Financial Statements of

PARKGATE COMMUNITY SERVICES SOCIETY

And Independent Practitioner's Review Engagement Report thereon

Year ended March 31, 2026

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, 2026, 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, including Schedules 1 and 2.

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, 2026, 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.

KPMG LLP

Chartered Professional Accountants

Langley, Canada

August 25, 2026

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	$ 352,702	$ 75,079
Term deposits (note 2)	1,336,552	976,557
Externally restricted cash (note 3)	286,464	354,608
Accounts receivable (note 4)	151,009	62,617
Prepaid expenses	34,110	76,674
	2,160,837	1,545,535
Term deposits (note 2)	103,142	439,163
Capital assets (note 5)	139,410	127,399
	$ 2,403,389	$ 2,112,097
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	$ 537,558	$ 412,713
Deferred operating contributions (note 7(a))	380,201	448,592
	917,759	861,305
Deferred capital contributions (note 7(b))	72,831	-
	990,590	861,305
Net assets:		
Invested in capital assets (note 8(a))	139,410	127,399
Internally restricted (note 9)	1,183,650	768,400
Unrestricted	89,739	354,993
	1,412,799	1,250,792
	$ 2,403,389	$ 2,112,097

See accompanying notes to financial statements.

Approved by the Directors:

Director

Julia Figas

Director

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Grants and donations (note 10 and 7(b))	$ 2,521,914	$ 2,251,281
Other income:		
Child care services	803,528	195,226
Community programs and services	394,766	370,763
Facility rental and sundry	8,683	7,923
Fundraising and special events	54,968	38,185
Interest income	55,421	58,288
	3,839,280	2,921,666
Expenses:		
Accounting	55,032	47,167
Amortization of capital assets	48,645	36,210
Computer accessories	30,406	18,633
Contract service fees	45,098	2,128
Insurance	16,955	16,164
Office and sundry	17,706	33,919
Program expenses and supplies	201,990	155,914
Promotion and publicity	17,708	9,292
Recruitment and training	11,955	15,650
Repairs and maintenance and security	65,913	24,268
Telephone	15,403	14,503
Transportation	29,081	37,853
Wages and benefits	3,121,381	2,613,287
	3,677,273	3,024,988
Excess (deficiency) of revenue over expenses	$ 162,007	$ (103,322)

See accompanying notes to financial statements.

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Changes in Net Assets

Year ended March 31, 2026, with comparative information for 2025

	Investment in capital assets	Internally restricted	Unrestricted	2026 Total	2025 Total
	(note 8)	(note 9)		-	
Balance, beginning of year	$ 127,399	$ 768,400	$ 354,993	$ 1,250,792	$ 1,354,114
Excess (deficiency) of revenue over expenses	(48,645)	-	210,652	162,007	(103,322)
Interfund transfer (note 9)	-	415,250	(415,250)	-	-
Net change in investment in capital assets (note 8(b))	60,656	-	(60,656)	-	-
Balance, end of year	$ 139,410	$ 1,183,650	$ 89,739	$ 1,412,799	$ 1,250,792

See accompanying notes to financial statements.

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	$ 162,007	$ (103,322)
Items not involving cash:		
Amortization of capital assets	48,645	36,210
Amortization of deferred capital contributions	(25,997)	-
Changes in non-cash operating working capital:		
Accounts receivable	(88,392)	23,686
Prepaid expenses	42,564	(33,708)
Accounts payable and accruals	122,845	87,819
Deferred operating contributions	(66,391)	45,118
	195,281	55,803
Financing:		
Receipt of deferred capital contributions	98,828	-
Investment:		
Purchase of capital assets	(60,656)	(66,803)
Decrease (increase) in term deposits	(23,974)	80,751
	(84,630)	13,948
Increase in cash position	209,479	69,751
Cash position, beginning of year	429,687	359,936
Cash position, end of year	$ 639,166	$ 429,687
Cash position represented by:		
Cash	$ 352,702	$ 75,079
Externally restricted cash	286,464	354,608
	$ 639,166	$ 429,687

