

Financial Statements of

**PARKGATE COMMUNITY  
SERVICES SOCIETY**

Year ended December 31, 2009  
(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, 2009 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 13, 2010

# PARKGATE COMMUNITY SERVICES SOCIETY

## Statement of Financial Position

December 31, 2009, with comparative figures for 2008  
(Unaudited)

	2009	2008
<b>Assets</b>		
Current assets:		
Cash and short-term investments	\$ 769,949	\$ 674,742
Externally restricted funds - cash (Note 3)	27,000	54,242
Accounts receivable	29,265	39,454
Prepaid expenses	13,638	10,530
	<u>839,852</u>	<u>778,968</u>
Equipment (Note 4)	20,947	55,978
	<u>\$ 860,799</u>	<u>\$ 834,946</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 216,692	\$ 234,899
Deferred operating contributions (Note 5)	27,000	54,242
	<u>243,692</u>	<u>289,141</u>
Deferred capital contributions (Note 6)	19,070	52,716
Net assets:		
Invested in equipment (Note 7(a))	1,877	3,262
Internally restricted (Note 8)	539,506	429,506
Unrestricted	56,654	60,321
	<u>598,037</u>	<u>493,089</u>
	<u>\$ 860,799</u>	<u>\$ 834,946</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, 2009, with comparative figures for 2008

(Unaudited)

	2009	2008
Revenue:		
Grants and donations (Note 9)	\$ 552,642	\$ 562,565
Other income:		
Community programs and services	706,909	712,284
Child care services	560,778	513,887
Facility rental and sundry	100,533	94,384
Fundraising and special events	26,481	29,190
Amortization of deferred capital contributions (Note 6)	33,646	39,842
	<u>1,980,989</u>	<u>1,952,152</u>
Expenses:		
Wages and benefits	1,531,398	1,500,434
Program expenses and equipment	164,385	203,341
Contract service fees	43,826	530
Amortization	36,731	43,104
Transportation	32,171	29,231
Office and sundry	18,440	25,041
Recruitment and training	12,647	20,984
Repairs and maintenance and security	11,500	11,450
Telephone	6,968	7,839
Computer accessories	6,059	7,769
Promotion and publicity	4,547	5,408
Accounting	4,430	4,200
Insurance	1,739	1,761
Bursaries	1,200	600
Office equipment	-	165
	<u>1,876,041</u>	<u>1,861,857</u>
Excess of revenue over expenses	\$ 104,948	\$ 90,295

See accompanying notes to unaudited financial statements.

# PARKGATE COMMUNITY SERVICES SOCIETY

## Statement of Changes in Net Assets

Year ended December 31, 2009, with comparative figures for 2008

(Unaudited)

	Invested in equipment	Internally restricted	Unrestricted	2009 Total	2008 Total
Balance, beginning of year	\$ 3,262	\$ 429,506	\$ 60,321	\$ 493,089	\$ 407,080
Excess of revenue over expenses	(3,085)	-	108,033	104,948	90,295
Internally imposed restrictions:					
Allocation to reserve for future operating expenditures	-	110,000	(110,000)	-	-
Expenditures from funds	-	-	-	-	(4,286)
Net change in investment in equipment (Note 7(b))	1,700	-	(1,700)	-	-
Balance, end of year	\$ 1,877	\$ 539,506	\$ 56,654	\$ 598,037	\$ 493,089

See accompanying notes to unaudited financial statements.

# PARKGATE COMMUNITY SERVICES SOCIETY

## Statement of Cash Flows

Year ended December 31, 2009, with comparative figures for 2008  
(Unaudited)

	2009	2008
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 104,948	\$ 90,295
Items not involving cash:		
Amortization of equipment	36,731	43,104
Amortization of deferred capital contributions	(33,646)	(39,842)
Changes in non-cash operating working capital:		
Accounts receivable	10,189	(17,632)
Prepaid expenses	(3,108)	2,244
Accounts payable and accruals	(18,207)	23,052
	96,907	101,221
Investment:		
Purchase of equipment	(1,700)	(5,044)
Financing:		
Receipt of deferred capital funding	-	758
Increase in cash position	95,207	96,935
Cash position, beginning of year	674,742	577,807
Cash position, end of year	\$ 769,949	\$ 674,742

See accompanying notes to unaudited financial statements.

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements

Year ended December 31, 2009

(Unaudited)

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## 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

Management has received the carrying value of equipment and determined that there is no impairment.

(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, 2009

(Unaudited)

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## 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's cash and short-term investments are classified as held-for-trading and stated at fair value. Fair values of short-term investments are valued based on quoted market prices. Changes in the fair value of these financial assets are reflected in distributable income.

Accounts receivable are classified as loans and receivables and are recorded at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities and are recorded at amortized cost.

## 2. Future change in accounting standards:

The Accounting Standards Board and the Public Sector Accounting Board have recently approved for release and exposure draft suggested Not-for-Profit enterprises (NFPs) in Canada that are not in the public sector be given a choice to adopt either International Financial Reporting Standards (IFRS) or a private company framework with not-for-profit oriented specific areas, similar to what is currently in use in Canada. The final status of GAAP for NFPs in Canada is pending comments received on the exposure draft and an eventual final standard. For those entities that do adopt IFRS, the changeover will require the following:

IFRS balance sheet and profit and loss information to be available for the "comparative period". As such, the opening balance sheet as at the January 1, 2010 transition date will need to be converted to IFRS.

