

Financial Statements of

**BRITANNIA COMMUNITY  
SERVICES CENTRE SOCIETY**

And Independent Auditor's Report thereon

Year ended December 31, 2023



**KPMG LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Britannia Community Services Centre Society

### **Report on the Audit of Financial Statements**

#### ***Opinion***

We have audited the financial statements of Britannia Community Services Centre Society (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia) we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada  
May 8, 2024

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

## Statement of Financial Position

December 31, 2023, with comparative information for 2022

|  | 2023                | 2022                |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| Current assets:  |                     |                     |
| Cash   | \$ 171,882          | \$ 1,022,785        |
| Short-term investments, at fair value (note 3)         | 1,040,676           | 291,610             |
| Amounts receivable:                                    |                     |                     |
| City of Vancouver                                      | 813,477             | 678,968             |
| Other  | 322,259             | 263,692             |
|  | <u>2,348,294</u>    | <u>2,257,055</u>    |
| Investments, at fair value (note 3)                    | 626,566             | 659,272             |
| Tangible capital assets (note 4)                       | 507,083             | 538,726             |
| Due from City of Vancouver and Parks Board (note 9(a)) | 268,800             | 268,400             |
|  | <u>\$ 3,750,743</u> | <u>\$ 3,723,453</u> |

## Liabilities and Net Assets

|   |                     |                     |
|---|---------------------|---------------------|
| Current liabilities:                              |                     |                     |
| Accounts payable and accrued liabilities (note 5) | \$ 305,583          | \$ 314,226          |
| Deferred contributions (note 6)                   | 438,991             | 371,285             |
| Deferred revenue (note 7)                         | 244,545             | 256,888             |
| Due to related parties (note 8)                   | 869,011             | 964,088             |
|   | <u>1,858,130</u>    | <u>1,906,487</u>    |
| Employee future benefits (note 9)                 | 316,500             | 306,800             |
| Working capital advance (note 10)                 | 81,000              | 81,000              |
| Deferred capital contributions (note 11)          | 474,001             | 430,156             |
|   | <u>2,729,631</u>    | <u>2,724,443</u>    |
| Net assets:                                       |                     |                     |
| Invested in tangible capital assets (note 12(a))  | 96,682              | 108,570             |
| Internally restricted (note 13)                   | 924,430             | 890,440             |
|   | <u>1,021,112</u>    | <u>999,010</u>      |
| Economic dependence (note 20)                     |                     |                     |
|   | <u>\$ 3,750,743</u> | <u>\$ 3,723,453</u> |

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

## Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

|   | 2023         | 2022         |
|---|--------------|--------------|
| Revenue (note 15):  |              |              |
| Contributions from City of Vancouver for operating purposes               | \$ 4,882,871 | \$ 4,973,700 |
| Rink and Pool   | 1,264,131    | 874,695      |
| Donations, membership fees and special events                             | 148,987      | 111,723      |
| Province of British Columbia gaming grant                                 | 149,132      | 237,951      |
| Contribution from Britannia Community Services Foundation (note 16)       | 90,358       | 67,570       |
| Amortization of deferred capital contributions (note 11)                  | 19,755       | 19,756       |
| Interest  | 35,130       | 6,865        |
| Rentals   | 15,247       | 3,916        |
| Programs:   |              |              |
| Reconciliation program and events   | 327,301      | -            |
| Recreation  | 1,479,276    | 1,371,491    |
| Child care  | 1,037,023    | 890,137      |
| Community education   | 437,602      | 491,876      |
| Other   | 1,333        | 1,719        |
|   | 9,888,146    | 9,051,399    |
| Expenses:   |              |              |
| Maintenance and operations of buildings, equipment and grounds            | 2,420,849    | 2,272,621    |
| Salaries, wages and employee benefits Administration                      | 1,786,485    | 1,658,576    |
| Salaries, wages and employee benefits Park Board Staff                    | 1,854,829    | 1,787,020    |
| General programs  | 135,755      | 349,065      |
| Administration  | 215,921      | 220,214      |
| Gaming grant for children, youth, and senior programs                     | 149,132      | 237,951      |
| Amortization of capital assets  | 31,643       | 35,537       |
| Programs:   |              |              |
| Reconciliation programs and events  | 413,532      | -            |
| Recreation  | 1,373,482    | 1,083,149    |
| Child care  | 1,021,179    | 859,207      |
| Community education   | 454,669      | 472,176      |
| Other   | 768          | 1,316        |
|   | 9,858,244    | 8,976,832    |
| Excess of revenue over expenses before the undernoted                     | 29,902       | 74,567       |
| Contribution to Britannia Community Services Foundation (notes 13 and 16) | -            | (290,000)    |
| Excess (deficiency) of revenue over expenses                              | \$ 29,902    | \$ (215,433) |

See accompanying notes to financial statements.

