
GENERATION TO GENERATION SOCIETY

FINANCIAL STATEMENTS

Unaudited

DECEMBER 31, 2010

GENERATION TO GENERATION SOCIETY

DECEMBER 31, 2010

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L. Soligo & Associates Ltd.

CHARTERED ACCOUNTANTS

REVIEW ENGAGEMENT REPORT

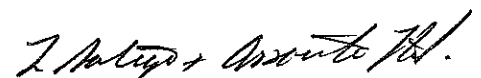
To the Directors of
Generation to Generation Society

We have reviewed the statement of financial position of Generation to Generation Society as at December 31, 2010 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 society.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements. In common with many charitable organizations, Generation to Generation Society derives revenue from cash and in kind donations, the completeness of which is not susceptible of satisfactory review verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations, excess of expenditure over revenue, current assets and net assets.

Except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to complete our review of the cash and in kind donation revenue as described in the preceding paragraph, 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.
March 11, 2011



CHARTERED ACCOUNTANTS

GENERATION TO GENERATION SOCIETY

STATEMENT OF FINANCIAL POSITION
Unaudited
AS AT DECEMBER 31, 2010

	Operating Fund	Capital Asset Fund	Building Fund	2010 Total	2009 Total
CURRENT ASSETS					
Cash	\$ 26,456	\$ -	\$ 51,006	\$ 77,462	\$ 33,346
Accounts receivable	3,209	-	21,808	25,017	1,116
Due to/from other funds	(3,801)	-	3,801	-	-
	25,864	-	76,615	102,479	34,462
CAPITAL ASSETS					
Land	-	-	8,500	8,500	8,500
Building	-	-	202,016	202,016	169,085
Furniture and fixtures	-	22,670	23,486	46,156	45,102
	-	22,670	234,002	256,672	222,687
Less: Accumulated amortization (Notes 1(b) and 3)	-	19,584	56,306	75,890	61,791
	-	3,086	177,696	180,782	160,896
	\$ 25,864	\$ 3,086	\$ 254,311	\$ 283,261	\$ 195,358
CURRENT LIABILITIES					
Accounts payable and accrued liabilities (Note 6)	\$ 2,318	\$ -	\$ 35,428	\$ 37,746	\$ 5,991
Prepaid rent	-	-	1,050	1,050	1,050
Deferred operating grant (Note 5)	20,000	-	-	20,000	20,000
	22,318	-	36,478	58,796	27,041
FUND BALANCES					
Invested in capital assets	-	3,086	177,696	180,782	160,896
Externally restricted (Note 3)	-	-	39,879	39,879	-
Unrestricted	3,546	-	258	3,804	7,421
	3,546	3,086	217,833	224,465	168,317
	\$ 25,864	\$ 3,086	\$ 254,311	\$ 283,261	\$ 195,358

APPROVED ON BEHALF OF THE BOARD:

B. Gibson Director
M.K. Director

GENERATION TO GENERATION SOCIETY

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES Unaudited FOR THE YEAR ENDED DECEMBER 31, 2010

	Operating Fund	Capital Asset Fund	Building Fund	Total 2010	Total 2009
REVENUE					
Donations in kind	\$ 5,543	\$ -	\$ -	\$ 5,543	\$ 6,315
Donations - Sanctuary operations	63,817	-	-	63,817	68,286
Donations - Building	-	-	72,808	72,808	-
Fund raising	8,761	-	-	8,761	6,943
In memoriam donations	525	-	-	525	720
Interest	20	-	-	20	21
Memberships	271	-	-	271	139
Ministry of Families	6,230	-	-	6,230	389
Province of B.C.	20,000	-	-	20,000	20,000
Rental income	-	-	21,248	21,248	21,695
	105,167	-	94,056	199,223	124,508
EXPENSES					
Accounting	1,538	-	-	1,538	1,538
Advertising	400	-	-	400	708
Amortization	-	1,323	12,776	14,099	12,897
Bank charges	786	-	-	786	764
Building maintenance	-	-	4,030	4,030	5,596
Dues and fees	106	-	-	106	115
Employee benefits	7,653	-	-	7,653	7,303
Food	11,028	-	-	11,028	13,179
Fundraising	1,284	-	-	1,284	843
Insurance	1,575	-	-	1,575	1,493
Kitchen supplies	618	-	-	618	585
Miscellaneous	355	-	-	355	919
Office	592	-	-	592	1,078
Program costs	3,980	-	-	3,980	5,406
Property taxes	-	-	2,493	2,493	2,296
Salaries	71,389	-	-	71,389	69,649
Sanctuary building maintenance	3,879	-	-	3,879	4,371
Sanctuary telephone and utilities	6,233	-	-	6,233	4,401
Travel	901	-	-	901	-
Utilities	-	-	9,753	9,753	9,119
Work Safe B.C.	383	-	-	383	335
	112,700	1,323	29,052	143,075	142,595
(Deficiency) Excess of revenue over expenses	(7,533)	(1,323)	65,004	56,148	(18,087)
Fund balances, beginning of year	12,133	3,355	152,829	168,317	186,404
Interfund transfers (Note 7):					
Capital assets purchased	(1,054)	1,054	-	-	-
Fund balances, end of year	\$ 3,546	\$ 3,086	\$ 217,833	\$ 224,465	\$ 168,317

