

**AUNT LEAH'S INDEPENDENT LIFESKILLS  
SOCIETY**

*A Not-for-profit Organization*

**FINANCIAL STATEMENTS**

March 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

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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, 2023, 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, 2023, 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:

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## INDEPENDENT AUDITOR'S REPORT — continued

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- ◆ 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  
September 13, 2023

**AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY**

## STATEMENT OF OPERATIONS

For the year ended March 31, 2023

	2023	%	2022	%
<b>Revenue</b>				
Government funding (note 3)	<b>\$ 2,417,445</b>	<b>36.7</b>	\$ 2,430,405	38.4
Foundations and charities	<b>1,931,158</b>	<b>29.3</b>	1,625,461	25.7
Individuals	<b>1,264,466</b>	<b>19.2</b>	952,394	15.0
Social enterprise and others	<b>873,318</b>	<b>13.2</b>	973,864	15.4
Community, businesses and corporations	<b>105,672</b>	<b>1.6</b>	347,242	5.5
	<b>6,592,059</b>	<b>100.0</b>	6,329,366	100.0
<b>Expenditures</b>				
Programming (note 4)	<b>4,530,380</b>	<b>68.7</b>	4,499,219	71.1
Social enterprises (note 5)	<b>945,225</b>	<b>14.3</b>	811,297	12.8
General and administration	<b>560,106</b>	<b>8.5</b>	398,826	6.3
Fundraising (note 6)	<b>502,161</b>	<b>7.6</b>	521,104	8.2
	<b>6,537,872</b>	<b>99.2</b>	6,230,446	98.4
Excess of revenue over expenditures	<b>\$ 54,187</b>	<b>0.8</b>	\$ 98,920	1.6

*See accompanying notes*

**AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY**

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2023

	<b>Unrestricted Operating</b>	<b>Internally Restricted</b>	<b>Capital Assets</b>	<b>Restricted for endowment purposes</b>	<b>Total 2023</b>	<b>Total 2022</b>
Balance, beginning of year	\$ 789,299	\$ 436,105	\$ 164,283	\$ 50,000	<b>\$ 1,439,687</b>	\$ 1,340,767
Excess (deficiency) of revenue over expenditures	103,393	-	(49,206)	-	<b>54,187</b>	98,920
Transfers	(74,015)	52,516	21,499	-	-	-
Balance, end of year	<b>\$ 818,677</b>	<b>\$ 488,621</b>	<b>\$ 136,576</b>	<b>\$ 50,000</b>	<b>\$ 1,493,874</b>	\$ 1,439,687

*See accompanying notes*

**AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY**

## STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

	2023	2022
<b>ASSETS</b>		
Current		
Cash (note 7)	\$ 1,500,786	\$ 1,554,048
Accounts receivable	157,431	109,359
Prepaid expenses	34,247	103,460
	<b>1,692,464</b>	1,766,867
Term deposits (note 8)	196,941	195,801
Capital assets (note 9)	136,576	163,586
Deposits	26,156	34,491
	<b>\$ 2,052,137</b>	\$ 2,160,745
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 139,700	\$ 69,502
Deferred contributions (note 11)	359,188	582,806
Deferred lease inducement	59,375	68,750
	<b>558,263</b>	721,058
Commitments (note 15)		
Unrestricted Operating	818,677	789,299
Internally Restricted	488,621	436,105
Capital Assets	136,576	164,283
Restricted for endowment purposes	50,000	50,000
	<b>1,493,874</b>	1,439,687
	<b>\$ 2,052,137</b>	\$ 2,160,745

See accompanying notes

Approved on behalf of the board:

DocuSigned by:  
  
 Tracy Sherlock Director

DocuSigned by:  
  
 Megan Halprin Director

**AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY**STATEMENT OF CASH FLOWS  
For the year ended March 31, 2023

	2023	2022
Cash used for:		
Operating activities		
Excess of revenue over expenditures	\$ 54,187	\$ 98,920
Adjustments for non-cash items:		
Amortization	49,206	40,799
Accrued interest on term deposits	(1,140)	(2,177)
	<b>102,253</b>	137,542
Net change in non-cash working capital items:		
Accounts receivable	(48,072)	(6,284)
Prepaid expenses	69,213	(44,824)
Accounts payable and accrued liabilities	70,198	(14,183)
Deferred contributions	(223,618)	43,428
Deferred lease inducement	(9,375)	68,750
Deposits	8,335	4,320
Cash flows from operating activities	<b>(31,066)</b>	188,749
Financing activity		
Repayment of repayable grant	-	(32,550)
Investing activity		
Purchase of capital assets	<b>(22,196)</b>	(57,828)
Net decrease in cash	<b>(53,262)</b>	98,371
Cash, beginning of year	<b>1,554,048</b>	1,455,677
Cash, end of year	<b>\$ 1,500,786</b>	\$ 1,554,048

