

**AUNT LEAH'S INDEPENDENT LIFESKILLS  
SOCIETY**

*A Not-for-profit Organization*

**FINANCIAL STATEMENTS**

March 31, 2022

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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, 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:

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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  
October 4, 2022

**AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY****STATEMENT OF OPERATIONS**

For the year ended March 31, 2022

	2022	%	2021	%
<b>Revenue</b>				
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
	<b>6,329,366</b>	<b>100.0</b>	<b>6,550,859</b>	<b>100.0</b>
<b>Expenditures</b>				
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
	<b>6,230,446</b>	<b>98.4</b>	<b>5,994,251</b>	<b>91.5</b>
<b>Excess of revenue over expenditures</b>	<b>\$ 98,920</b>	<b>1.6</b>	<b>\$ 556,608</b>	<b>8.5</b>

*See accompanying notes*

**AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY**

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2022

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

*See accompanying notes*

**AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY**

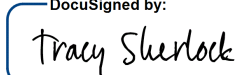
## STATEMENT OF FINANCIAL POSITION

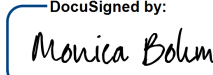
As at March 31, 2022

	2022	2021
<b>ASSETS</b>		
Current		
Cash (note 7)	\$ 1,554,048	\$ 1,455,677
Accounts receivable	109,359	103,075
Prepaid expenses	103,460	58,636
	<b>1,766,867</b>	1,617,388
Term deposits (note 8)	195,801	193,624
Capital assets (note 9)	163,586	146,558
Deposits	34,491	38,811
	<b>\$ 2,160,745</b>	\$ 1,996,381
<b>LIABILITIES</b>		
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
	<b>721,058</b>	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
	<b>1,439,687</b>	1,340,767
	<b>\$ 2,160,745</b>	\$ 1,996,381

*See accompanying notes*

Approved on behalf of the board:

DocuSigned by:  
  
 AZE510F0455E40C... Director

DocuSigned by:  
  
 BB37963DA0DF473... 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

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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 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

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**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
	<b>\$ 2,498,690</b>	<b>\$ 2,910,964</b>

### 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
	<b>\$ 4,499,219</b>	<b>\$ 4,655,752</b>

### 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
	<b>\$ 811,297</b>	<b>\$ 655,438</b>

**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
	<b>\$ 521,104</b>	<b>\$ 566,206</b>

**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
	<b>\$ 697,049</b>	<b>\$ 533,463</b>	<b>\$ 163,586</b>	<b>\$ 146,558</b>

# 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
	-	32,550
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.

# **AUNT LEAH'S FOUNDATION**

## **FINANCIAL STATEMENTS**

March 31, 2022



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## INDEPENDENT AUDITOR'S REPORT

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### To the Members of Aunt Leah's Foundation

#### *Qualified Opinion*

We have audited the accompanying financial statements of Aunt Leah's Foundation ("the Foundation"), which comprise the statement of financial position as at March 31, 2022, and the statement of operations and changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### *Basis for qualified opinion*

As discussed in Note 2, the Foundation amortizes its property included in the Housing Fund at a rate equal to the annual principal reduction of the related mortgages under agreements with the British Columbia Housing Management Commission which constitutes a departure from ASNPO. Based on a straight-line method over the terms of the underlying land leases, amortization should be increased and excess of revenues over expenditures should be decreased for the current year by \$157,983 (2021 - \$157,883), and capital asset fund balance should be decreased by \$157,983 (2021 - \$150,883).

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 Foundation 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 qualified 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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:

- 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 Foundation'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 Foundation'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 Foundation 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 Society 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.



