Financial Statements of

PARKGATE COMMUNITY SERVICES SOCIETY

And Independent Practitioner's Review Engagement Report thereon

Year ended March 31, 2025

INDEPENDENT PRACTITIONER'S 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, 2025, the statements of operations, statement of changes in net assets and statement of cash flows for the year then ended, 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.

Practitioner's 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

We draw attention to Note 15 to the financial statements which indicates that the comparative information presented as at and for the year ended March 31, 2024, has been amended. We also draw attention to Note 15 to the financial statements which indicates that the comparative information presented as at April 1, 2023 has been derived from the financial statements as at and for the year ended March 31, 2023 (not presented herein). Our conclusion is not modified in respect of these matters.

KPMG LLP

Chartered Professional Accountants

Langley, Canada

August 26, 2025

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024 (amended - note 15)
Assets		
Current assets:		
Cash	$ 75,079	$ 49,963
Term deposits (note 2)	976,557	1,496,471
Externally restricted cash (note 3)	354,608	309,973
Accounts receivable (note 4)	62,617	86,303
Prepaid expenses	76,674	42,966
	1,545,535	1,985,676
Term deposits (note 2)	439,163	-
Capital assets (note 5)	127,399	96,806
	$ 2,112,097	$ 2,082,482
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	$ 412,713	$ 324,895
Deferred operating contributions (note 7)	448,592	403,473
	861,305	728,368
Net assets:		
Invested in capital assets (note 8(a))	127,399	96,806
Internally restricted (note 9)	768,400	868,400
Unrestricted	354,993	388,908
	1,250,792	1,354,114
	$ 2,112,097	$ 2,082,482

See accompanying notes to financial statements.

Approved by the Directors:

Director

Director

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024 (amended - note 15)
Revenue:		
Grants and donations (note 10)	$ 2,251,281	$ 2,092,253
Other income:		
Child care services	195,226	187,621
Community programs and services	370,763	336,309
Facility rental and sundry	7,923	5,377
Fundraising and special events	38,185	33,908
Interest income	58,288	44,198
	2,921,666	2,699,666
Expenses:		
Accounting	47,167	28,108
Amortization of capital assets	36,210	58,504
Bursaries	-	1,500
Computer accessories	18,633	19,065
Contract service fees	2,128	-
Insurance	16,164	10,390
Office and sundry	33,919	11,955
Program expenses and supplies	155,914	136,878
Promotion and publicity	9,292	6,599
Transportation	37,853	31,177
Recruitment and training	15,650	10,702
Repairs and maintenance and security	24,268	26,582
Telephone	14,503	14,726
Wages and benefits	2,613,287	2,398,616
	3,024,988	2,754,802
Deficiency of revenue over expenses	$ (103,322)	$ (55,136)

See accompanying notes to financial statements.

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

	Investment in capital assets	Internally restricted	Unrestricted	2025 Total	2024 Total
	(note 8)	(note 9)			(amended - note 15)
Balance, beginning of year:					
As previously stated	$ 96,806	$ 868,400	$ 228,549	$ 1,193,755	$ 1,258,731
Changed in accounting policy (note 15)	-	-	160,359	160,359	150,519
As amended	$ 96,806	$ 868,400	$ 388,908	1,354,114	1,409,250
Deficiency of revenue over expenses	(36,210)	-	(67,112)	(103,322)	(55,136)
Interfund transfer (note 9)	-	(100,000)	100,000	-	-
Net change in investment in capital assets (note 8(b))	66,803	-	(66,803)	-	-
Balance, end of year	$ 127,399	$ 768,400	$ 354,993	$ 1,250,792	$ 1,354,114

See accompanying notes to financial statements.

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024 (amended - note 15)
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	$ (103,322)	$ (55,136)
Items not involving cash:		
Amortization of capital assets	36,210	58,504
Changes in non-cash operating working capital:		
Accounts receivable	23,686	(44,126)
Prepaid expenses	(33,708)	(14,301)
Accounts payable and accruals	87,819	11,225
Deferred operating contributions	45,118	(6,062)
	55,803	(49,896)
Investment:		
Purchase of capital assets	(66,803)	(799)
Decrease (increase) in term deposits	80,751	(239,305)
	13,948	(240,104)
Increase (decrease) in cash position	69,751	(290,000)
Cash position, beginning of year	359,936	649,936
Cash position, end of year	$ 429,687	$ 359,936
Cash position represented by:		
Cash	$ 75,079	$ 49,963
Externally restricted cash	354,608	309,973
	$ 429,687	$ 359,936

See accompanying notes to financial statements.

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.

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.

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.

1. Significant accounting policies (continued):

(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.

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 year, 198 (2024 - 157) volunteers contributed 13,525 (2024 - 9,559) hours. Because of the difficulty in determining their fair market value, contributed services of volunteers are not recognized in these financial statements.