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

## Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

|  | General Operating Fund                     |              |                                       | 2023<br>Total | 2022<br>Total |
|--|--|--------------|---------------------------------------|---------------|---------------|
|  | Invested in<br>capital assets<br>(note 12) | Unrestricted | Internally<br>restricted<br>(note 13) |               |               |
| Balance, beginning of year                   | \$ 108,570                                 | \$ -         | \$ 890,440                            | \$ 999,010    | \$ 1,217,343  |
| Actuarial loss on employee future benefits   |  | (7,800)      |                                       | (7,800)       | (2,900)       |
| Excess (deficiency) of revenue over expenses | (11,888)                                   | 41,790       |                                       | 29,902        | (215,433)     |
| Internal transfers (note 13)                 |  | (33,990)     | 33,990                                |               | -             |
| Balance, end of year                         | \$ 96,682                                  | \$ -         | \$ 924,430                            | \$ 1,021,112  | \$ 999,010    |

See accompanying notes to financial statements.

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

## Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

|  | 2023       | 2022         |
|--|------------|--------------|
| Cash provided by (used in):                          |            |              |
| Operating:   |            |              |
| Excess (deficiency) of revenue over expenses         | \$ 29,902  | \$ (215,433) |
| Items not affecting cash:                            |            |              |
| Amortization of tangible capital assets              | 31,643     | 35,537       |
| Amortization of deferred capital contributions       | (19,755)   | (19,756)     |
| Change in fair value of investments                  | (5,994)    | 12,473       |
|  | 35,796     | (187,179)    |
| Changes in non-cash operating working capital:       |            |              |
| Amounts receivable                                   | (193,076)  | 427,700      |
| Inventory  | -          | 50,128       |
| Accounts payable and accrued liabilities             | (8,643)    | (24,244)     |
| Deferred contributions                               | 67,706     | (182,991)    |
| Deferred revenue                                     | (12,343)   | 41,737       |
| Due to related parties                               | (95,077)   | 61,686       |
| Employee future benefits                             | 1,900      | 12,900       |
|  | (203,737)  | 199,737      |
| Financing:   |            |              |
| Change in due from City of Vancouver and Parks Board | (400)      | (17,900)     |
| Capital contribution received:                       | 63,600     | -            |
|  | (203,737)  | 199,737      |
| Investing:   |            |              |
| Proceeds from maturity of investments                | 246,428    | 287,927      |
| Purchase of investments                              | (956,794)  | (321,572)    |
| Purchase of capital assets                           | -          | (11,264)     |
|  | (710,366)  | (44,909)     |
| Increase (decrease) in cash                          | (850,903)  | 136,928      |
| Cash, beginning of year                              | 1,022,785  | 885,857      |
| Cash, end of year                                    | \$ 171,882 | \$ 1,022,785 |

See accompanying notes to financial statements.



# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements

Year ended December 31, 2023

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## 1. Operations:

Britannia Community Services Centre Society (the “Society”) is registered under the Societies Act (British Columbia) and its principal activity is the provision of social, recreational and educational services to the public. The Society is a registered charity under the Income Tax Act and, accordingly, is exempt from federal and provincial income taxes.

Pursuant to a master agreement with the City of Vancouver (the “City”) and the Board of School Trustees of School District No. 39 (Vancouver) (“VSB”), the Society manages the Britannia Community Services Centre with operating funds provided by the City and through its own fundraising and program activities.

Operations include the Society’s support, at the discretion of the Society’s Board of Management (the “Board”), to various community-initiated programs.