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, 266 (2025 - 198) volunteers contributed 16,638 (2025 - 13,525) 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:

	2026	2025
Unrestricted term deposits	$ 162,308	$ 553,820
Externally restricted - Provincial Gaming Grant	93,736	93,500
Internally restricted term deposits	1,183,650	768,400
Total term deposits	1,439,694	1,415,720
Less current portion	(1,336,552)	(976,557)
Long-term term deposits	$ 103,142	$ 439,163

The term deposits are at maturity dates ranging from June 2026 to January 2029 (2025 - July 2025 to June 2026) from the date of acquisition and bear interest from 2.10% to 5.00% (2025 - 2.35% to 4.65%).

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:

	2026	2025
Donations, grants and support:		
City of North Vancouver - Community Grant	$ 3,500	$ 3,500
District of North Vancouver - Childcare Middle Years Grant	1,800	1,740
District of North Vancouver - Core Funding Grant	277,401	272,440
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	3,375	3,188
PARC Community Management Ltd.	-	10,000
United Way Foundation	-	6,000
Vancouver Coastal Health	388	250
Variety Children's Charity	-	25,490
	$ 286,464	$ 354,608

4. Accounts receivable:

	2026	2025
Amount receivable	$ 151,009	$ 62,617

5. Capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Vehicles	$ 213,242	$ 184,920	$ 28,322	$ 50,980
Furniture and equipment	230,578	119,490	111,088	76,419
	$ 443,820	$ 304,410	$ 139,410	$ 127,399

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $27,119 (2025 - $6,917), consisting amounts for payroll related taxes.

7. Deferred contributions:

(a) Deferred operating contributions:

Deferred operating contributions related to expenditures of future periods represent unspent externally restricted donations.

	2026	2025
Balance, beginning of period	$ 448,592	$ 403,473
Less: contributions utilized during period	(448,592)	(403,473)
	-	-
Add:		
Donations, grants and support:		
City of North Vancouver - Community Grant	3,500	3,500
District of North Vancouver- Childcare Middle Years Grant	1,800	1,740
District of North Vancouver - Core Funding Grant	277,401	272,440
District of North Vancouver - Youth in Crisis Grant	-	7,000
New Horizons Senior	-	25,000
North Shore Community Foundation - My Parkgate BREAK	3,375	3,188
PARC Community Management	-	10,000
Province of BC - Provincial Gaming Grant	93,736	93,984
United Way Foundation	-	6,000
Vancouver Coastal Health	389	250
Variety Children's Charity	-	25,490
Balance, end of period	$ 380,201	$ 448,592

7. Deferred contributions: (continued):

(b) Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unspent and unamortized amount of donations received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2026	2025
Balance, beginning of year	$ -	$ -
Capital contributions received	98,828	-
Less: amounts amortized to grants and donations revenue	25,997	-
Balance, end of year	$ 72,831	$ -

8. Investment in capital assets:

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

	2026	2025
Capital assets	$ 139,410	$ 127,399

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

	2026	2025
Deficiency of expenses over revenues:		
Amortization expense of capital assets	$ (48,645)	$ (36,210)

	2026	2025
Net change in investment in capital assets:		
Purchase of capital assets	$ 60,656	$ 66,803

9. Internally restricted net assets:

	2026	2025
A reconciliation of the internally restricted net assets is as follows:		
Internally restricted funds, beginning of period	$ 768,400	$ 868,400
Transfer from restricted to unrestricted	-	(100,000)
Transfer from unrestricted to restricted	415,250	-
Internally restricted funds, end of period	$ 1,183,650	$ 768,400
Allocated for 2026-2028 as follows:		
Equipment replacement reserve (a)	234,522	137,400
Technology reserve (b)	99,128	44,000
Future operating expenditures reserve (c)	800,000	487,000
New Programming Start-up reserve (d)	50,000	100,000
	$ 1,183,650	$ 768,400

Expenditures during the current year are based on prior board approval. The board approves a three year spending plan on an annual basis. The 2026-2028 three-year reserve plan was approved by the board of directors at their November 25, 2025 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. During fiscal 2026, a portion of the reserve was utilized to support the start-up costs associated with the new facility.