(g) Sick time:

The Society offers permanent employees working 21 or more hours per week the opportunity to create a small safety net of time to be used in the event they are unable to work due to illness or injury. Employees can carry forward up to five unused paid sick days per year into a Safety Net Fund, which is capped at a maximum of 595 hours. The hours in this Safety Net Fund are tracked separately from regular sick time and can only be accessed by special request. The Society accrues the liability for sick time for the accumulated hours. The accrued hours which accumulate but do not vest are not considered a monetary entitlement and are not payable upon termination.

(h) 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. Significant estimates include accruals for sick time. Actual results could differ from those estimates.

1. Significant accounting policies (continued):

(i) 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.

2. Term deposits:

	2025	2024
Unrestricted term deposits	$ 553,820	$ 534,571
Externally restricted - Provincial Gaming Grant	93,500	93,500
Internally restricted term deposits	768,400	868,400
Total term deposits	1,415,720	1,496,471
Less current portion	(976,557)	(1,496,471)
Long-term term deposits	$ 439,163	$ -

The term deposits are at maturity dates ranging from July 2025 to June 2026 (2024 - June 2024 to March 2025) from the date of acquisition and bear interest from 2.35% to 4.65% (2024 - 2.90% to 5.00%).

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:

	2025	2024
Donations, grants and support:		
City of North Vancouver - Community Grant	$ 3,500	$ -
District of North Vancouver - Childcare Middle Years Grant	1,740	1,020
District of North Vancouver - Core Funding Grant	272,440	265,384
District of North Vancouver - Youth in Crisis Grant	7,000	-
ESDC New Horizons for Seniors for My Parkgate BREAK	25,000	-
North Shore Community Foundation for My Parkgate BREAK	3,188	3,750
PARC Community Management Ltd.	10,000	-
United Way Foundation	6,000	-
Vancouver Coastal Health	250	3,000
Variety Children's Charity	25,490	36,819
	$ 354,608	$ 309,973

4. Accounts receivable:

	2025	2024
Amount receivable	$ 62,617	$ 86,303

5. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Vehicles	$ 213,242	$ 162,262	$ 50,980	$ 78,636
Furniture and equipment	194,024	117,605	76,419	18,170
	$ 407,266	$ 279,867	$ 127,399	$ 96,806

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $6,917 (2024 - $22,564), consisting amounts for payroll related taxes.

7. Deferred operating contributions

	2025	2024
Balance, beginning of period	$ 403,473	$ 409,535
Less: contributions utilized during period	(403,473)	(409,535)
	-	-
Add:		
Donations, grants and support:		
City of North Vancouver - Community Grant	3,500	-
District of North Vancouver- Childcare Middle Years Grant	1,740	1,020
District of North Vancouver - Core Funding Grant	272,440	265,384
District of North Vancouver - Youth in Crisis Grant	7,000	-
New Horizons Senior	25,000	-
North Shore Community Foundation - My Parkgate BREAK	3,188	3,750
PARC Community Management	10,000	-
Province of BC - Provincial Gaming Grant	93,984	93,500
United Way Foundation	6,000	-
Vancouver Coastal Health	250	3,000
Variety Children's Charity	25,490	36,819
Balance, end of period	$ 448,592	$ 403,473

8. Investment in capital assets:

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

	2025	2024
Capital assets	$ 127,399	$ 96,806

8. Investment in capital assets (continued):

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

	2025	2024
Deficiency of expenses over revenues:		
Amortization expense of capital assets	$ (36,210)	$ (58,504)

	2025	2024
Net change in investment in capital assets:		
Purchase of capital assets	$ 66,803	$ 799

9. Internally restricted net assets:

	2025	2024
A reconciliation of the internally restricted net assets is as follows:		
Internally restricted funds, beginning of period	$ 868,400	$ 861,000
Transfer from restricted to unrestricted	(100,000)	-
Transfer from unrestricted to restricted	-	7,400
Internally restricted funds, end of period	$ 768,400	$ 868,400

Allocated for 2025-2027 as follows:		
Equipment replacement reserve (a)	137,400	137,400
Technology reserve (b)	44,000	44,000
Future operating expenditures reserve (c)	487,000	487,000
New Programming Start-up reserve (d)	100,000	200,000
	$ 768,400	$ 868,400

Expenditures during the current year are based on prior board approval. The board approves a three year spending plan on an annual basis. The 2025-2027 three-year reserve plan was approved by the board of directors at their November 26, 2024 board meeting.

9. Internally restricted net assets (continued):

(a) 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.

(b) Technology reserve:

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

(c) 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.

(d) 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 opened on April 1, 2025.