## 2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook – Accounting and include the following significant accounting policies:

### (a) Basis of presentation:

These financial statements do not include the financial information of the Britannia Community Services Foundation (the “Foundation”), a charitable entity controlled by the Society. A financial summary of the Foundation is included in note 16.

### (b) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

| Asset                        | Years   |
|------------------------------|---------|
| Buildings - Carving Pavilion | 25      |
| Equipment                    | 3 - 10  |
| Leasehold improvements       | 10 - 20 |
| Vehicles                     | 7       |

Title to the buildings to which improvements are made, and certain other assets at the discretion of the Society, are vested in the City. Contributed tangible capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated useful life of an asset are capitalized.

The Society reviews the carrying amount of tangible capital assets for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to the Society’s ability to provide services, or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement of operations at the amount by which the carrying amount of the net asset exceeds its fair value or replacement cost.

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 2. Significant accounting policies (continued):

### (c) Revenue recognition:

The Society follows the deferral method of accounting for contributions, which include government grants and donations. These amounts are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the acquisition of tangible capital assets are initially recorded to deferred capital contributions, and amortized to revenue on the same basis as the related assets are amortized.

Unrestricted contributions are recognized as revenue in the year in which the funds are received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Operating grants are recorded as revenue in the period to which they relate. Unrestricted grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant received relates to a future period, it is deferred and recognized in that subsequent period.

Investment income is recognized as revenue when earned.

Revenue from fees and contracts is recognized when the services are rendered or the goods are provided. Certain fees, which are applicable to the following fiscal year for recreation programs and swimming and skating lessons are received before year end. These amounts are recorded as deferred revenue to the extent the programs are held in the subsequent year.

Donated services and materials normally acquired for the operations of the Society are recorded at their fair value, when readily determinable and may be based on donor provided information, as of the date the services are provided or the materials are received. Donated services in the form of volunteer time are not recognized in these financial statements due to the difficulty in determining a fair value.

### (d) Employee future benefits:

Employees are entitled to earned benefits related to non-vested accumulating sick leave, sick leave gratuity and full vacation entitlement at retirement. Certain employees may also defer current vacation entitlements. The liability and expense for these benefits and compensated absences, including non-vested amounts, is recognized in the financial statements in the period in which employees render services and on the basis that the benefits are expected to be provided when the employees are no longer providing active service.

The Society has accrued future obligations for post-employment benefits using the projected benefits method prorated on service. The Society's employees include Administrative, Parks Board and Child Care. The compensation, including employee future benefits of Administrative and Parks Board employees, is funded directly by the City. Child Care employees' compensation, including future benefits, is the responsibility of the Society.

The Society records actuarial gains and losses directly in net assets in the period they arise.

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 2. Significant accounting policies (continued):

### (e) Use of estimates:

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

### (f) 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 elected to carry all investments 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 carried at cost or amortized cost 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.

## 3. Investments:

Investments are comprised of guaranteed investment certificates (“GICs”) and term deposits. The GICs and term deposits bear interest ranging from 1.15% to 5.5% (2022 - 1.15% to 4.92%), and mature between February 2024 and March 2027 (2022 - February 2023 and October 2027). Amounts maturing within the next fiscal year have been classified as short-term investments.

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 4. Tangible capital assets:

|                             |              |                          | 2023           | 2022           |
|-----------------------------|--------------|--------------------------|----------------|----------------|
|                             | Cost         | Accumulated amortization | Net book value | Net book value |
| Building - Carving Pavilion | \$ 656,751   | \$ 183,319               | \$ 473,432     | \$ 494,469     |
| Equipment                   | 244,462      | 237,702                  | 6,760          | 9,013          |
| Leasehold improvements      | 269,311      | 242,420                  | 26,891         | 35,244         |
| Vehicles                    | 41,493       | 41,493                   | -              | -              |
|                             | \$ 1,212,017 | \$ 704,934               | \$ 507,083     | \$ 538,726     |

The Society occupies a building that is leased from the City at a nominal rate. Leasehold improvements relate to improvements at this building.

## 5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at December 31, 2023 are government remittances payable of nil (2022 - \$6,559) relating to sales taxes and payroll taxes.

