

Financial Statements of

**PARKGATE COMMUNITY
SERVICES SOCIETY**

Year ended December 31, 2008
(Unaudited)



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REVIEW ENGAGEMENT REPORT

To the Members of Parkgate Community Services Society

We have reviewed the statement of financial position of Parkgate Community Services Society as at December 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Society.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The letters are written in a cursive, flowing style.

Chartered Accountants

Abbotsford, British Columbia
April 2, 2009

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Financial Position

December 31, 2008, with comparative figures for 2007
(Unaudited)

	2008	2007
Assets		
Current assets:		
Cash and short-term investments	\$ 674,742	\$ 577,807
Externally restricted funds - cash (Note 2)	54,242	56,848
Accounts receivable	39,454	21,823
Prepaid expenses	10,530	12,775
	<u>778,968</u>	<u>669,253</u>
Equipment (Note 3)	55,978	94,038
	<u>\$ 834,946</u>	<u>\$ 763,291</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 234,899	\$ 211,849
Deferred operating contributions (Note 4)	54,242	56,848
	<u>289,141</u>	<u>268,697</u>
Deferred capital contributions (Note 5)	52,716	87,514
Net assets:		
Invested in equipment (Note 6(a))	3,262	6,524
Internally restricted (Note 7)	429,506	344,792
Unrestricted	60,321	55,764
	<u>493,089</u>	<u>407,080</u>
	<u>\$ 834,946</u>	<u>\$ 763,291</u>

Approved by the Directors:

_____ Director

_____ Director

See accompanying notes to unaudited financial statements.

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Operations

Year ended December 31, 2008, with comparative figures for 2007

(Unaudited)

	2008	2007
Revenue:		
Grants and donations (Note 8)	\$ 562,565	\$ 531,707
Other income:		
Community programs and services	712,284	566,396
Child care services	513,887	489,695
Facility rental and sundry	94,384	76,981
Fundraising and special events	29,190	39,548
Amortization of deferred capital contributions (Note 5)	39,842	37,795
	1,952,152	1,742,122
Expenses:		
Wages and benefits	1,500,434	1,379,528
Program expenses and equipment	203,341	194,442
Amortization	43,104	42,145
Transportation	29,231	29,905
Office and sundry	25,041	16,974
Recruitment and training	20,984	16,404
Repairs and maintenance and security	11,450	11,681
Telephone	7,839	6,939
Computer accessories	7,769	7,563
Promotion and publicity	5,408	7,058
Accounting	4,200	4,020
Insurance	1,761	1,734
Bursaries	600	600
Contract service fees	530	10,451
Office equipment	165	2,422
	1,861,857	1,731,866
Excess of revenue over expenses	\$ 90,295	\$ 10,256

See accompanying notes to unaudited financial statements.

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Changes in Net Assets

Year ended December 31, 2008, with comparative figures for 2007

(Unaudited)

	Invested in equipment	Internally restricted	Unrestricted	2008 Total	2007 Total
Balance, beginning of year	\$ 6,524	\$ 344,792	\$ 55,764	\$ 407,080	\$ 396,824
Excess of revenue over expenses	(3,262)	-	93,557	90,295	10,256
Internally imposed restrictions:					
Allocation to reserve for future operating expenditures	-	98,000	(98,000)	-	-
Expenditures from funds	-	(13,286)	9,000	(4,286)	-
Net change in investment in equipment (Note 6(b))	-	-	-	-	-
Balance, end of year	\$ 3,262	\$ 429,506	\$ 60,321	\$ 493,089	\$ 407,080

See accompanying notes to unaudited financial statements.

