donations, grants and support:		
Province of BC - Provincial Gaming Grant	93,500	-
Province of BC - Health & Safety Grant	-	6,040
North Shore Community Foundation for My Parkgate BREAK	6,000	8,000
District of North Vancouver - Childcare Middle Years Grant	1,980	3,960
District of North Vancouver - Core Funding Grant	257,657	3,250
Vancouver Coastal Health	2,250	-
Variety Children's Charity	48,148	50,980
	\$ 409,535	\$ 93,988

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Period ended March 31, 2023

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#### 4. Accounts receivable:

	March 31, 2023	December 31, 2022
Amount receivable	\$ 42,177	\$ 43,176

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#### 5. Capital assets:

			March 31, 2023	December 31, 2022
	Cost	Accumulated amortization	Net book value	Net book value
Vehicles	\$ 213,242	\$ 91,957	\$ 121,285	\$ 131,947
Furniture and equipment	269,500	236,274	33,226	38,230
	\$ 482,742	\$ 328,231	\$ 154,511	\$ 170,177

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#### 6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$19,547 (2022- \$30,383), consisting amounts for payroll related taxes.

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Period ended March 31, 2023

## 7. Deferred operating contributions

	Period ended March 31, 2023	Year ended December 31, 2022
Balance, beginning of period	\$ 93,988	\$ 122,732
Less: contributions utilized during period	(93,988)	(122,732)
	-	-
Add:		
Federal grants:		
Public Health Agency of Canada		
UW - Social prescribing	-	17,500
Federal - others	-	4,258
Donations, grants and support:		
Province of BC - Provincial Gaming Grant 2023	93,500	-
Province of BC - Health & Safety Grant	-	6,040
North Shore Community Foundation - My Parkgate BREAK	6,000	8,000
District of North Vancouver- Childcare Middle Years Grant	1,980	3,960
District of North Vancouver - Core Funding Grant	257,657	-
Vancouver Coastal Health	2,250	-
Variety Children's Charity	48,148	50,980
Corporate sponsorship	-	3,250
Balance, end of period	\$ 409,535	\$ 93,988

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Period ended March 31, 2023

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## 8. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	March 31, 2023	December 31, 2022
Capital assets	\$ 154,511	\$ 170,177

(b) Change in net assets invested in capital assets is calculated as follows:

	March 31, 2023	December 31, 2022
Deficiency of expenses over revenues:		
Amortization expense of capital assets	\$ (15,666)	\$ (48,429)

	March 31, 2023	December 31, 2022
Net change in investment in capital assets:		
Purchase of capital assets	\$ -	\$ 141,407

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Period ended March 31, 2023

## 9. Internally restricted net assets:

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	Period ended March 31, 2023	Year ended December 31, 2022
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A reconciliation of the internally restricted net assets is as follows:

Internally restricted funds, beginning of period	\$ 861,000	\$ 881,000
Operational expenses funded by organizational development reserve	-	(140,637)
Transfer from unrestricted to restricted	-	120,637
<b>Internally restricted funds, end of period</b>	<b>\$ 861,000</b>	<b>\$ 861,000</b>

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Allocated for 2023-2025 as follows:

Program services reserve (a)	\$ 15,000	\$ 15,000
Equipment replacement reserve (b)	135,000	135,000
Technology reserve (c)	24,000	24,000
Future operating expenditure reserve (d)	487,000	487,000
New Programming Start-up reserve (e)	200,000	200,000
	<b>\$ 861,000</b>	<b>\$ 861,000</b>

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Expenditures during the current year are based on prior board approval. The board approves a three year spending plan on an annual basis. The 2023-2025 three-year reserve plan was approved by the board of directors at their March 28, 2023 board meeting.

(a) Program services reserve:

The reserve was established to promote the purchase and replacement of project items within the departmental programs but not limited to capital, with the purchase and replacement not being part of the operating budget.

(b) Equipment replacement reserve:

This replacement reserve was set up for future capital replacement and expenses beyond the normal wear and tear on the automotive fleet.

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Period ended March 31, 2023

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## 9. Internally restricted net assets (continued):

(c) Technology reserve:

Specific reserve to support any future technological upgrades, replacements and additions for the Society.

(d) Future operating expenditures reserve:

The financial goals for this reserve are as follows:

1. To establish a reserve to represent three to six months of the Society's annual salary costs in the event that the Society dissolves;
2. To establish a reserve for potential claims in the unlikely event that the Society is found liable and is required to pay an insurance deductible; and
3. To establish a reserve for management succession and strategic reorganization beyond the normal operating budget.

(e) New Programming Start-up reserve:

This reserve was established to fund the Society's expansion of Child Care spaces to the new Lynn-Creek premises that is anticipated to be opening in the 2024 year.



# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Period ended March 31, 2023

## 10. Grants and donations:

Grants and donations are comprised of the following:

	Period ended March 31, 2023	Year ended December 31, 2022
Federal grants:		
Public Health Agency of Canada - Community Action Program for Children (CAPC)	\$ 6,178	\$ 76,205
Employment and Social Development Canada - New Horizons for Seniors Program	4,257	17,273
ESDC - Canada Summer Jobs Program	-	37,094
	<u>10,435</u>	<u>130,572</u>
Provincial grants:		
The Province of B.C.:		
Supported Child Development Program	9,448	43,431
Early Childhood Development Initiative	3,063	12,857
Child Care Operating Funding Program	267,698	785,457
Child Care Fee Reduction Initiative	-	14,238
Wage Enhancement ECE	17,970	76,672
Ministry of Finance - Gaming Policy and Enforcement Branch:		
Community Gaming Grant	-	93,500
Provincial Other	6,040	26,928
Vancouver Coastal Health Authority - My Parkgate BREAK	1,250	3,000
	<u>305,469</u>	<u>1,056,083</u>
Municipal grants:		
District of North Vancouver	1,980	504,002
Donations:		
Corporate	3,250	22,285
Private individuals	2,216	10,115
Service clubs, Associations and Foundations	34,278	149,725
	<u>39,744</u>	<u>182,125</u>
	<u>\$ 357,628</u>	<u>\$ 1,872,782</u>

The Society has access to an unsecured demand line of credit to a maximum of \$10,000 with the Blue Shore Financial. The facility is unused at March 31, 2023 (2022 - nil).

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Period ended March 31, 2023

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## 11. Disclosure of remuneration:

For the period ended March 31, 2023, the Society paid total remuneration of \$43,662 (2022 - \$173,299) to two (2022 - two) employees who received total annual remuneration of \$75,000 or greater.

The Society did not pay any remuneration to its members of the Board of Directors.

## 12. Related party transactions:

The Parkgate Community Legacy Fund ("Legacy Fund"), an entity under common control, was established on June 18, 2008, with initial contributions made from the Society and a designated community donation. The Legacy Fund is held by the VanCity Community Foundation, which is a tax exempt registered charitable organization. The Society periodically contributes to the Legacy Fund, with such contributions recorded as permanent gifts to the Legacy Fund, and accordingly they are charged to unrestricted fund as bursary expense of \$nil (2022 - \$321).

One of the purposes of the Legacy Fund is to award annual scholarships to Society volunteers. Nil (2022 - one) award is presented annually: nil (2022 - one) Bishop's University Foundation Award in the amount of \$nil (2022 - \$1,500) and Student Volunteer Award in the amount of \$nil (2022 - nil).

The market value of the Legacy Fund as of March 31, 2023 was \$46,978 (2022 - \$45,089).

## 13. Financial risks and concentration of risk:

### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to the cash, term deposits and accounts receivable. Cash and term deposits are held with reputable financial institutions from which management believes the risk of loss to be remote. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The Society's maximum exposure to creditors is limited to the carrying amounts of these balance in the financial statements.

### (b) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society mitigates its liquidity risk by monitoring its operating requirements. The Society prepares budget forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change in risk exposures from the previous period.

# PARKGATE COMMUNITY SERVICES SOCIETY

Parkgate Community Services Society, Child Care Facility  
Schedule of Revenue and Expenses

Period ended March 31, 2023, with comparative information for December 31, 2022

	Period ended March 31, 2023	Year ended December 31, 2022
<b>Revenue:</b>		
Grants and donations	\$ 252,781	\$ 865,927
Community programs and services	-	1,897
Child care services	41,383	262,578
	<u>294,164</u>	<u>1,130,402</u>
<b>Expenses:</b>		
Wages and benefits	222,605	951,075
Administration	35,274	146,077
Transportation	3,174	19,769
Program expenses and support	4,361	11,126
Repairs, maintenance & security	2,625	10,803
Professional fees	-	7,490
Recruitment and training	793	6,746
Telephone	1,029	4,535
Computer accessories	570	1,756
Office and sundry	-	578
Amortization of capital assets	986	1,972
	<u>271,417</u>	<u>1,161,927</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 22,747</b>	<b>\$ (31,525)</b>

# PARKGATE COMMUNITY SERVICES SOCIETY

Parkgate Community Services Society, Child Care Facility (Seymour)  
Schedule of Revenue and Expenses

Period ended March 31, 2023, with comparative information for December 31, 2022

	Period ended March 31, 2023	Year ended December 31, 2022
Revenue:		
Grants and donations	\$ 50,355	\$ 138,011
Childcare care services	11,290	48,095
	<u>61,645</u>	<u>186,106</u>
Expenses:		
Wages and benefits	46,933	134,910
Administration	7,712	23,741
Transportation	1,769	6,603
Telephone	729	2,440
Program expenses and support	1,355	1,564
Repairs, maintenance & security	455	1,515
Recruitment and training	-	1,220
Computer accessories	127	423
Office and sundry	45	-
	<u>59,125</u>	<u>172,416</u>
Excess of revenue over expenses	\$ 2,520	\$ 13,690