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**AUNT LEAH'S INDEPENDENT
LIFESKILLS SOCIETY**

A Not For Profit Organization

FINANCIAL STATEMENTS

March 31, 2008


**GALLOWAY
BOTTESELLE
& COMPANY**
Independent member firm of
**Porter Hétu
International**
Professional Services Group

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B.M. Galloway *

E.A. Botteselle *

B.R. Blamey *

D.P. Van Gruen *

R.E. Biedka

A. Fong

Y. Chang

* Professional Corporation

AUDITORS' REPORT

To the members of **Aunt Leah's Independent Lifeskills Society**:

We have audited the statement of financial position of Aunt Leah's Independent Lifeskills Society as at March 31, 2008 and the statements of operations, changes in members' equity and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2008 and the results of its operations and the changes in its members' equity for the year then ended. As required by the Societies Act of British Columbia we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Galloway Botteselle & Company

Certified General Accountants

Vancouver, BC
May 14, 2008

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF OPERATIONS

For the Year Ended March 31, 2008

	2008	%	2007	%
Revenue				
Fees for service	\$ 815,743	54.5	722,998	47.5
Projects and fundraising (Note 8)	190,653	12.7	135,265	8.9
BC Gaming Commission	66,154	4.4	59,633	3.9
Donations and grants	424,766	28.4	604,015	39.7
	<u>1,497,316</u>	<u>100.0</u>	<u>1,521,911</u>	<u>100.0</u>
Expenses				
Advertising and promotion	14,931	1.0	13,947	0.9
Amortization	29,199	2.0	12,822	0.8
Bank charges and interest	11,170	0.7	8,350	0.5
Contract service fees	43,791	2.9	22,360	1.5
Food and clothing	98,111	6.6	77,505	5.1
Equipment operating expense	26,911	1.8	30,528	2.0
Insurance	8,455	0.6	7,599	0.5
Office and operating expense	21,992	1.5	20,285	1.3
Professional fees	7,524	0.5	7,924	0.5
Program and training	32,226	2.2	16,954	1.1
Recreation	9,570	0.6	5,938	0.4
Repair and maintenance	25,821	1.7	21,274	1.4
Rent	382,171	25.5	307,043	20.2
Salaries and benefits	794,855	53.1	732,444	48.1
Staff development	10,808	0.7	9,065	0.6
Sundry	1,479	0.1	1,183	0.1
Transportation	51,594	3.4	32,876	2.2
Utilities	38,246	2.6	36,044	2.4
	<u>1,608,854</u>	<u>107.5</u>	<u>1,364,141</u>	<u>89.6</u>
Excess of Expense Over Revenue	\$ (111,538)	(7.5)	157,770	10.4

The accompanying notes are an integral part of these financial statements.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the Year Ended March 31, 2008

	Unrestricted Operating	Internally Restricted	Equity Capital Assets	Total 2008	Total 2007
Beginning Balance	\$ (7,259)	-	88,938	81,679	(76,090)
Excess of Expense Over Revenue	(82,339)	-	(29,199)	(111,538)	157,770
Capital Additions	(35,770)	-	35,770	-	-
Ending Members' Equity	\$ (125,368)	-	95,509	(29,859)	81,680

The accompanying notes are an integral part of these financial statements.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF FINANCIAL POSITION

As at March 31, 2008

	2008	2007
ASSETS		
Current		
Cash (Note 3)	\$ -	51,589
Accounts receivable	4,420	8,719
Prepaid expenses	23,691	19,346
	<u>28,111</u>	<u>79,654</u>
Capital Assets (Note 4)	95,507	88,937
	<u>\$ 123,618</u>	<u>168,591</u>
LIABILITIES		
Current		
Bank indebtedness (Note 3)	\$ 118,205	-
Accounts payable and accrued liabilities (Note 5)	18,679	29,544
Deferred contributions (Note 6)	16,593	57,367
	<u>153,477</u>	<u>86,911</u>
MEMBERS' EQUITY	(29,859)	81,680
	<u>\$ 123,618</u>	<u>168,591</u>

The accompanying notes are an integral part of these financial statements.

