

**AUNT LEAH'S INDEPENDENT LIFESKILLS
SOCIETY**

A Not-for-Profit Organization

FINANCIAL STATEMENTS

March 31, 2021

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300-2000 West 12th Ave
Vancouver, BC V6J 2G2
604 736.6581
gbco.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of Aunt Leah's Independent Lifeskills Society

Opinion

We have audited the financial statements of Aunt Leah's Independent Lifeskills Society, which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT — continued

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis with that of the preceding year.

Galloway Botteselle & Company

Chartered Professional Accountants
Vancouver, BC
June 24, 2021

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF OPERATIONS

For the year ended March 31, 2021

	2021	%	2020	%
Revenue				
Government funding (note 3)	\$ 2,910,964	44.4	\$ 2,131,935	40.2
Grants & foundation	1,666,102	25.4	1,289,144	24.3
Social enterprises revenue & other	669,855	10.2	814,127	15.3
Fundraising	1,078,288	16.5	857,971	16.2
Donations	225,650	3.4	211,318	4.0
	6,550,859	100.0	5,304,495	100.0
Expenditures				
Programming (note 4)	4,655,752	71.1	3,641,877	68.7
Social enterprises (note 5)	655,438	10.0	632,260	11.9
Fundraising (note 6)	566,206	8.6	509,416	9.6
General and administration (note 6)	116,855	1.8	22,764	0.4
	5,994,251	91.5	4,806,317	90.6
Excess of revenue over expenditures	\$ 556,608	8.5	\$ 498,178	9.4

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2021

	Unrestricted Operating	Internally Restricted	Capital Assets	Restricted for endowment purposes	Total 2021	Total 2020
Balance, beginning of year	\$ 247,011	\$ 360,215	\$ 126,929	\$ 50,004	\$ 784,159	\$ 285,981
Excess (deficiency) of revenue over expenditures	579,340	-	(22,728)	(4)	556,608	498,178
Transfers	(48,252)	48,252	-	-	-	-
Balance, end of year	\$ 778,099	\$ 408,467	\$ 104,201	\$ 50,000	\$ 1,340,767	\$ 784,159

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY


STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

	2021	2020
ASSETS		
Current		
Cash (note 7)	\$ 1,455,677	\$ 1,497,705
Accounts receivable	103,075	109,774
Prepaid expenses	58,636	37,798
	1,617,388	1,645,277
Term deposits (note 8)	193,624	139,370
Capital assets (note 9)	146,558	125,972
Deposits	38,811	21,280
	\$ 1,996,381	\$ 1,931,899
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 83,686	\$ 69,495
Deferred contributions (note 11)	539,378	1,006,081
Current portion of repayable grant (note 12)	32,550	39,617
	655,614	1,115,193
Repayable grant (note 12)	-	32,547
	655,614	1,147,740
Commitments (note 16)		
Unrestricted Operating	778,099	247,011
Internally Restricted	408,467	360,215
Capital Assets	104,201	126,929
Restricted for endowment purposes	50,000	50,004
	1,340,767	784,159
	\$ 1,996,381	\$ 1,931,899

See accompanying notes

Approved on behalf of the board:

DocuSigned by:

 Rick Schneider Director
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DocuSigned by:

 Tracy Sherlock Director
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AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETYSTATEMENT OF CASH FLOWS
For the year ended March 31, 2021

	2021	2020
Cash used for:		
Operating activities		
Excess of revenue over expenditures	\$ 556,608	\$ 498,178
Adjustments for non-cash items:		
Amortization	22,471	19,668
Accrued interest on term deposits	(4,253)	(3,155)
	574,826	514,691
Net change in non-cash working capital items:		
Accounts receivable	6,699	(48,694)
Prepaid expenses	(20,838)	(35,462)
Accounts payable and accrued liabilities	14,190	(74,075)
Deferred contributions	(466,703)	657,360
Deposits	(17,531)	(675)
Cash flows from operating activities	90,643	1,013,145
Financing activities		
Loan payable	-	(3,098)
Repayment of repayable grant	(39,614)	(38,446)
Cash flows from financing activities	(39,614)	(41,544)
Investing activities		
Purchase of term deposit	(50,000)	-
Proceeds on maturity of term deposit	-	50,000
Purchase of capital assets	(43,057)	-
Cash flows from investing activities	(93,057)	50,000
Net decrease in cash	(42,028)	1,021,601
Cash, beginning of year	1,497,705	476,104
Cash, end of year	\$ 1,455,677	\$ 1,497,705

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

1. Operations

Aunt Leah's Independent Lifeskills Society ("the Society") was initially formed under the Society Act of British Columbia on July 18th, 1988. The Society's main purpose is to assist youth and families in learning the necessary lifeskills for successful independent living.