IFRS disclosures (which are considered to be much more extensive than current Canadian GAAP).

Based on this exposure draft, the Society will be required to adopt one of these accounting frameworks for the year beginning January 1, 2012. Until that date, no change in the accounting standards currently used would occur.

The Society is currently evaluating their options and will finalize their decision once the final accounting standards for NFPs are released.

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2009

(Unaudited)

### 3. Externally restricted funds:

Externally restricted funds consist of funds received in 2009 which are earmarked to 2010 programs as follows:

	2009	2008
Federal grants:		
Public Health Agency of Canada		
Community Action Program for Children (CAPC)	\$ 5,611	\$ 2,465
Provincial grants:		
Ministry of Children and Family Development:		
Child Care Operating Funding Program	-	2,162
Ministry of Housing and Social Development - Gaming Branch:		
Direct Access Grant	5,280	3,377
Class B fundraising	2,987	595
Municipal grants:		
District of North Vancouver - Child Care Grant	8,112	-
Donations:		
Corporate	4,510	9,951
Private	500	-
Service Clubs, Associations and Foundations	-	35,692
	\$ 27,000	\$ 54,242

### 4. Equipment:

	2009		2008	
	Cost	Accumulated amortization	Net book value	Net book value
Vehicles	\$ 164,398	\$ 153,766	\$ 10,632	\$ 29,834
Furniture and equipment	144,149	133,834	10,315	26,144
	\$ 308,547	\$ 287,600	\$ 20,947	\$ 55,978

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2009

(Unaudited)

## 5. Deferred operating contributions: Externally Restricted Funds

	2009	2008
Balance, beginning of year	\$ 52,242	\$ 56,848
Less: contributions utilized during year	(52,242)	(56,848)
	-	-
Add:		
Federal grants:		
Public Health Agency of Canada		
Community Action Program for Children (CAPC)	5,611	2,465
Provincial grants:		
Ministry of Children and Family Development:		
Child Care Operating Funding Program	-	2,162
Ministry of Housing and Social Development - Gaming Branch:		
Direct Access Grant	5,280	3,377
Class B fundraising	2,987	595
Municipal grants:		
District of North Vancouver - Childcare Grants	8,112	-
Donations:		
Corporate	4,510	9,951
Private	500	-
Service Clubs, Associations and Foundations	-	35,692
Balance, end of year (Note 3)	\$ 27,000	\$ 54,242

## 6. Deferred capital contributions:

	2009	2008
Balance, beginning of year	\$ 52,716	\$ 87,514
Contributions received:		
Ministry of Housing and Social Development - Gaming Branch:		
Direct Access Grant	-	758
Technology reserve	-	3,249
Program services reserve	-	1,037
	-	5,044
Amortization of deferred capital contributions	(33,646)	(39,842)
Balance, end of year	\$ 19,070	\$ 52,716

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2009

(Unaudited)

## 7. Investment in equipment:

(a) Investment in equipment is calculated as follows:

	2009	2008
Equipment	\$ 20,947	\$ 55,978
Amount financed by deferred capital contributions	19,070	52,716
	\$ 1,877	\$ 3,262

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

	2009	2008
Excess of expenses over revenues:		
Amortization expense of equipment	\$ (36,731)	\$ (43,104)
Amortization of deferred capital contributions	33,646	39,842
	\$ (3,085)	\$ (3,262)

	2009	2008
Net change in investment in equipment:		
Equipment acquired	\$ 1,700	\$ 5,044
Amount funded by deferred capital contributions	-	5,044
	\$ 1,700	\$ -

## 8. Internally restricted funds:

Internally restricted funds consist of the following:

	2009	2008
Equipment replacement reserve	\$ 60,000	\$ 60,000
Reserve for future operating expenditures	368,791	258,791
Technology reserve	46,752	46,752
Program services reserve	63,963	63,963
	\$ 539,506	\$ 429,506

# PARKGATE COMMUNITY SERVICES SOCIETY

Notes to Financial Statements (continued)

Year ended December 31, 2009

(Unaudited)

## 9. Grants and donations:

Grants and donations are comprised of the following:

	2009	2008
Federal grants:		
Public Health Agency of Canada - Community Action Program for Children (CAPC)	\$ 57,677	\$ 55,693
HRSDC - Canada Summer Job Career Placement Program	14,942	12,001
	<u>72,619</u>	<u>67,694</u>
Provincial grants:		
Ministry of Children and Family Development: Supported Child Development Program	13,933	18,096
Early Childhood Development Initiative	10,656	10,488
Ministry of Children and Family Development: Child Care Operating Funding Program	110,459	151,205
Ministry of Housing and Social Development - Gaming Branch: Direct Access Grant	62,625	62,576
Ministry of Employment and Income Assistance	-	200
Vancouver Coastal Health Authority	2,000	3,180
	<u>199,673</u>	<u>245,745</u>
Municipal grants:		
District of North Vancouver	216,377	214,060
Donations:		
Corporate	2,468	3,998
Private	3,365	5,274
Service Clubs, Associations and Foundations	58,140	25,794
	<u>63,973</u>	<u>35,066</u>
<b>Total</b>	<b>\$ 552,642</b>	<b>\$ 562,565</b>

## 10. 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, 2009

(Unaudited)

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## **11. 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.