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**GENERATION TO GENERATION SOCIETY**

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**FINANCIAL STATEMENTS**

Unaudited

**DECEMBER 31, 2008**

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# GENERATION TO GENERATION SOCIETY

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DECEMBER 31, 2008

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# ***L. Soligo & Associates Ltd.***

**CHARTERED ACCOUNTANTS**

## **REVIEW ENGAGEMENT REPORT**

To the Directors of  
Generation to Generation Society

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

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 generally accepted accounting principles.

Trail, B.C.  
February 25, 2009

  
CHARTERED ACCOUNTANTS

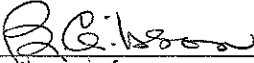
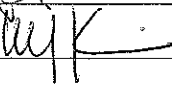
# GENERATION TO GENERATION SOCIETY

## STATEMENT OF FINANCIAL POSITION

Unaudited  
AS AT DECEMBER 31, 2008

	Operating Fund	Capital Asset Fund	Building Fund	2008 Total	2007 Total
<b>CURRENT ASSETS</b>					
Cash	\$ 45,723	\$ -	\$ (3,439)	\$ 42,284	\$ 24,623
Accounts receivable	559	-	1,369	1,928	558
	46,282	-	(2,070)	44,212	25,181
<hr/>					
Building	-	-	174,398	174,398	174,398
Furniture and fixtures	-	21,255	20,869	42,124	41,226
	-	21,255	195,267	216,522	215,624
Less: Accumulated amortization (Notes 1(b) and 3)	-	16,823	33,091	49,914	36,865
	-	4,432	162,176	166,608	178,759
	\$ 46,282	\$ 4,432	\$ 160,106	\$ 210,820	\$ 203,940
<hr/>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued liabilities (Note 5)	\$ 3,914	\$ -	\$ 472	\$ 4,386	\$ 4,932
Deferred revenue (Note 4)	20,000	-	1,050	21,050	20,700
	23,914	-	1,522	25,436	25,632
<hr/>					
<b>FUND BALANCES</b>					
Invested in capital assets	-	4,432	162,176	166,608	178,759
Unrestricted	22,368	-	(3,592)	18,776	(451)
	22,368	4,432	158,584	185,384	178,308
	\$ 46,282	\$ 4,432	\$ 160,106	\$ 210,820	\$ 203,940

APPROVED ON BEHALF OF THE BOARD:

 Director  
 Director

# GENERATION TO GENERATION SOCIETY

## STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES Unaudited FOR THE YEAR ENDED DECEMBER 31, 2008

	Operating Fund	Capital Asset Fund	Building Fund	Total 2008	Total 2007
<b>REVENUE</b>					
Donations-Sanctuary operations	\$ 89,063	\$ -	\$ -	\$ 89,063	\$ 60,386
Donations-building	-	-	-	-	23,000
Donations in kind	7,418	-	-	7,418	7,801
In memorium donations	1,215	-	-	1,215	255
Fund raising	3,962	-	-	3,962	6,360
Memberships	112	-	-	112	55
Interest	12	-	-	12	24
Rental income	-	-	21,890	21,890	20,683
Province of B.C.	20,000	-	-	20,000	20,000
	121,782	-	21,890	143,672	138,564
<b>EXPENSES</b>					
Accounting	1,538	-	-	1,538	2,120
Advertising	886	-	-	886	-
Amortization	-	1,900	11,149	13,049	13,479
Bank charges	789	-	-	789	937
Building maintenance	-	-	5,255	5,255	6,385
Dues and fees	75	-	-	75	91
Employee benefits	6,944	-	-	6,944	6,455
Food	12,380	-	-	12,380	11,422
Fundraising	1,152	-	-	1,152	1,397
Insurance	1,493	-	-	1,493	1,473
Kitchen supplies	698	-	-	698	554
Miscellaneous	610	-	-	610	584
Office	1,061	-	-	1,061	503
Program costs	5,053	-	-	5,053	3,824
Property taxes	-	-	2,311	2,311	1,893
Salaries	65,000	-	-	65,000	64,773
Sanctuary building maintenance	3,621	-	-	3,621	3,560
Sanctuary telephone and utilities	3,714	-	-	3,714	3,505
Utilities	-	-	10,511	10,511	9,379
Work Safe B.C.	456	-	-	456	289
	105,470	1,900	29,226	136,596	132,623
<b>Excess (deficiency) of revenue over expenses</b>	16,312	(1,900)	(7,336)	7,076	5,941
<b>Fund balances, beginning of year</b>	6,954	5,434	165,920	178,308	172,367
<b>Interfund transfers (Note 6):</b>					
Capital assets purchases	(898)	898	-	-	-
<b>Fund balances, end of year</b>	\$ 22,368	\$ 4,432	\$ 158,584	\$ 185,384	\$ 178,308