10. Grants and donations:

Grants and donations are comprised of the following:

	2025	2024
Federal grants:		
Public Health Agency of Canada - Community Action Program for Children (CAPC)	$ 61,786	$ 61,786
Employment and Social Development Canada - New Horizons for Seniors Program	25,000	25,000
HRSDC - Canada Summer Jobs Program	27,715	26,670
	114,501	113,456
Provincial grants:		
The Province of B.C.:		
Supported Child Development Program	74,163	48,854
Early Childhood Development Initiative	14,639	15,055
Child Care Operating Funding Program	1,051,043	1,026,109
Wage Enhancement ECE	136,673	87,494
Ministry of Finance - Gaming Policy and Enforcement Branch:		
Community Gaming Grant	93,500	93,500
Vancouver Coastal Health Authority - My Parkgate BREAK	3,000	2,250
	1,373,018	1,273,262
Municipal grants:		
District of North Vancouver	536,999	525,774
Donations:		
Corporate	21,593	21,072
Private individuals	7,431	12,422
Service clubs, Associations and Foundations	197,739	146,267
	226,763	179,761
	$ 2,251,281	$ 2,092,253

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, 2025 (2024 - $nil).

11. Disclosure of remuneration:

For the fiscal year ended March 31, 2025, the Society paid total remuneration of $164,738 (2024 - $163,206) to two (2024 - 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 (2024 - nil).

One of the purposes of the Legacy Fund is to award annual scholarships to Society volunteers. Two (2024 - one) awards are presented annually: one Simon Fraser University Award in the amount of $1,000 (2024 - nil); one University of Calgary Award in the amount of $500 (2024 - nil); and one University of Alberta Award in the amount of nil (2024 - $1,500).

The market value of the Legacy Fund as of March 31, 2025 was $50,734 (2024 - $49,475).

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.

14. Subsequent events:

On April 1, 2025, the new Lynn-Creek Childcare Centre opened. The Society has entered into a lease agreement for the facility, with an annual basic rent of $25,575, in the event the Society receives any governmental subsidy.

15. Restatement of comparative figures:

During the year, the Society changed its internal policy regarding sick time benefits. In response to this change in the policy, the Society implemented a corresponding change in accounting policy to ensure alignment with the revised entitlement structure.

As a result, the prior year figures have been amended to reflect the revised policy. The change resulted in the following changes to the 2024 comparative information:

	As previously stated	Amendments	As amended
Balance sheet:			
Accounts payable and accrued liabilities	$ 485,254	$ (160,359)	$ 324,895
Total current liabilities	888,727	(160,359)	728,368
Unrestricted net assets	228,549	160,359	388,908
Total net assets	1,193,755	160,359	1,354,114
Statement of operations:			
Wages and benefits	2,408,456	(9,840)	2,398,616
Total expenses	2,764,642	(9,840)	2,754,802
Deficiency of revenue over expenses	(64,976)	9,840	(55,136)
Statement of changes in net assets:			
Balance, beginning of year, Unrestricted	228,549	160,359	388,908
Balance, beginning of year, 2025 Total	1,193,755	160,359	1,354,114
Balance, beginning of year, 2024 Total	1,258,731	150,519	1,409,250
Deficiency of revenue over expenses	(64,796)	9,840	(55,136)
Statement of cash flows:			
Deficiency of revenue over expenses	(64,976)	9,840	(55,136)
Accounts payable and accruals	21,065	(9,840)	11,225

PARKGATE COMMUNITY SERVICES SOCIETY

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

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Grants and donations	$ 1,159,579	$ 1,020,569
Community programs and services	64,016	63,228
Child care services	147,251	139,876
	1,370,846	1,223,673
Expenses:		
Wages and benefits	1,171,537	1,050,992
Administration	189,246	174,257
Transportation	24,190	24,335
Program expenses and support	41,224	35,683
Repairs, maintenance & security	11,569	10,727
Professional fees	3,900	3,500
Recruitment and training	4,180	3,002
Telephone	3,991	3,173
Computer accessories	1,683	1,101
Office and sundry	2,443	729
Amortization of capital assets	1,900	1,972
	1,455,863	1,309,471
Deficiency of revenue over expenses	$ (85,017)	$ (85,798)

PARKGATE COMMUNITY SERVICES SOCIETY

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

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Grants and donations	$ 217,780	$ 250,432
Community programs and services	-	510
Childcare care services	47,975	47,744
	265,755	298,686
Expenses:		
Wages and benefits	217,213	230,624
Administration	38,004	34,092
Transportation	8,868	9,165
Telephone	2,945	2,564
Program expenses and support	12,814	6,783
Repairs, maintenance & security	4,213	4,104
Recruitment and training	1,427	887
Computer accessories	909	733
Office and sundry	2,466	446
Professional fees	3,900	3,500
Amortization of capital assets	2,367	1,972
	295,126	294,870
(Deficiency) excess of revenue over expenses	$ (29,371)	$ 3,816