

**AUNT LEAH'S INDEPENDENT LIFESKILLS
SOCIETY**

A Not-for-profit Organization

FINANCIAL STATEMENTS

March 31, 2022

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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, 2022, 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, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting 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.

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
October 4, 2022

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF OPERATIONS

For the year ended March 31, 2022

	2022	%	2021	%
Revenue				
Government funding (note 3)	\$ 2,498,690	39.5	\$ 2,910,964	44.4
Grants & foundation	1,641,325	25.9	1,666,102	25.4
Fundraising	962,088	15.2	1,078,288	16.5
Social enterprises revenue & other	884,565	14.0	669,855	10.2
Donations	342,698	5.4	225,650	3.4
	6,329,366	100.0	6,550,859	100.0
Expenditures				
Programming (note 4)	4,499,219	71.1	4,655,752	71.1
Social enterprises (note 5)	811,297	12.8	655,438	10.0
Fundraising (note 6)	521,104	8.2	566,206	8.6
General and administration	398,826	6.3	116,855	1.8
	6,230,446	98.4	5,994,251	91.5
Excess of revenue over expenditures	\$ 98,920	1.6	\$ 556,608	8.5

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2022

	Unrestricted Operating	Internally Restricted	Capital Assets	Restricted for endowment purposes	Total 2022	Total 2021
Balance, beginning of year	\$ 778,099	\$ 408,467	\$ 104,201	\$ 50,000	\$ 1,340,767	\$ 784,159
Excess (deficiency) of revenue over expenditures	139,719	-	(40,799)	-	98,920	556,608
Transfers	(27,638)	27,638	-	-	-	-
Balance, end of year	\$ 890,180	\$ 436,105	\$ 63,402	\$ 50,000	\$ 1,439,687	\$ 1,340,767

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

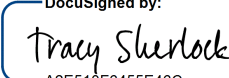
STATEMENT OF FINANCIAL POSITION

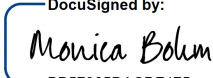
As at March 31, 2022

	2022	2021
ASSETS		
Current		
Cash (note 7)	\$ 1,554,048	\$ 1,455,677
Accounts receivable	109,359	103,075
Prepaid expenses	103,460	58,636
	1,766,867	1,617,388
Term deposits (note 8)	195,801	193,624
Capital assets (note 9)	163,586	146,558
Deposits	34,491	38,811
	\$ 2,160,745	\$ 1,996,381
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 69,502	\$ 83,686
Deferred contributions (note 11)	582,806	539,378
Deferred lease inducement	68,750	-
Current portion of repayable grant (note 12)	-	32,550
	721,058	655,614
Commitments (note 16)		
Unrestricted Operating	890,180	778,099
Internally Restricted	436,105	408,467
Capital Assets	63,402	104,201
Restricted for endowment purposes	50,000	50,000
	1,439,687	1,340,767
	\$ 2,160,745	\$ 1,996,381

See accompanying notes

Approved on behalf of the board:

DocuSigned by:

 Tracy Sherlock Director

DocuSigned by:

 Monica Bolm Director

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

	2022	2021
Cash used for:		
Operating activities		
Excess of revenue over expenditures	\$ 98,920	\$ 556,608
Adjustments for non-cash items:		
Amortization	40,799	22,471
Accrued interest on term deposits	(2,177)	(4,253)
	137,542	574,826
Net change in non-cash working capital items:		
Accounts receivable	(6,284)	6,699
Prepaid expenses	(44,824)	(20,838)
Accounts payable and accrued liabilities	(14,183)	14,190
Deferred contributions	43,428	(466,703)
Deferred lease inducement	68,750	-
Deposits	4,320	(17,531)
Cash flows from operating activities	188,749	90,643
Financing activity		
Repayment of repayable grant	(32,550)	(39,614)
Investing activities		
Purchase of term deposit	-	(50,000)
Purchase of capital assets	(57,828)	(43,057)
Cash flows from investing activities	(57,828)	(93,057)
Net increase in cash	98,371	(42,028)
Cash, beginning of year	1,455,677	1,497,705
Cash, end of year	\$ 1,554,048	\$ 1,455,677