Chartered Professional Accountants  
Vancouver, BC  
June 27, 2022

# AUNT LEAH'S FOUNDATION

## STATEMENT OF FINANCIAL POSITION

As at March 31, 2022

	General Fund	Housing Fund	Capital Asset Fund	Replacement Reserve	2022	2021
<b>ASSETS</b>						
Current						
Cash	\$ 17,338	\$ -	\$ 155,907	\$ 72,298	\$ 245,545	\$ 238,216
Accounts receivable	4,559	-	254,879	-	259,438	8,111
Prepaid expenses	15,675	10,946	14,107	-	40,728	20,217
Accrued rent receivable (Note 2e)	-	-	-	-	-	8,400
	37,572	10,946	424,893	72,298	545,711	274,944
Tangible capital assets	-	-	7,275,322	-	7,275,320	7,033,544
	\$ 37,572	\$ 10,946	\$ 7,700,215	\$ 72,298	\$ 7,821,031	\$ 7,308,488
<b>LIABILITIES</b>						
Current						
Accounts payable and accrued liabilities	\$ 25,684	\$ 25,884	\$ -	\$ -	\$ 51,568	\$ 42,154
Deposits	-	4,848	-	-	4,848	4,648
Current portion of long-term debt (Note 5)	-	-	32,165	-	32,165	494,711
	25,684	30,732	32,165	-	88,581	541,513
Long-term debt	-	-	911,806	-	911,806	481,953
BC Housing forgivable loans (Note 6)	-	-	5,125,151	-	5,125,151	5,125,151
	25,684	30,732	6,069,122	-	6,125,538	6,148,617
<b>FUND BALANCES</b>						
Balance	11,888	(19,786)	1,631,093	72,298	1,695,493	1,159,871
	\$ 37,572	\$ 10,946	\$ 7,700,215	\$ 72,298	\$ 7,821,031	\$ 7,308,488

See accompanying notes to the financial statements

Approved on behalf of the board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# AUNT LEAH'S FOUNDATION

## STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended March 31, 2022

	General Fund	Housing Fund	Capital Asset Fund	Replacement Reserve	2022	2021
Revenue						
Donations and bequests	\$ 20,628	\$ -	\$ 266,000	\$ -	\$ 286,628	\$ 95,053
Grants and other	499	-	315,000	-	315,499	-
Interest income	-	-	4	37	39	82
Rental	42,000	149,939	-	-	191,939	228,112
	63,127	149,939	581,004	37	794,105	323,247
Expenses						
Accounting	2,967	-	-	-	2,967	2,379
Amortization	-	-	13,666	-	13,666	14,576
Consulting fees	1,889	-	-	-	1,889	5,708
Insurance	10,144	11,348	-	-	21,492	23,574
Management fees	10,020	8,658	-	-	18,678	44,001
Mortgage interest	12,785	-	-	-	12,785	21,359
Office	3,222	-	-	-	3,221	13,147
Professional services	15,671	-	-	-	15,671	15,544
Property taxes	3,750	4,051	-	-	7,801	12,366
Rent	15,864	-	-	-	15,864	3,400
Repairs and maintenance	8,085	61,439	-	8,128	77,652	89,269
Wages and benefits	49,050	-	-	-	49,050	16,583
	133,447	85,496	13,666	8,128	240,736	261,906
Other expenses						
Loss on disposal of capital assets	-	-	17,747	-	17,747	-
Excess (deficiency) of revenues over expenditures	(70,320)	64,443	549,591	(8,091)	535,622	61,341
Balance, beginning of year	10,144	(3,781)	1,090,290	63,218	1,159,871	1,098,530
Interfund transfers	72,064	(80,448)	(8,788)	17,171	-	-
Balance, end of year	\$ 11,888	\$ (19,786)	\$ 1,631,093	\$ 72,298	\$ 1,695,493	\$ 1,159,871

See accompanying notes to the financial statements

# AUNT LEAH'S FOUNDATION

## STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

	2022	2021
Operating activities		
Excess of revenues over expenditures	\$ 535,622	\$ 61,341
Adjustments for		
Amortization	13,666	14,576
Loss on disposal of capital assets	17,747	-
	567,035	75,917
Change in non-cash working capital items		
Accounts receivable	(251,328)	11,943
Prepaid expenses	(20,510)	(8,839)
Accrued rent receivable (note 2e)	8,400	8,400
Accounts payable and accrued liabilities	9,414	5,231
Deposits	200	(80)
	313,211	92,572
Investing activities		
Acquisition of capital assets	(273,189)	(28,886)
Financing activities		
Loan advance	-	500,000
Loan repayments	(32,693)	(324,184)
	(32,693)	175,816
Increase in cash	7,329	239,502
Cash (bank indebtedness), beginning of year	238,216	(1,286)
Cash, end of year	\$ 245,545	\$ 238,216

See accompanying notes to the financial statements

# AUNT LEAH'S FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

### 1. Nature of operations

Aunt Leah's Foundation (the "Foundation") is a not-for-profit organization dedicated to preventing children in foster care from becoming homeless and mothers in need from losing custody of their children. The Foundation solicits funds, gifts and property for the purpose of providing low-cost housing for those in need and supporting other registered charities and qualified donees with similar principles.