## 6. Deferred contributions:

Deferred contributions represent restricted contributions received related to program and project expenses of future periods which will be recognized as revenue in the period in which the related expenses are incurred or the programs are provided.

|                 | Balance, December 31, 2022 | Amounts received during the year | Amounts recognized as revenue | Balance, December 31, 2023 |
|-----------------|----------------------------|----------------------------------|-------------------------------|----------------------------|
| Gaming Programs | \$ 35,950                  | \$ 153,730                       | \$ 149,132                    | \$ 40,548                  |
|                 | 335,335                    | 1,113,404                        | 1,050,296                     | 398,443                    |
|                 | \$ 371,285                 | \$ 1,267,134                     | \$ 1,199,428                  | \$ 438,991                 |

## 7. Deferred revenue:

Deferred revenue represents fees received related to recreation programs and memberships to be provided in the following fiscal period.

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 8. Due to related parties:

The Society has management agreements with each of the Child Care Societies listed below. Through these agreements, the Society provides human resource management and financial services to the Child Care Societies. The management agreements do not compromise the Child Care Societies existence as each are independently governed and separately incorporated. The Society has determined the Child Care Societies are related parties by virtue of the management agreements in place and the degree of influence that the Society has on the Child Care Societies. The amount due to related parties is comprised of cash and investments held on behalf of these entities under their respective management agreements. The amounts bear interest at the rates earned by the cash and investments and are payable on demand.

|                                      | 2023              | 2022              |
|--------------------------------------|-------------------|-------------------|
| Grandview Terrace Child Care Society | \$ 421,444        | \$ 441,816        |
| Eagles in the Sky Child Care Society | 258,390           | 260,156           |
| Mount Pleasant Child Care Society    | 189,177           | 262,116           |
|                                      | <u>\$ 869,011</u> | <u>\$ 964,088</u> |

## 9. Employee future benefits:

Employee benefit liabilities are comprised as follows:

|                    | 2023              | 2022              |
|--------------------|-------------------|-------------------|
| Administration (a) | \$ 152,300        | \$ 155,400        |
| Parks Board (a)    | 122,300           | 113,000           |
| Child Care         | 41,900            | 38,400            |
|                    | <u>\$ 316,500</u> | <u>\$ 306,800</u> |

The liabilities reported in 2023 are based on a full actuarial valuation as of December 31, 2022 that was extrapolated to December 31, 2023 using the following valuation assumptions:

|                               | 2023          | 2022          |
|-------------------------------|---------------|---------------|
| Discount rate                 | 4.60%         | 5.05%         |
| Inflation rate                | 3.50%         | 3.50%         |
| Rate of compensation increase | 2.58 to 4.50% | 2.58 to 4.50% |

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 9. Employee future benefits:

The continuity of the Society's employee benefit liability, which is equal to the actuarial obligation, is as follows:

|                      | 2023       | 2022       |
|----------------------|------------|------------|
| Beginning of year    | \$ 306,800 | \$ 291,000 |
| Current service cost | 18,400     | 23,900     |
| Interest cost        | 15,500     | 8,100      |
| Actual benefits paid | (32,000)   | (19,100)   |
| Actuarial loss       | 7,800      | 2,900      |
| Balance, end of year | \$ 316,500 | \$ 306,800 |

(a) The employee benefit liabilities relating to Administration and Parks Board are funded by the amount due from City of Vancouver and Parks Board reported on the statement of financial position. The amount due is non-interest bearing and has no specified terms of repayment.

## 10. Working capital advance:

The working capital advance represents funds received from the City at the Society's inception to assist with monthly expenses, if required. These funds are repayable to the City upon the cessation of the Society and are non-interest bearing.

## 11. Deferred capital contributions:

|  | 2023       | 2022       |
|--|------------|------------|
| Balance, beginning of year             | \$ 430,156 | \$ 449,912 |
| Amortization during the year           | (19,755)   | (19,756)   |
| Contributions received during the year | 63,600     |            |
| Balance, end of year                   | \$ 474,001 | \$ 430,156 |

Deferred capital contributions represent the unamortized amount of funds received from funders for and spent on the construction of a carving pavilion and child-care playground.