# GENERATION TO GENERATION SOCIETY

## STATEMENT OF CASH FLOWS

Unaudited  
DECEMBER 31, 2008

	Operating Fund	Capital Asset Fund	Building Fund	2008	2007
<b>Sources of Cash</b>					
Donations-Sanctuary operations	\$ 89,063	\$ -	\$ -	\$ 89,063	\$ 60,386
Donations-building	-	-	-	-	23,000
Donations-in memorium	1,215	-	-	1,215	255
Fund raising	3,962	-	-	3,962	6,360
Memberships	112	-	-	112	55
Interest	12	-	-	12	24
Rental income	-	-	22,240	22,240	21,383
Province of B.C.	20,000	-	-	20,000	20,000
	114,364	-	22,240	136,604	131,463
<b>Uses of Cash</b>					
Administrative expenses	99,071	-	18,974	118,045	111,590
Repayment of related party loan	-	-	-	-	6,750
Repayment of loan	-	-	-	-	20,000
Capital assets purchased	-	898	-	898	5,684
	99,071	898	18,974	118,943	144,024
	15,293	(898)	3,266	17,661	(12,561)
<b>Interfund Transfers (Note 6)</b>					
Capital assets purchased	(898)	898	-	-	-
<b>INCREASE (DECREASE) IN CASH</b>	14,395	-	3,266	17,661	(12,561)
<b>Cash, beginning of year</b>	31,328	-	(6,705)	24,623	37,184
<b>Cash, end of year</b>	\$ 45,723	\$ -	\$ (3,439)	\$ 42,284	\$ 24,623

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# GENERATION TO GENERATION SOCIETY

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## NOTES TO THE FINANCIAL STATEMENTS

Undaudited  
DECEMBER 31, 2008

### 1 PURPOSE OF THE ORGANIZATION

Generation to Generation Society is an organization which serves as a drop-in centre for children and operates and maintains apartments and hospital accommodation suites. It is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under Section 149(1) of the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Fund Accounting

The Society uses the restricted fund method of accounting for contributions.

The Operating Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Asset Fund reports the assets, liabilities, revenue and expenses related to the Society's capital assets excluding those reported in the building fund.

The Building Fund reports the assets, liabilities, revenue and expenses related to the purchase and operation of the premises located at 1705 Bay Avenue, Trail, B.C. also known as Sanctuary House.

#### (b) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a 30% per year diminishing balance basis for Sanctuary furniture and fixtures while Sanctuary House furniture and fixtures are amortized on the straight-line basis over five years. The building is amortized on the straight-line basis over twenty-five years. Amortization is reported in the Capital Asset and Building Fund.

#### (c) Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### (d) Contributed Services

Volunteers contribute many hours per year to assist the Generation to Generation Society in carrying out its service activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Donated goods are recognized in the fund to which they relate and are recorded at their estimated fair market value at the time of the donation.

# GENERATION TO GENERATION SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

Undaudited  
DECEMBER 31, 2008

### 3. CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net 2008	Net 2007
Building-Sanctuary House	\$ 174,398	\$ 20,840	\$ 153,558	\$ 160,534
Furniture and fixtures-Sanctuary	21,255	16,823	4,432	5,434
Furniture and fixtures-Sanctuary House	20,869	12,251	8,618	12,791
	\$ 216,522	\$ 49,914	\$ 166,608	\$ 178,759

### 4. DEFERRED REVENUE

The deferred revenue reported in the Operating Fund and Building Fund represents funds received in the current period that are related to the subsequent period. Changes in the deferred revenue are as follows:

	2008	2007
Balance, beginning of year	\$ 20,700	\$ 20,000
Less: amounts recognized as revenue in the year	(20,700)	(20,000)
Plus: amounts received for the following year	21,050	20,700
Balance, end of year	\$ 21,050	\$ 20,700

### 5. RELATED PARTY TRANSACTIONS

Included in accounts payable is \$1,216 (2007 - \$1,227) owing to directors of the organization. These transactions are in the normal course of business and measured at the exchange value being the amount of consideration agreed to by the related parties.

### 6. INTERFUND TRANSFERS

The organization's management carried out the following interfund transfer during the year:

- transfer from the Operating Fund to the Capital Asset Fund for the purpose of purchasing capital assets: \$898 (2007 - \$2,137).

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# GENERATION TO GENERATION SOCIETY

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## NOTES TO THE FINANCIAL STATEMENTS

Undaudited  
DECEMBER 31, 2008

### 7. FINANCIAL INSTRUMENTS

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities, and deferred revenue reflected on the balance sheet approximate their respective fair value.

### 8. CREDIT RISK

The company is exposed to a credit risk by its customers and suppliers. However, because of the large number of customers and different suppliers, credit risk concentration is reduced.