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

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, 2022

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, 2022

3. Government funding

The breakdown of government funding is as follows:

	2022	2021
Ministry of Children and Family Development	\$ 846,739	\$ 1,237,447
Reaching Home: Canada's Homelessness Strategy	570,955	508,745
Employment and Social Development Canada (YESS)	387,341	541,864
BC Housing	240,560	127,363
Skills Training for Employment program (STE)	217,316	265,900
Municipal funding	82,678	59,944
BC Gaming income	71,530	70,250
Income assistance	68,285	52,160
Employment and Social Development Canada (Canada Summer Jobs)	13,286	7,348
BC pandemic pay	-	39,943
	\$ 2,498,690	\$ 2,910,964

4. Programming

The breakdown of program expenses is as follows:

	2022	2021
Wages and benefits	\$ 2,046,467	\$ 2,768,163
Operating expenses	1,164,793	1,249,149
Administration and overhead	609,611	93,344
Reaching Home: Canada's Homelessness Strategy	450,455	413,093
BC Housing	227,893	132,003
	\$ 4,499,219	\$ 4,655,752

5. Social enterprises

The breakdown of social enterprises expenses is as follows:

	2022	2021
Operating expenses	\$ 490,489	\$ 343,922
Wages and benefits	221,222	186,812
Administration and overhead	99,586	124,704
	\$ 811,297	\$ 655,438

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

6. Fundraising

The breakdown of fundraising expenses is as follows:

	2022	2021
Wages and benefits	\$ 340,829	\$ 377,670
Administration and overhead	145,630	149,237
Operating expenses	34,645	39,299
	\$ 521,104	\$ 566,206

7. Cash

Included in cash is \$290,304 (2021 - \$262,666) which has been internally restricted for the purpose of a contingency fund to be used for emergencies and significant non-recurring expenses.

8. Term deposits

Term deposits totaling \$145,801 (2021 - \$143,624) are internally restricted for the purpose of a contingency fund to be used for emergencies and significant non-recurring expenses. \$50,000 (2021 - \$50,000) of the total term deposits are externally restricted for endowment purposes.

9. Capital assets

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Art	\$ 14,224	\$ -	\$ 14,224	\$ 14,224
Computer equipment	89,165	61,598	27,567	9,528
Computer software	52,909	21,871	31,038	30,122
Equipment	20,008	17,720	2,288	2,860
Furniture and fixtures	65,865	56,928	8,937	11,171
Leasehold improvements	454,878	375,346	79,532	78,653
	\$ 697,049	\$ 533,463	\$ 163,586	\$ 146,558

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

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%.

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	\$ 300,000	\$ (300,000)	\$ 150,000
Bootstraps STE	44,000	213,090	(153,795)	103,295
Bootstraps YESS	-	443,784	(342,262)	101,522
Allan & Gill Gray Philanthropy	63,750	260,000	(237,084)	86,666
Ministry of Children and Family Development	126,449	786,429	(873,525)	39,353
Minister for the Department for Women and Gender Equality	-	55,246	(19,230)	36,016
Trevor Linden Foundation	30,000	75,000	(80,000)	25,000
BC Housing	68,773	187,674	(240,560)	15,887
Lagniappe Foundation	12,817	5,000	(5,000)	12,817
City of Vancouver	29,089	53,589	(70,428)	12,250
Bank of Nova Scotia	12,500	-	(12,500)	-
Victoria Foundation	2,000	-	(2,000)	-
	\$ 539,378	\$ 2,379,812	\$(2,336,384)	\$ 582,806

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

12. Repayable grant

	2022	2021
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 was paid in full on January 1, 2022.	\$ -	\$ 13,317
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 balance was paid in full on January 1, 2022.	-	19,233
Less: current portion	-	32,550
	\$ -	\$ -

13. Remuneration of directors and employees

During the year, the Society paid remuneration to employees who earned equal to or in excess of \$75,000 for an aggregate total of \$341,595 (2021 - \$84,419).

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

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.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

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:

2023	\$ 195,622
2024	195,834
2025	199,704
2026	143,004
2027	107,719
Thereafter	172,359
	<hr/>
	\$ 1,014,242
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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.