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 12. Net assets invested in tangible capital assets:

(a) Net assets invested in tangible capital assets is calculated as follows:

|  | 2023       | 2022       |
|--|------------|------------|
| Tangible capital assets                            | \$ 507,083 | \$ 538,726 |
| Amounts financed by deferred capital contributions | (410,401)  | (430,156)  |
|  | \$ 96,682  | \$ 108,570 |

(b) Change in net assets invested in tangible capital assets:

|  | 2023        | 2022       |
|--|-------------|------------|
| Purchase of tangible capital assets            | \$ -        | \$ 11,264  |
| Amortization of deferred capital contributions | 19,755      | 19,756     |
| Amortization of capital assets                 | (31,643)    | (35,537)   |
|  | \$ (11,888) | \$ (4,517) |

## 13. Internally restricted net assets:

Internally restricted net assets are comprised of the following:

|   | Balance,<br>December 31,<br>2022 | Increase<br>(decrease),<br>during the year | Balance,<br>December 31,<br>2023 |
|---|----------------------------------|--|----------------------------------|
| Child Care                              | \$ 370,313                       | \$ (13,395)                                | \$ 356,918                       |
| Community Education                     | 32,600                           | (17,067)                                   | 15,533                           |
| Van                                     | 40,000                           | -  | 40,000                           |
| Discretionary Reserve                   | 144,973                          | 164,326                                    | 309,299                          |
| Britannia Reconciliation Plan           | 204,499                          | (86,230)                                   | 118,269                          |
| šxwqweləwən ct Carving Pavilion Reserve | 98,055                           | (13,644)                                   | 84,411                           |
|   | \$ 890,440                       | \$ 33,990                                  | \$ 924,430                       |

The restricted Child Care and Community Education funds provide a source of funding in these programs for program deficits that may arise, capital acquisitions, or other uses related to these programs as determined by the Board.

The restricted Van fund provides a source of funding for future major van repairs or to contribute to its possible replacement.

The Discretionary Reserve represents funds committed during the year by the Board of Management for specific programs, but not expended by year end.

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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

In 2016, the Board passed a new annual surplus policy in which annual and prior surpluses be allocated in the following manner:

- Surpluses generated in the Britannia Child Care and Community Education will be accrued to the dedicated reserves;
- The Van Reserve would be established and maintained at \$40,000;
- 75% of the remaining surplus would be allocated to a Facility Renewal Capital Fund that is managed by the Foundation;
- 15% of the remaining surplus to be placed in the Discretionary Reserve; and
- 10% of the remaining surplus to be transferred to the Foundation for the legacy of the Society.

There was a transfer of \$290,000 from the discretionary fund to the Foundation in 2022. There was no transfer in the 2023 fiscal year. In 2022, the Board also passed the 5 year Reconciliation Plan and transferred \$290,000 to a new reserve, in which \$85,000 was spent in 2022. An additional \$98,970 was transferred to the ʘxwqwelewən ct Carving Pavilion Reserve in which the Board approved matching funding for grant received towards carving projects. In 2023, \$27,711 (2022: \$1,830) was spend out of this account and therefore the reserve decreased by \$13,644 (2022: \$915).

## 14. Vancouver Foundation:

Funds administered by the Vancouver Foundation for which the Society is the beneficiary of the income are permanently restricted and consequently not included as an asset of the Society in these financial statements. The fund balance at December 31, 2023 is \$50,400 (2022 - \$50,400). The related market value at December 31, 2023 is \$60,355 (2022 - \$57,299).

Under the terms of the fund, the Society receives income earned on the capital. Income received in the amount of \$2,790 (2022 - \$2,612) has been recorded in interest income in the statement of operations.

## 15. Revenue:

Revenue consists of contributions and fee revenue from the following sources:

|   | 2023                | 2022                |
|---|---------------------|---------------------|
| City of Vancouver                       | \$ 4,989,807        | \$ 5,106,375        |
| Government of Canada                    | 421,471             | 265,158             |
| Province of British Columbia            | 872,049             | 700,810             |
| Fee for service                         | 3,041,910           | 2,466,383           |
| Britannia Community Services Foundation | 90,358              | 67,570              |
| Other                                   | 472,551             | 445,103             |
|   | <u>\$ 9,888,146</u> | <u>\$ 9,051,399</u> |



# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 15. Revenue (continued):

Included in revenue from the City is \$106,936 of child-care, recreation and community education programs revenue (2022 - \$132,675).