The Foundation was incorporated under the Society Act of British Columbia on October 2, 2013 and is a registered Canadian charity. As such, the Foundation is exempt from income taxes under paragraph 149(1)(f) of the Income Tax Act (Canada).

### 2. Significant accounting policies

The Foundation follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

#### (a) Fund accounting

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting following the restricted fund method of accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors (the "Board").

Transfers between the funds are made when it is considered appropriate and authorized by the Board. To meet these objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These interfund transfers are recorded in the statement of changes in net assets.

#### (i) General Fund

The General Fund is unrestricted and accounts for the Foundation's general fundraising, rental and administrative activities. The General Fund reports unrestricted resources available for immediate purposes.

#### (ii) Housing Fund

The Housing Fund reports restricted operating grants, revenue and expenses related to the Foundation's housing activities under agreement with British Columbia Housing Management Commission.

#### (iii) Capital Asset Fund

The Capital Asset Fund reports the assets, liabilities, revenue and expenses related to the Foundation's capital assets.

#### (iv) Replacement Reserve Fund

The Replacement Reserve Fund reports the assets, liabilities, revenues and expenses related to capital asset replacements. Reserves are funded at least annually. The reserve and accumulated interest are held in a separate bank account. Inter-fund transfers are made for periodic allocation to the Replacement Reserve Fund.

# AUNT LEAH'S FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

### 2. Significant accounting policies, continued

#### (b) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributions received from BC Housing for the replacement reserve fund are reported as interfund transfers from the Housing Fund to the Replacement Reserve Fund.

Contributions received from BC Housing for the acquisition of capital assets are recognized as revenue in the Capital Fund.

Donations and gifts are recognized upon receipt.

Interest income is recognized as revenue when earned.

Rental revenue is recognized on a monthly basis in accordance with the rental agreements.

#### (c) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

#### (d) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

#### (e)

Accrued rent receivable arises from rent-free periods provided to a tenant and is amortized on a straight-line basis over the term of the lease. Amortized amounts are recorded as a reduction to rental income.



# AUNT LEAH'S FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

### 2. Significant accounting policies, continued

#### (f) Capital assets

Capital assets are recorded at cost. The Foundation provides for amortization of capital assets not mortgaged by British Columbia Housing Management Commission using the straight line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rate is as follows:

Buildings	25-35 years straight-line
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The Foundation provides for amortization of capital assets mortgaged by British Columbia Housing Management Commission corresponding to the principal portion of mortgage payments. The Foundation also capitalizes interest costs during the development of buildings.

Capital assets other than those mortgaged by British Columbia Housing Management Commission are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

#### (g) Contributed services

Directors and committee members volunteer their time to assist in the Foundation's activities. While these services benefit the corporation considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

#### (h) Financial instruments

The Foundation's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. The Foundation initially measures all of its financial instruments at fair value and subsequently at amortized cost using the effective interest rate method. Changes in fair value are recognized in the statement of operations. Unless otherwise noted it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks.

### 3. Cash and bank indebtedness

The Foundation has an operating line of credit to a maximum of \$200,000 through Vancouver City Savings Credit Union at the bank's prime lending rate plus 0.60% per annum and secured by a first charge over the Boyne St. property and assignment of rents.

# AUNT LEAH'S FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

### 4. Tangible capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Boundary Road				
Land	\$ 1,112,460	\$ -	\$ 1,112,460	\$ 1,112,460
Building	-	-	-	47,919
Building under development	303,361	-	303,361	-
	1,415,821	-	1,415,821	1,160,379
Boyne Street				
Land	487,575	-	487,575	487,575
Building	326,940	76,091	250,849	264,514
	814,515	76,091	738,424	752,089
Royal Ave				
Land	536,902	-	536,902	536,902
Building	2,393,140	-	2,393,140	2,393,140
	2,930,042	-	2,930,042	2,930,042
8th Avenue				
Land	993,817	-	993,817	993,817
Building	1,197,218	-	1,197,218	1,197,218
	2,191,035	-	2,191,035	2,191,035
	\$ 7,351,413	\$ 76,091	\$ 7,275,322	\$ 7,033,545

Building under development at the Boundary Road property includes \$10,254 of capitalized interest cost.