PARKGATE COMMUNITY SERVICES SOCIETY

Statement of Cash Flows

Year ended December 31, 2008, with comparative figures for 2007
(Unaudited)

	2008	2007
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 90,295	\$ 10,256
Items not involving cash:		
Amortization of equipment	43,104	42,145
Amortization of deferred capital contributions	(39,842)	(37,795)
Changes in non-cash operating working capital:		
Accounts receivable	(17,632)	24,383
Prepaid expenses	2,244	(3,626)
Accounts payable and accruals	23,052	47,463
	101,221	82,826
Investment:		
Purchase of equipment	(5,044)	(15,117)
Financing:		
Receipt of deferred capital funding	758	15,117
Increase in cash position	96,935	82,826
Cash position, beginning of year	577,807	494,981
Cash position, end of year	\$ 674,742	\$ 577,807

See accompanying notes to unaudited financial statements.

PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements

Year ended December 31, 2008

(Unaudited)

General:

Parkgate Community Services Society (the "Society") is a registered not-for-profit organization under the Society Act of British Columbia, with the objective of providing community based services, recreation, education, community development and health promotion activities through Parkgate and Seycove Community Centres, the Seymour Youth Centre, and other satellite locations.

1. Significant accounting policies:

(a) Revenue recognition:

The Society follows the deferral method of accounting for grants and donations. This method recognizes unrestricted grants and donations as revenue when received and externally restricted donations and grants in the year in which the related expenses are recognized. 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.

(b) Equipment:

Equipment is recorded at cost. Contributed equipment are recorded at the fair value at the date of contribution. Amortization of equipment is recorded over their estimated useful lives on the straight-line basis, as follows:

Vehicles	5 years
Furniture and equipment	2 to 5 years

(c) Deferred operating contributions:

Deferred operating contributions represents operating funds received for which the Society has not yet incurred the related expenditures.

(d) Deferred capital contributions:

Deferred capital contributions related to equipment represent the unamortized amount and unspent amount of grants and donations received for the purchase of equipment. 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 equipment.

PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2008

(Unaudited)

1. Significant accounting policies (continued):

(e) Use of estimates:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which require management estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(f) Financial instruments:

The Society applies the provisions of CICA Handbook Sections 3855, "Financial Instruments - Recognition and Measurement", and 3861 "Financial Instruments - Disclosure and Presentation." In accordance with these recommendations, the Board has designated:

1. Cash as held-for-trading, being measured at fair value.
2. Accounts receivable are classified as loans and receivables, which are measured at amortized cost.
3. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2008

(Unaudited)

2. Externally restricted funds:

Externally restricted funds consist of funds received in 2008 which are earmarked to 2009 programs as follows:

	2008	2007
Federal grants:		
Public Health Agency of Canada		
Community Action Program for Children (CAPC)	\$ 2,465	\$ 1,419
Provincial grants:		
Ministry of Children and Family Development, (formerly Ministry of Community, Aboriginal and Women's Services):		
Child Care Operating Funding Program	2,162	46,275
Ministry of Housing and Social Development - Gaming Branch (formerly Ministry of Public Safety and Solicitor General - Gaming):		
Direct Access Grant	3,377	3,453
Class B fundraising	595	-
Vancouver Coastal Health Authority	-	1,230
Municipal grants:		
District of North Vancouver - Child Care Grant	-	1,140
Donations:		
Corporate	9,951	899
Private	-	2,432
Service Clubs, Associations and Foundations	35,692	-
	\$ 54,242	\$ 56,848

PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2008

(Unaudited)

3. Equipment:

			2008		2007	
	Cost	Accumulated amortization	Net book value		Net book value	
Vehicles	\$ 163,895	\$ 134,061	\$ 29,834	\$	49,224	
Furniture and equipment	142,951	116,807	26,144		44,814	
	\$ 306,846	\$ 250,868	\$ 55,978	\$	94,038	