GENERATION TO GENERATION SOCIETY

STATEMENT OF CASH FLOWS
Unaudited
DECEMBER 31, 2010

	Operating Fund	Capital Asset Fund	Building Fund	2010	2009
Sources of Cash					
Donations	\$ 63,817	\$ -	\$ 72,808	\$ 136,625	\$ 68,286
Ministry of Families	6,230	-	-	6,230	389
In memoriam donations	525	-	-	525	720
Fund raising	8,761	-	-	8,761	6,943
Memberships	271	-	-	271	139
Interest	20	-	-	20	21
Rental income	-	-	21,248	21,248	21,695
Province of B.C.	20,000	-	-	20,000	20,000
	99,624	-	94,056	193,680	118,193
Uses of Cash					
Administrative expenses	77,495	-	38,084	115,579	120,966
Capital assets purchased	-	1,054	32,931	33,985	6,165
	77,495	1,054	71,015	149,564	127,131
	22,129	(1,054)	23,041	44,116	(8,938)
Interfund Transfers	(29,019)	1,054	27,965	-	-
(Decrease) Increase in Cash	(6,890)	-	51,006	44,116	(8,938)
Cash, beginning of year	33,346	-	-	33,346	42,284
Cash, end of year	\$ 26,456	\$ -	\$ 51,006	\$ 77,462	\$ 33,346

GENERATION TO GENERATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

Undaudited

DECEMBER 31, 2010

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 Fund 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

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DECEMBER 31, 2010

3. EXTERNALLY RESTRICTED NET ASSETS

Externally restricted net assets in the building fund represent funds received by the Society that have been restricted in their use for mechanical upgrades.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2010	Net 2009
Building-Sanctuary House	\$ 202,016	\$ 34,657	\$ 167,359	\$ 142,505
Furniture and fixtures-Sanctuary	22,670	19,584	3,086	3,355
Furniture and fixtures-Sanctuary House	23,486	21,649	1,837	6,536
Land-Sanctuary House	8,500	-	8,500	8,500
	<u>\$ 256,672</u>	<u>\$ 75,890</u>	<u>\$ 180,782</u>	<u>\$ 160,896</u>

5. DEFERRED OPERATING GRANT

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

	2010	2009
Balance, beginning of year	\$ 20,000	\$ 20,000
Less: amounts recognized as revenue in the year	(20,000)	(20,000)
Plus: amounts received during the year	20,000	20,000
Balance, end of year	<u>\$ 20,000</u>	<u>\$ 20,000</u>

6. RELATED PARTY TRANSACTIONS

Included in accounts payable is \$NIL (2009 - \$698) 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.

GENERATION TO GENERATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

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7. 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: \$1,054 (2009 - \$361).

8. FINANCIAL INSTRUMENTS

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

9. 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.

10. CORRECTION OF ERROR

In prior years, the Society had not separated the land and building related to Sanctuary House. The effect on the comparative numbers of correcting this error is to increase the Society's 2009 opening invested in capital assets balance by \$1,020, increasing the 2009 closing invested in capital assets by \$1,360 and decrease the 2009 amortization expense by \$340.

11. MEASUREMENT UNCERTAINTY

The preparation of the financial statements in conformity with Canadian generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at that date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.