# AUNT LEAH'S FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

### 5. Long-term debt

	2022	2021
The Vancouver City Savings Credit Union Mortgage repayable in monthly instalments of \$2,142 including interest at 2.10% per annum over term of 5 years due January 14, 2026, secured by a first charge over the Boundary Road property and assignment of rents.	\$ 481,954	\$ 497,404
The Vancouver City Savings Credit Union Mortgage repayable in monthly instalments of \$2,488 including interest at 3.44% per annum over term of 5 years due March 10, 2027, secured by a first charge over the Boyne St. property and assignment of rents.	462,017	479,260
Less current portion	(32,165)	(494,711)
	\$ 911,806	\$ 481,953

Principal repayments are as follows:

2023	\$ 32,165
2024	33,067
2025	33,995
2026	451,773
2027	392,971
	\$ 943,971

### 6. BC Housing forgivable loans

In April 2017, the Foundation entered into an agreement with British Columbia Housing Management Commission ("BCHMC") where the BCHMC agreed to contribute a maximum funding of \$2,944,943, of which \$2,928,411 was advanced as of March 31, 2022, for the purchase and renovation of a property on Royal Avenue, New Westminster, BC. The loan is forgivable over a period of 25 years, commencing in the 11th year, provided that the Foundation meets certain conditions specified in the agreement.

In June 2017, the Foundation entered into an agreement with BCHMC where BCHMC agreed to contribute a maximum funding of \$2,320,186, of which \$2,196,740 was advanced as of March 31, 2022, for the purchase and renovation of a property located on 8th Avenue in New Westminster, BC. The loan is forgivable over a period of 10 years, commencing in the 11th year, provided that the Foundation meets certain conditions specified in the agreement.

# AUNT LEAH'S FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

### 7. Loan agreement

The Foundation entered into an agreement with David Helliwell to borrow up to \$250,000 for the construction of the Boundary Road property. The loan is interest free if the balance is repaid in full by September 30, 2023. If the loan is not repaid in full by September 30, 2023, the outstanding balance is repayable at an interest rate of 5% per annum.

On March 31, 2022, there was nil balance (2021 - nil) outstanding on the above mentioned loan.

### 8. Financial risk management

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

#### (a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Foundation is a going concern and thus expects to fully repay the outstanding amounts.

#### (b) Liquidity risk

The Foundation does have a liquidity risk in accounts payable and accrued liabilities of \$51,568 (2021 - \$42,154). Liquidity risk is the risk that the Foundation cannot repay its obligations when they become due to its creditors. The Foundation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Foundation is low and is not material.

#### (c) Interest rate risk

The Foundation is exposed to interest rate risk. Interest rate risk is the risk that the Foundation has interest rate exposure on its bank indebtedness, which are variable based on the bank's prime rates. This exposure may have an effect on its earnings in future periods. The Foundation reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. There are some loans payable that are at fixed term rates, or zero interest rates and do not affect interest rate risk. The Foundation does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the Foundation is low and is not material.

# AUNT LEAH'S FOUNDATION

## SCHEDULE 1

March 31, 2022

	Boundary Rd (General)	Boyne St (General)	Royal Ave (Housing)	8th Ave (Housing)	Total
Rental	\$ -	\$ 42,000	\$ 100,739	\$ 49,200	\$ 191,939
Expenses					
Insurance	-	5,216	6,412	4,936	16,564
Interest	-	12,785	-	-	12,785
Management fees	-	630	7,958	700	9,288
Property taxes	-	3,750	4,051	-	7,801
Repairs and maintenance	-	5,672	32,342	9,944	47,958
Utilities	-	2,413	15,239	3,914	21,566
	-	30,466	66,002	19,494	115,962
Excess of revenues over expenditures	\$ -	\$ 11,534	\$ 34,737	\$ 29,706	\$ 75,977

*See accompanying notes to the financial statements*