*See accompanying notes*



# AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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### 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 material and services

The Society benefits from donated material and donated services in the form of volunteer work for various activities. The value of donated material and 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, 2023

### 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, 2023

### 3. Government funding

The breakdown of government funding is as follows:

	2023	2022
Ministry of Children and Family Development	\$ 910,334	\$ 846,739
Employment and Social Development Canada (YESS)	301,924	341,315
Reaching Home: Canada's Homelessness Strategy	448,138	570,955
Skills Training for Employment program (STE)	244,753	217,316
BC Housing	170,844	240,560
Municipal funding	84,500	82,678
BC Gaming income	70,058	71,530
Minister for the Department for Women and Gender Equality	165,426	46,026
Employment and Social Development Canada (Canada Summer Jobs)	21,468	13,286
	-	-
	<b>\$ 2,417,445</b>	<b>\$ 2,430,405</b>

### 4. Programming

The breakdown of program expenses is as follows:

	2023	2022
Wages and benefits	\$ 1,915,687	\$ 2,046,467
Operating expenses	1,414,558	1,164,793
Administration and overhead	601,177	609,611
Reaching Home: Canada's Homelessness Strategy	426,367	450,455
BC Housing	172,591	227,893
	<b>\$ 4,530,380</b>	<b>\$ 4,499,219</b>

### 5. Social enterprises

The breakdown of social enterprises expenses is as follows:

	2023	2022
Operating expenses	\$ 517,559	\$ 490,489
Wages and benefits	320,659	221,222
Administration and overhead	107,007	99,586
	<b>\$ 945,225</b>	<b>\$ 811,297</b>

**AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY**

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

**6. Fundraising**

The breakdown of fundraising expenses is as follows:

	2023	2022
Wages and benefits	\$ 360,847	\$ 340,829
Administration and overhead	112,703	145,630
Operating expenses	28,611	34,645
	<b>\$ 502,161</b>	<b>\$ 521,104</b>

**7. Cash**

Included in cash is \$341,679 (2022 - \$290,304) 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 \$146,941 (2022 - \$145,801) are internally restricted for the purpose of a contingency fund to be used for emergencies and significant non-recurring expenses. \$50,000 (2022 - \$50,000) of the total term deposits are externally restricted for endowment purposes.

**9. Capital assets**

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Art	\$ 14,224	\$ -	\$ 14,224	\$ 14,224
Computer equipment	100,049	78,918	21,131	27,567
Computer software	52,909	31,183	21,726	31,038
Equipment	23,090	18,589	4,501	2,288
Furniture and fixtures	74,095	58,950	15,145	8,937
Leasehold improvements	454,878	395,029	59,849	79,532
	<b>\$ 719,245</b>	<b>\$ 582,669</b>	<b>\$ 136,576</b>	<b>\$ 163,586</b>

# AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

### 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 \$480,000. 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	\$ 375,000	\$ (375,000)	\$ 150,000
Bootstraps YESS	101,522	305,377	(327,423)	79,476
Minister for the Department for Women and Gender Equality	36,016	199,122	(165,426)	69,712
City of Vancouver	12,250	132,250	(84,500)	60,000
Bootstraps STE	103,295	141,458	(244,753)	-
Allan & Gill Gray Philanthropy	86,666	-	(86,666)	-
Ministry of Children and Family Development	39,353	821,675	(861,028)	-
Trevor Linden Foundation	25,000	-	(25,000)	-
BC Housing	15,887	154,957	(170,844)	-
Lagniappe Foundation	12,817	-	(12,817)	-
Bank of Nova BC Ministry of Municipal Affairs	-	68,250	(68,250)	-
	<b>\$ 582,806</b>	<b>\$ 2,198,089</b>	<b>\$(2,421,707)</b>	<b>\$ 359,188</b>

### 12. 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 \$287,388 (2022 - \$341,595).

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

# AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

### 13. 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.

### 14. 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.

### 15. 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:

2024	\$ 335,722
2025	339,593
2026	293,393
2027	279,107
2028	149,818
Subsequent years	1,043,755
	\$ 2,441,388

### 16. 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.

### 17. Comparative figures

Certain 2022 figures have been reclassified to conform with the method of presentation in the current year. The changes do not affect net assets.