Approved by:

"Rachael McKendry"

Rachael McKendry, Chair

"Christine Baerg"

Christine Baerg, Vice-chair

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2008

	2008	2007
CASH USED FOR:		
Operating Activities		
Excess of expense over revenue	\$ (111,538)	157,770
Non-cash item:		
Amortization	<u>29,199</u>	<u>12,822</u>
	(82,339)	170,592
Changes in non-cash working capital:		
Accounts receivable	4,300	2,135
Prepaid expenses	(4,345)	10,118
Accounts payable and accrued liabilities	(10,865)	(39,554)
Deferred contributions	(40,775)	(230,133)
	<u>(134,024)</u>	<u>(86,842)</u>
Investing Activities		
Acquisition of capital assets	(35,770)	(54,863)
	<u>(35,770)</u>	<u>(54,863)</u>
Change in Cash Position	(169,794)	(141,705)
Beginning Cash Position	51,589	193,294
Ending Cash Position	\$ (118,205)	51,589

The accompanying notes are an integral part of these financial statements.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2008

Note 1 Operations

The Society was initially incorporated under the Society Act of British Columbia on July 18th, 1988, and is a registered charity under the Income Tax Act.

The Society's main purpose is to assist youth and families in learning the necessary lifeskills for successful independent living.

Note 2 Accounting Policies

The Society uses the accrual basis of accounting and the following significant accounting policies:

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Capital Assets

Capital assets are recorded at cost or fair market value of the contributed asset. Artwork will not be amortized. Amortization is provided for using the following annual rates and methods:

Computer software	100%	Declining balance
Computer	30%	Declining balance
Automobile	30%	Declining balance
Office furniture	30%	Declining balance
Leasehold improvements	20%	Straight line

Amortization on assets acquired during the year is provided for using one half the stated rate.

Note 3 Cash

	<u>2008</u>	<u>2007</u>
Cash	\$ 4,335	3,362
Bank (Overdraft)	<u>(122,540)</u>	<u>48,227</u>
	<u>\$ (118,205)</u>	<u>51,589</u>

The Aunt Leah's Independent Lifeskills Society has a line of credit arranged with the Vancouver City Savings Credit Union to cover periodic cash shortfalls to a maximum of \$140,000. Interest is charged on the outstanding balance at the rate of bank prime plus 2%.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2008

Note 4 Capital Assets

	<u>2008</u>	<u>2007</u>
Artwork	\$ 22,980	22,980
Automobile	32,242	32,242
Computer equipment	41,651	28,150
Computer software	9,670	9,670
Equipment	11,908	11,908
Furniture and fixtures	27,386	23,750
Leasehold improvements	33,630	14,998
	<u>179,467</u>	<u>143,698</u>
Accumulated amortization	<u>83,960</u>	<u>54,761</u>
Net book value	<u>\$ 95,507</u>	<u>88,937</u>

Note 5 Accounts Payable and Accrued Liabilities

	<u>2008</u>	<u>2007</u>
Accounts payable - trade	\$ 9,587	6,475
Accrued liabilities	2,250	2,250
Accrued vacation pay	6,842	20,258
Due to government agencies	<u>-</u>	<u>561</u>
	<u>\$ 18,679</u>	<u>29,544</u>

Note 6 Deferred Contributions

Deferred contributions represent funding externally restricted for operating expenses to be incurred in future periods. Funds from the following sources are deferred contributions:

	<u>2008</u>	<u>2007</u>
Victoria Foundation	-	19,500
Gaming Capital Grant	2,714	17,834
Deferred contributions for assets purchased to be recognized at same rate as asset amortization	<u>13,879</u>	<u>20,033</u>
	<u>\$ 16,593</u>	<u>57,367</u>

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2008

Note 7 Lease Obligations

The Society has entered into leases which have varying interest rates and repayment terms:

- a) De Lage Landen Financial Services Canada Inc.
Canon 6028 copier with monthly payments of \$128 plus applicable taxes.
- b) Affordable Leasing Ltd. (Citicorp)
Copier with monthly payments of \$492 plus applicable taxes to January 2009.
- c) Pitney Bowes
Postage machine with quarterly payments of \$245 plus applicable taxes to December 2009
- d) Begbie Court Holdings Inc.
Building lease at #206, 88 - 10th Street, New Westminster, BC. Ten year lease effective September 1, 2007 with a minimum annual rents of:

Year 1	\$25,440
Years 2-5	\$42,360
Years 6-10	\$45,600
- e) Vohra Enterprises Ltd.
Office and thrift store lease at 675 Southeast Marine Drive, Vancouver, B.C. The lease is a 5 year lease effective August 1, 2006. \$60,000 per annum plus GST and property taxes.

Note 8 Projects and Fundraising

The breakdown of the projects and fundraising is as follows:

	<u>2008</u>	<u>2007</u>
Gross projects and fundraising	\$ 235,481	186,206
Less: Direct expenses - purchases	<u>44,828</u>	<u>50,941</u>
Net projects and fundraising	<u>\$ 190,653</u>	<u>135,265</u>

Note 9 Comparative Figures

Certain 2007 comparative figures have been reclassified to conform with the current year's presentation.