10. Grants and donations:

Grants and donations are comprised of the following:

	2026	2025
Federal grants:		
Public Health Agency of Canada - Community Action Program for Children (CAPC)	$ 61,936	$ 61,786
Employment and Social Development Canada - New Horizons for Seniors Program	25,000	25,000
HRSDC - Canada Summer Jobs Program	46,262	27,715
	133,198	114,501
Provincial grants:		
The Province of B.C.:		
Supported Child Development Program	53,221	74,163
Early Childhood Development Initiative	14,639	14,639
Child Care Programs	1,128,834	1,051,043
Wage Enhancement ECE	226,863	136,673
Ministry of Finance - Gaming Policy and Enforcement Branch:		
Community Gaming Grant	95,196	93,500
Provincial Other	19,037	-
Vancouver Coastal Health Authority - My Parkgate BREAK	4,667	3,000
	1,542,457	1,373,018
Municipal grants:		
District of North Vancouver	565,730	536,999
Donations:		
Corporate	22,538	21,593
Private individuals	8,079	7,431
Service clubs, Associations and Foundations	249,912	197,739
	280,529	226,763
	$ 2,521,914	$ 2,251,281

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, 2026 (2025 - nil).

11. Disclosure of remuneration:

For the fiscal year ended March 31, 2026, the Society paid total remuneration of $342,519 (2025 - $164,738) to four (2025 - 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 (2025 - nil).

One of the purposes of the Legacy Fund is to award annual scholarships to Society volunteers. Two (2025 - two) awards are presented annually: two University of British Columbia Awards totaling $1,500 (2025 - nil); one Simon Fraser University Award in the amount of nil (2025 - $1,000); and one University of Calgary Award in the amount of nil (2025 - $500).

The market value of the Legacy Fund as of March 31, 2026 was $48,979 (2025 - $50,734).

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. Commitment:

The Society leases child care facility space under a long-term operating lease that commenced on April 1, 2025 and expires on March 31, 2030, with the option to extend the lease for two additional consecutive five-year periods. Annual rent is $1 if no subsidy is received, or $25,575 per annum if subsidy funding includes rent reimbursement, subject to the terms of the agreement.

2027	$ 25,575
2028	25,575
2029	25,575
2030	25,575
	$ 102,300

PARKGATE COMMUNITY SERVICES SOCIETY

Schedule 1 - Schedule of Receipts and Expenditures for Parkgate Community Services Society, Child Care Facility

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Receipts:		
Grants and donations	$ 1,127,668	$ 1,159,579
Community programs and services	-	64,016
Child care services	224,556	147,251
	1,352,224	1,370,846
Expenditures:		
Wages and benefits	1,043,022	1,171,537
Administration	129,418	189,246
Transportation	27,517	24,190
Program expenses and support	41,927	41,224
Repairs, maintenance & security	10,803	11,569
Professional fees	-	3,900
Recruitment and training	3,597	4,180
Telephone	2,524	3,991
Computer accessories	1,302	1,683
Office and sundry	1,874	2,443
Amortization of capital assets	-	1,900
	1,261,984	1,455,863
Excess (deficiency) of revenue over expenses	$ 90,240	$ (85,017)

PARKGATE COMMUNITY SERVICES SOCIETY

Schedule 2 - Schedule of Receipts and Expenditures for Parkgate Community Services Society, Child Care Facility (Seymour)

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Receipts:		
Grants and donations	$ 175,716	$ 217,780
Childcare care services	41,426	47,975
	217,142	265,755
Expenditures:		
Wages and benefits	143,683	217,213
Administration	23,610	38,004
Transportation	41,588	8,868
Telephone	2,782	2,945
Program expenses and support	10,745	12,814
Repairs, maintenance & security	2,696	4,213
Recruitment and training	411	1,427
Computer accessories	307	909
Office and sundry	959	2,466
Professional fees	-	3,900
Amortization of capital assets	-	2,367
	226,781	295,126
Deficiency of revenue over expenses	$ (9,639)	$ (29,371)