The Society is a registered Canadian charity and, as such, is exempt from income taxes under paragraph 149(1)(f) of the Income Tax Act (Canada).

2. Summary of significant accounting policies

The Society applies the Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Society follows the deferral method of accounting for contributions for not-for-profit organizations.

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. For contributions subject to legislative or contractual stipulation or restriction as to their use, revenue is deferred and recognized as revenue in the year related expenses are incurred.

Social enterprises revenue from the sale of goods or services are recognized when the goods are delivered or services rendered.

General fundraising and donations revenues are recognized when received. Externally restricted donations used to purchase depreciable capital assets are deferred and amortized over the life of the related capital asset.

Donated services

The Society benefits from donated services in the form of volunteer work for various activities. The value of donated services is not recognized in the financial statements.

Cash and cash equivalents

Cash and cash equivalents represent externally restricted, internally restricted and unrestricted cash and equivalents and mature within three months and those that can be readily converted to cash.

Externally restricted cash and cash equivalents are restricted for specified purposes and are not available for the Society's general operations.

Internally restricted cash represents money set aside to fund specified activities identified by management and approved by the Board of Directors. The funds are not available for the Society's general operations.

Unrestricted cash represents funds available for the Society's general operations.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

2. Summary of significant accounting policies — continued

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided for using the following annual rates and methods:

Computer equipment	30% declining balance
Computer software	30% declining balance
Equipment	20% declining balance
Furniture and fixtures	20% declining balance
Leasehold improvements	5-10 years straight-line

Artwork is recorded at cost and reviewed for impairment.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of useful lives for amortization of capital assets and provisions for contingencies. Actual results may differ from these estimates.

Financial instruments

The Society's financial instruments consist of cash and cash equivalents, accounts receivable, term deposits, accounts payable and accrued liabilities. The Society initially measures all of its financial instruments at fair value and subsequently at amortized cost using the effective interest rate method, except for investments which are measured at fair value. Changes in fair value are recognized in the statement of operations.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

3. Government funding

The breakdown of government funding is as follows:

	2021	2020
Ministry of Children and Family Development	\$ 1,237,447	\$ 1,192,218
Employment and Social Development Canada (YESS)	541,864	179,683
Reaching Home: Canada's Homelessness Strategy	508,745	408,882
Skills Training for Employment program (STE)	265,900	79,173
BC Housing	127,363	89,664
BC Gaming income	70,250	70,679
Municipal funding	59,944	35,444
Income assistance	52,160	53,695
BC pandemic pay	39,943	-
Employment and Social Development Canada (Canada Summer Jobs)	7,348	22,497
	\$ 2,910,964	\$ 2,131,935

4. Programming

The breakdown of program expenses is as follows:

	2021	2020
Wages and benefits	\$ 2,768,163	\$ 2,020,745
Operating expenses	1,249,149	995,938
Reaching Home: Canada's Homelessness Strategy	413,093	408,943
BC Housing	132,003	92,836
Administration and overhead	93,344	123,415
	\$ 4,655,752	\$ 3,641,877

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

5. Social enterprises

The breakdown of social enterprises expenses is as follows:

	2021	2020
Operating expenses	\$ 343,922	\$ 365,763
Wages and benefits	186,812	184,763
Administration and overhead	124,704	81,734
	\$ 655,438	\$ 632,260

6. Fundraising & General and administration

The breakdown of fundraising expenses is as follows:

	2021	2020
Wages and benefits	\$ 377,670	\$ 319,625
Administration and overhead	149,237	121,901
Operating expenses	39,299	67,890
	\$ 566,206	\$ 509,416

The breakdown of general and administration expenses is as follows:

	2021	2020
Operating expenses	\$ 116,855	\$ 22,764

7. Cash

Included in cash is \$298,965 (2020 - \$270,849) which has been internally restricted for the purpose of a contingency fund to be used for emergencies and significant non-recurring expenses, and nil (2020 - \$50,004) which has been externally restricted for endowment purposes.