Contributions from the City in the statement of operations include Vancouver Park Board staff services with a value of \$1,854,829 (2022 - \$1,796,877) and maintenance staff services with a value of \$825,076 (2022 - \$786,240). The related expenses are recorded in Salaries, wages and employee benefits Park Board Staff expense, and Maintenance and operations of buildings, equipment and grounds expense on the statement of operations.

Included in the child care revenue is \$562,307 (2022 - \$327,572) of contributions from the Ministry of Education and Child Care in the Province of BC for \$10 Per Day Child Care.

## 16. Britannia Community Services Foundation:

The Foundation was incorporated on November 20, 2002 and is registered under the Societies Act (British Columbia). The purpose of the Foundation is to further services and programs offered by the Society by providing financial support. The Society controls the Foundation by virtue of its ability to appoint a majority of the Foundation's Board of Directors.

The net assets and results of operations of the Foundation are not included in the financial statements of the Society. A financial summary as at and for the years ended December 31, 2023 and 2022, are as follows:

|   | 2023                | 2022                |
|---|---------------------|---------------------|
| <b>Financial position:</b>  |                     |                     |
| Total assets  | \$ 2,107,151        | \$ 1,930,573        |
| Total liabilities   | 95,008              | 72,220              |
| <b>Total net assets</b>   | <b>\$ 2,012,143</b> | <b>\$ 1,858,353</b> |
| <b>Result of operations:</b>  |                     |                     |
| Total revenue   | \$ 50,722           | \$ 425,907          |
| Expenses:   |                     |                     |
| Grant to the Society (a)  | 90,358              | 67,570              |
| Administration  | 19,198              | 17,517              |
| Foreign withholding taxes   | 649                 | 589                 |
| <b>Total expenses</b>   | <b>110,205</b>      | <b>85,676</b>       |
| Excess (deficiency) of revenue over expenses before undernoted item | (59,483)            | 340,231             |
| Unrealized gains arising during the year                            | 213,273             | (321,188)           |
| <b>Excess of revenue over expenses</b>                              | <b>\$ 153,790</b>   | <b>\$ 19,043</b>    |

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 16. Britannia Community Services Foundation (continued):

|  | 2023        | 2022       |
|--|-------------|------------|
| <b>Statement of cash flows:</b>                            |             |            |
| Operating activities                                       | \$ (38,589) | \$ 242,385 |
| Investing activities                                       | 38,589      | (242,385)  |
| Change in cash and cash balance, beginning and end of year | \$ -        | \$ -       |

- (a) In 2022, the grant from the Society to the Foundation of \$290,000 is recorded in revenues of the Foundation. The transaction is in the normal course of operations and is measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 17. Bank facility:

The Society has available an operating line of credit to a maximum of \$150,000 at an annual rate of bank prime. This is secured by a general security agreement creating interest against all present and after-acquired personal property and specifically charging \$150,000 assignment of deposits and registered at the Personal Property Registry against the Society. As at December 31, 2023, the Society had not drawn on this facility (2022 - nil).

## 18. Financial risks:

- (a) Interest rate risk:

The Society is exposed to interest rate risk on its fixed interest rate financial instruments, which subject the Society to a fair value risk. The Society is exposed to this type of risk as a result of investments in fixed rate GICs and term deposits.

- (b) 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 its cash, investments, and amounts receivable. The Society assesses, on a continuous basis, amounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. Cash and investments are invested with reputable financial institutions.

- (c) 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 manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

In management's opinion, the Society is not exposed to significant market or currency risks related to its financial instruments. There has been no change to the risk exposures from 2022.

# BRITANNIA COMMUNITY SERVICES CENTRE SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## **19. Disclosure of employee and contractor remuneration:**

For the year ended December 31, 2023, the Society paid total remuneration of \$932,985 (2022 - \$641,346) to nine (2023 – six) employees and contractors for services, each of whom received total annual remuneration of \$75,000 or greater. No remuneration was paid to any members of the Board.

## **20. Economic dependence:**

The Society receives a major portion of its revenue pursuant to a funding arrangement with the City. Future operations of the Society depend on continued funding under this arrangement.