

**AUNT LEAH'S INDEPENDENT LIFESKILLS
SOCIETY**

A Not-for-profit Organization

FINANCIAL STATEMENTS

March 31, 2023

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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, 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:

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
September 13, 2023

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF OPERATIONS

For the year ended March 31, 2023

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

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

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

	2023	2022
ASSETS		
Current		
Cash (note 7)	\$ 1,500,786	\$ 1,554,048
Accounts receivable	157,431	109,359
Prepaid expenses	34,247	103,460
	1,692,464	1,766,867
Term deposits (note 8)	196,941	195,801
Capital assets (note 9)	136,576	163,586
Deposits	26,156	34,491
	\$ 2,052,137	\$ 2,160,745
LIABILITIES		
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
	558,263	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
	1,493,874	1,439,687
	\$ 2,052,137	\$ 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 SOCIETYSTATEMENT 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)
	102,253	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	(31,066)	188,749
Financing activity		
Repayment of repayable grant	-	(32,550)
Investing activity		
Purchase of capital assets	(22,196)	(57,828)
Net decrease in cash	(53,262)	98,371
Cash, beginning of year	1,554,048	1,455,677
Cash, end of year	\$ 1,500,786	\$ 1,554,048

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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
	-	-
	\$ 2,417,445	\$ 2,430,405

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
	\$ 4,530,380	\$ 4,499,219

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
	\$ 945,225	\$ 811,297

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
	\$ 502,161	\$ 521,104

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
	\$ 719,245	\$ 582,669	\$ 136,576	\$ 163,586

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)	-
	\$ 582,806	\$ 2,198,089	\$(2,421,707)	\$ 359,188

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.

AUNT LEAH'S FOUNDATION

FINANCIAL STATEMENTS

March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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, 2023, 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, 2023, 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 (2022 - \$157,983), and capital asset fund balance should be decreased by \$157,983 (2022 - \$157,983).

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.

Galloway Battelle & Company

Chartered Professional Accountants
Vancouver, BC
July 10, 2023

AUNT LEAH'S FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

	General Fund	Housing Fund	Capital Asset Fund	Replacement Reserve	2023	2022
ASSETS						
Current						
Cash	\$ 100,802	\$ -	\$ 170,442	\$ 85,642	\$ 356,885	\$ 245,545
Accounts receivable	8,074	-	20,040	-	28,114	259,438
Prepaid expenses	6,298	18,446	20,000	-	44,743	40,728
	115,174	18,446	210,482	85,642	429,742	545,711
Tangible capital assets	-	-	7,937,887	-	7,937,887	7,275,320
	\$ 115,174	\$ 18,446	\$ 8,148,369	\$ 85,642	\$ 8,367,629	\$ 7,821,031
LIABILITIES						
Current						
Accounts payable and accrued liabilities	\$ 33,039	\$ 14,923	\$ 5,198	\$ -	\$ 53,159	\$ 51,568
Deposits	-	4,848	-	-	4,848	4,848
Current portion of long-term debt (Note 6)	-	-	33,067	-	33,067	32,165
	33,039	19,771	38,265	-	91,074	88,581
Long-term debt	-	-	878,944	-	878,944	911,806
BC Housing forgivable loans (Note 7)	-	-	5,125,151	-	5,125,151	5,125,151
	33,039	19,771	6,042,360	-	6,095,169	6,125,538
FUND BALANCES						
Balance	82,135	(1,325)	2,106,009	85,642	2,272,460	1,695,493
	\$ 115,174	\$ 18,446	\$ 8,148,369	\$ 85,642	\$ 8,367,629	\$ 7,821,031

See accompanying notes to the financial statements

Approved on behalf of the board:

DocuSigned by:

Megan Halprin Director

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DocuSigned by:

Nancy Hill Director

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AUNT LEAH'S FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended March 31, 2023