4. Deferred operating contributions: Externally Restricted Funds

	2008		2007	
Balance, beginning of year		\$ 56,848	\$	64,473
Less: contributions utilized during year		56,848		64,473
		-		-
Add:				
Federal grants:				
Public Health Agency of Canada				
Community Action Program for Children (CAPC)		2,465		1,419
Provincial grants:				
Ministry of Children and Family Development, (formerly Ministry of Community, Aboriginal and Women's Services):				
Child Care Operating Funding Program		2,162		46,275
Ministry of Housing and Social Development - Gaming Branch (formerly Ministry of Public Safety and Solicitor General - Gaming):				
Direct Access Grant		3,377		3,453
Class B fundraising		595		-
Vancouver Coastal Health Authority		-		1,230
Municipal grants:				
District of North Vancouver - Child Care Grant		-		1,140
Donations:				
Corporate		9,951		899
Private		-		2,432
Service Clubs, Associations and Foundations		35,692		-
Balance, end of year (Note 2)		\$ 54,242	\$	56,848

PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2008

(Unaudited)

5. Deferred capital contributions:

	2008	2007
Balance, beginning of year	\$ 87,514	\$ 110,192
Contributions received:		
Ministry of Community, Aboriginal and Women's Services:		
Child Care Operating Funding Program	-	15,117
Ministry of Housing and Social Development - Gaming Branch (formerly Ministry of Public Safety and Solicitor General - Gaming):		
Direct Access Grant	758	-
Technology reserve	3,249	-
Program services reserve	1,037	-
	5,044	15,117
Amortization of deferred capital contributions	(39,842)	(37,795)
Balance, end of year	\$ 52,716	\$ 87,514

PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2008

(Unaudited)

6. Investment in equipment:

(a) Investment in equipment is calculated as follows:

	2008	2007
Equipment	\$ 55,978	\$ 94,038
Amount financed by deferred capital contributions	52,716	87,514
	\$ 3,262	\$ 6,524

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

	2008	2007
Excess of expenses over revenues:		
Amortization expense of equipment	\$ (43,104)	\$ (42,145)
Amortization of deferred capital contributions	39,842	37,795
	\$ (3,262)	\$ (4,350)

	2008	2007
Net change in investment in equipment:		
Equipment acquired	\$ 5,044	\$ 15,117
Amount funded by deferred capital contributions	5,044	15,117
	\$ -	\$ -

7. Internally restricted funds:

Internally restricted funds consist of the following:

	2008	2007
Equipment replacement reserve	\$ 60,000	\$ 60,000
Reserve for future operating expenditures	258,791	169,792
Technology reserve	46,752	50,000
Program services reserve	63,963	65,000
	\$ 429,506	\$ 344,792

PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2008

(Unaudited)

8. Grants and donations:

Grants and donations are comprised of the following:

	2008	2007
Federal grants:		
Public Health Agency of Canada - Community Action Program for Children (CAPC)	\$ 55,693	\$ 56,186
HRSDC - Canada Summer Jobs	12,001	12,551
	<u>67,694</u>	<u>68,737</u>
Provincial grants:		
Ministry of Children and Family Development:		
Supported Child Development Program	18,096	19,629
Early Childhood Development Initiative	10,488	13,783
Ministry of Children and Family Development, (formerly Ministry of Community, Aboriginal and Women's Services):		
Child Care Operating Funding Program	151,205	121,420
Ministry of Housing and Social Development - Gaming Branch (formerly Ministry of Public Safety and Solicitor General - Gaming):		
Direct Access Grant	62,576	69,389
Ministry of Employment and Income Assistance	200	300
Ministry of Education, School District 44 (North Vancouver)	-	1,523
Vancouver Coastal Health Authority	3,180	2,170
	<u>245,745</u>	<u>228,214</u>
Municipal grants:		
District of North Vancouver	214,060	215,934
Donations:		
Corporate	3,998	1,950
Private	5,274	2,532
Service Clubs, Associations and Foundations	25,794	14,340
	<u>35,066</u>	<u>18,822</u>
Total	\$ 562,565	\$ 531,707

9. Bank indebtedness:

The Society has access to a demand line of credit to a maximum of \$10,000 with the North Shore Credit Union.

PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2008

(Unaudited)

10. Financial instruments:

The carrying value of the Society's cash balances, short-term investments, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the instruments.