8. Term deposits

Term deposits totaling \$143,624 (2020 - \$139,370) are internally restricted for the purpose of a contingency fund to be used for emergencies and significant non-recurring expenses. \$50,000 (2020 - nil) of the total term deposits are externally restricted for endowment purpose.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

9. Capital assets

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Art	\$ 14,224	\$ -	\$ 14,224	\$ 14,224
Computer equipment	62,958	53,430	9,528	492
Computer software	41,850	11,728	30,122	-
Equipment	20,008	17,148	2,860	3,575
Furniture and fixtures	65,865	54,694	11,171	13,964
Leasehold improvements	434,315	355,662	78,653	93,717
	\$ 639,220	\$ 492,662	\$ 146,558	\$ 125,972

10. Bank indebtedness and credit facility

The Society has an operating line of credit with Vancouver City Savings Credit Union (VanCity) for the support of its operational activities in the amount of \$250,000. The line of credit can be increased by an additional \$230,000 to \$480,000 between September 15th to December 15th to support the Society's seasonal programs and additional cash needs. The loan is repayable on demand and bears an interest of prime plus 2%.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

11. Deferred contributions

Deferred contributions represent externally restricted funding for operating expenses to be incurred in future periods. Changes in deferred contributions are as follows:

	Balance, beginning of year	Received	Recognized	Balance, end of year
Anonymous Community Foundation	\$ 150,000	\$ 150,000	\$ (150,000)	\$ 150,000
Ministry of Children and Family Development	143,435	126,449	(143,435)	126,449
BC Housing	7,472	68,773	(7,472)	68,773
Allan & Gill Gray Philanthropy	55,000	63,750	(55,000)	63,750
Bootstrap Skills	-	44,000	-	44,000
Trevor Linden Foundation	82,000	30,000	(82,000)	30,000
City of Vancouver	59,944	29,089	(59,944)	29,089
Lagniappe Foundation	20,000	12,817	(20,000)	12,817
Bank of Nova Scotia	-	12,500	-	12,500
Victoria Foundation	-	2,000	-	2,000
Various Fundraising	103,551	-	(103,551)	-
Vancouver Foundation	6,000	-	(6,000)	-
Telus	8,000	-	(8,000)	-
Monthly donors	40,777	-	(40,777)	-
Skills training for employment	259,000	-	(259,000)	-
John Hardie	10,000	-	(10,000)	-
Gala donations	56,902	-	(56,902)	-
VanCity Community Foundation	4,000	-	(4,000)	-
	\$ 1,006,081	\$ 539,378	\$(1,006,081)	\$ 539,378

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

12. Repayable grant

	2021	2020
Central City Foundation (2014 Leasehold Improvements) Repayable in equal blended monthly payments of \$1,490 including interest at 3.00% per annum, compounded semi- annually. The balance is due January 1, 2022.	\$ 13,317	\$ 30,511
Central City Foundation (2017 Leasehold Improvements) Repayable in equal blended monthly payments of \$1,947, including interest at 3.00% per annum, compounded semi- annually. The term for repayment and amortization of the grant is 5 years commencing January 1, 2018.	19,233	41,653
	32,550	72,164
Less: current portion	32,550	39,617
	\$ -	\$ 32,547

Principal repayments due in each of the next year(s) are as follows:

2022	\$ 32,550
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13. Remuneration of directors and employees

During the year, the Society paid remuneration of \$84,419 (2020 - \$82,853) to an employee for services.

No remuneration was paid to any members of the Board of Directors.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

14. Net assets

The Society defines its capital as its net assets. Its objectives in managing capital are:

- (a) to ensure that sufficient financial resources are in place to deliver on the priorities set by the Board of Directors during its annual strategic plan review;
- (b) to manage grants and donations with external restrictions in order to comply with the conditions for using these financial statements.

The Society monitors its net assets by reviewing various financial metrics, including cash flows and variances to forecast and budgets.

15. Internally restricted funds

The Society restricts the use of portions of its unrestricted net assets for future emergency needs or significant non-recurring expenses. When incurred, related expenses are charged to operations and the balance of internally restricted net assets is reduced accordingly.

16. Commitments

The Society has entered into various operating leases for its premises. The minimum annual lease payments for the next 5 fiscal years are as follow:

2022	\$ 247,808
2023	169,240
2024	171,852
2025	148,722
2026	104,622

17. Financial instrument risk and management

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's accounts receivable represent credit provided for the Society's programs.

Interest rate risk

The Society is exposed to interest rate risk with respect to its interest-bearing liabilities. Interest rate risk is not considered significant because the Society is entered in a fixed-rate mortgage with a Canadian financial institution in an insured account.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

18. Comparative amounts

Certain 2020 comparative amounts have been reclassified to conform with the financial statement presentation adopted for 2021.