	General Fund	Housing Fund	Capital Asset Fund	Replacement Reserve	2023	2022
Revenue						
Donations and bequests (Note 3)	\$ 56,849	\$ -	\$ 224,100	\$ -	\$ 280,949	\$ 286,628
Grants and other	-	-	441,775	-	441,775	315,499
Interest income	-	-	-	974	974	39
Rental	54,000	163,490	-	-	217,490	191,939
	110,849	163,490	665,875	974	941,188	794,105
Expenses						
Accounting	6,957	-	-	-	6,957	2,967
Amortization	-	-	23,573	-	23,573	13,666
Bad debts	-	5,906	-	-	5,906	-
Consulting fees	-	-	-	-	-	1,889
Donations	-	-	71,780	-	71,780	-
Insurance	10,734	16,788	-	-	27,522	21,492
Management fees	15,441	4,213	-	-	19,654	18,678
Mortgage interest	18,100	-	-	-	18,100	12,785
Office	8,727	-	-	-	8,727	3,221
Professional services	15,235	-	-	-	15,235	15,671
Property taxes	5,070	4,058	-	-	9,128	7,801
Rent	17,564	-	-	-	17,564	15,864
Repairs and maintenance	15,884	49,362	-	3,835	69,081	77,652
Wages and benefits	62,249	-	-	-	62,249	49,050
	175,961	80,327	95,353	3,835	355,476	240,736
Other expenses						
Loss on disposal of capital assets (Note 3)	-	-	8,745	-	8,745	17,747
Excess (deficiency) of revenues over expenditures						
	(65,112)	83,163	561,777	(2,861)	576,967	535,622
Balance, beginning of year	11,888	(19,786)	1,631,092	72,300	1,695,493	1,159,871
Interfund transfers	135,359	(64,702)	(86,860)	16,203	-	-
Balance, end of year	\$ 82,135	\$ (1,325)	\$ 2,106,009	\$ 85,642	\$ 2,272,460	\$ 1,695,493

See accompanying notes to the financial statements

AUNT LEAH'S FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended March 31, 2023

	2023	2022
Operating activities		
Excess of revenues over expenditures	\$ 576,967	\$ 535,622
Adjustments for		
Amortization	23,573	13,666
Donated capital assets	(152,931)	-
Loss on disposal of capital assets	8,745	17,747
	<u>(120,613)</u>	<u>31,413</u>
	456,354	567,035
Change in non-cash working capital items		
Accounts receivable	231,324	(251,328)
Prepaid expenses	(4,016)	(20,510)
Accrued rent receivable	-	8,400
Accounts payable and accrued liabilities	1,590	9,414
Deposits	-	200
	<u>685,252</u>	<u>313,211</u>
Investing activities		
Acquisition of capital assets	(686,138)	(273,189)
Proceeds on sale of donated property (Note 3)	144,186	-
Financing activities		
Loan repayments	(31,960)	(32,693)
Increase in cash	111,340	7,329
Cash, beginning of year	245,545	238,216
Cash, end of year	<u>\$ 356,885</u>	<u>\$ 245,545</u>

See accompanying notes to the financial statements

AUNT LEAH'S FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

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, 2023

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.

AUNT LEAH'S FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

2. Significant accounting policies, continued

(e) 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 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.

(f) 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.

(g) 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. Donated capital assets

During the year, the Foundation received an in-kind donation of land. The land was recorded at a fair value of \$150,000 at the time of donation under the Capital Asset Fund. The Foundation then sold the property resulting in a loss of \$8,745.

4. 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, 2023

5. Tangible capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Boundary Road				
Land	\$ 1,112,460	\$ -	\$ 1,112,460	\$ 1,112,460
Building	990,700	9,907	980,793	-
Building under development	-	-	-	303,360
	2,103,160	9,907	2,093,253	1,415,820
Boyne Street				
Land	487,575	-	487,575	487,575
Building	326,940	89,757	237,183	250,849
	814,515	89,757	724,758	738,424
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	1,196,016	-	1,196,016	1,197,218
	2,189,833	-	2,189,833	2,191,035
	\$ 8,037,550	\$ 99,664	\$ 7,937,886	\$ 7,275,321

6. Long-term debt

	2023	2022
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.	\$ 466,178	\$ 481,954
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.	445,833	462,017
Less current portion	(33,067)	(32,165)
	\$ 878,944	\$ 911,806

Principal repayments are as follows:

2024	\$ 33,067
2025	33,995
2026	451,773
2027	392,971
	\$ 911,806

AUNT LEAH'S FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

7. 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.

8. 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. The Boundary Road property was completed in December 2022 and the agreement ended upon construction completion.

On March 31, 2023, there was nil balance (2022 - nil) outstanding on the above mentioned loan.

9. 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 \$53,159 (2022 - \$51,568). 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.

AUNT LEAH'S FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

(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, 2023

	Boundary Rd (General)	Boyne St (General)	Royal Ave (Housing)	8th Ave (Housing)	Total
Rental	\$ 12,000	\$ 42,000	\$ 105,890	\$ 57,600	\$ 217,490
Expenses					
Bad debt	-	-	5,906	-	5,906
Insurance	819	5,431	11,499	5,289	23,038
Interest	2,385	15,715	-	-	18,100
Management fees	-	-	4,213	-	4,213
Property taxes	1,339	3,731	4,058	-	9,128
Repair and maintenance	251	11,761	20,566	9,674	42,252
Utilities	-	2,901	14,765	4,357	22,023
	4,794	39,539	61,007	19,320	124,660
Excess of revenues over expenditures	\$ 7,206	\$ 2,461	\$ 44,883	\$ 38,280	\$ 92,830

See accompanying notes to the financial statements