


Professional Strength • Personal Service • Practical Solutions

# **AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY**

*A Not For Profit Organization*

## **FINANCIAL STATEMENTS**

March 31, 2009

  
**GALLOWAY  
BOTTESELLE  
& COMPANY**  
*Independent member firm of*  
**Porter Hétu  
International**  
Professional Services Group

## INDEX TO FINANCIAL STATEMENTS

	<b>Page</b>
<b>Notice To Reader</b>	1
<b>Financial Statements</b>	
Statement of Operations	2
Statement of Changes in Members' Equity	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to Financial Statements	6

An independent member  
firm of:

*Porter Héту*  
*International*  
Professional Services Group

---

B.M. Galloway\*  
E.A. Botteselle\*  
B.R. Blamey\*  
D.P. Van Gruen\*  
R.E. Biedka  
A. Fong  
\*Professional Corporation

---

## AUDITORS' REPORT

To the members of **Aunt Leah's Independent Lifeskills Society**:

We have audited the statement of financial position of Aunt Leah's Independent Lifeskills Society as at March 31, 2009 and the statements of operations, changes in members' equity and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit societies, a portion of revenue is derived from fundraising activities and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our examination of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to fundraising and donation revenues, assets and members equity.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2009 and the results of its operations and the changes in its members' equity for the year then ended. As required by the Societies 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.



Certified General Accountants  
Vancouver, BC  
May 27, 2009

---

Maple Place  
Professional Centre  
300-2000 West 12th Avenue  
Vancouver, B.C. V6J 2G2  
Tel: 604-736-6581  
Fax: 604-736-0152  
support@porterhetu.com  
www.porterhetu.com

---

# AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

## STATEMENT OF OPERATIONS

For the Year Ended March 31, 2009

	2009	%	2008	%
<b>Revenue</b>				
Fees for service	\$ 853,225	56.1	815,743	54.5
Projects and fundraising (Note 9)	175,106	11.5	190,653	12.7
BC Gaming Commission	62,713	4.1	66,154	4.4
Donations and grants	<u>428,590</u>	<u>28.2</u>	<u>424,766</u>	<u>28.4</u>
	<u>1,519,634</u>	<u>100.0</u>	<u>1,497,316</u>	<u>100.0</u>
<b>Expenses</b>				
Advertising and promotion	11,079	0.7	14,931	1.0
Amortization	17,621	1.2	29,199	2.0
Bank charges and interest	9,984	0.7	11,170	0.7
Contract service fees	22,037	1.5	43,791	2.9
Food and clothing	88,838	5.8	98,111	6.6
Equipment operating expense	41,770	2.7	26,911	1.8
Insurance	10,224	0.7	8,455	0.6
Office and operating expense	24,984	1.6	21,992	1.5
Professional fees	6,063	0.4	7,524	0.5
Program and training	38,759	2.6	32,226	2.2
Recreation	12,473	0.8	9,570	0.6
Repair and maintenance	25,935	1.7	25,821	1.7
Rent	407,249	26.8	382,171	25.5
Salaries and benefits	728,770	48.0	794,855	53.1
Staff development	11,676	0.8	10,808	0.7
Sundry	4,476	0.3	1,479	0.1
Transportation	56,271	3.7	51,594	3.4
Utilities	<u>37,377</u>	<u>2.5</u>	<u>38,246</u>	<u>2.6</u>
	<u>1,555,586</u>	<u>102.5</u>	<u>1,608,854</u>	<u>107.5</u>
<b>Excess of Expenses Over Revenue</b>	<b>\$ (35,952)</b>	<b>(2.5)</b>	<b>(111,538)</b>	<b>(7.5)</b>

The accompanying notes are an integral part of these financial statements.

# AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

## STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the Year Ended March 31, 2009

	Unrestricted Operating	Equity Capital Assets	<b>Total 2009</b>	Total 2008
<b>Beginning Balance</b>	\$ (125,366)	95,507	<b>(29,859)</b>	81,679
Excess of Expenses Over Revenue	(18,331)	(17,621)	<b>(35,952)</b>	(111,538)
<b>Ending Members' Equity</b>	<b>\$ (143,697)</b>	<b>77,886</b>	<b>(65,811)</b>	(29,859)

*The accompanying notes are an integral part of these financial statements.*

# AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

## STATEMENT OF FINANCIAL POSITION

As at March 31, 2009

	2009	2008
<b>ASSETS</b>		
<b>Current</b>		
Accounts receivable	\$ 4,480	4,420
Prepaid expenses	<u>23,691</u>	<u>23,691</u>
	28,171	28,111
<b>Capital Assets (Note 4)</b>	<b>77,886</b>	<b>95,507</b>
	<b>\$ 106,057</b>	<b>123,618</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Bank indebtedness (Note 5)	\$ 137,976	118,205
Accounts payable and accrued liabilities (Note 6)	20,012	18,680
Deferred contributions (Note 7)	13,880	16,592
	<b>171,868</b>	<b>153,477</b>
<b>MEMBERS' EQUITY</b>	<b>(65,811)</b>	<b>(29,859)</b>
	<b>\$ 106,057</b>	<b>123,618</b>

*The accompanying notes are an integral part of these financial statements.*

### Approved by:

\_\_\_\_\_  
*Omar Kassis, Chair*

\_\_\_\_\_  
*Rachael McKendry, Vice-chair*

# AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

## STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2009

	2009	2008
<b>CASH USED FOR:</b>		
<b>Operating Activities</b>		
Excess of expense over revenue	\$ (35,952)	(111,538)
Non-cash item:		
Amortization	<u>17,621</u>	<u>29,199</u>
	(18,331)	(82,339)
Changes in non-cash working capital:		
Accounts receivable	(60)	4,300
Prepaid expenses	-	(4,345)
Accounts payable and accrued liabilities	1,333	(10,865)
Deferred contributions	<u>(2,713)</u>	<u>(40,775)</u>
	(19,771)	(134,024)
<b>Investing Activities</b>		
Acquisition of capital assets	-	(35,770)
	-	(35,770)
<b>Change in Cash Position</b>	(19,771)	(169,794)
<b>Beginning Cash Position</b>	(118,205)	51,589
<b>Ending Cash Position</b>	\$ (137,976)	(118,205)

*The accompanying notes are an integral part of these financial statements.*

# AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

## NOTES TO FINANCIAL STATEMENTS

March 31, 2009

### Note 1 Operations

The Society was initially incorporated under the Society Act of British Columbia on July 18th, 1988, and is a registered charity under the *Income Tax Act*.

The Society's main purpose is to assist youth and families in learning the necessary lifeskills for successful independent living.

### Note 2 Accounting Policies

These financial statements have been prepared in accordance with the Canadian generally accepted accounting principles, which include the following significant policies:

#### Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year related expenses are incurred. 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.

#### Cash and Short-term Investments

Consists of cash on hand and short-term investments with a term to maturity of less than one year.

#### Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Artwork will not be amortized. Amortization is provided for using the following annual rates and methods:

Computer software	100%	Declining balance
Computer	30%	Declining balance
Automobile	30%	Declining balance
Office furniture	30%	Declining balance
Leasehold improvements	20%	Straight line

Amortization on assets acquired during the year is provided for using one half the stated rate.



# AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

## NOTES TO FINANCIAL STATEMENTS

March 31, 2009

### Note 3 Financial Instruments

#### Fair Value

The carrying amount of cash and short-term investments, accounts receivable and liabilities approximate their fair value because of the short-term nature of these items.

#### Credit Risk

The Society's financial assets that are exposed to credit risk are cash, short term investments and accounts receivable. Credit risk associated with cash and short term investments is minimized substantially by ensuring that these assets are invested in term deposits and GICs.

#### Foreign Currency Risk

The Society is not exposed to foreign currency risk because it does not hold any assets or liabilities in foreign currency.

#### Interest Rate Risk

The Society is not exposed to interest rate risk because its liabilities are non-interest bearing.

### Note 4 Capital Assets

	<u>2009</u>	<u>2008</u>
Artwork	\$ 22,980	22,980
Automobile	32,242	32,242
Computer equipment	41,651	41,651
Computer software	9,670	9,670
Equipment	11,908	11,908
Furniture and fixtures	27,386	27,386
Leasehold improvements	<u>33,630</u>	<u>33,630</u>
	179,467	179,467
Accumulated amortization	<u>101,581</u>	<u>83,960</u>
Net book value	<u>\$ 77,886</u>	<u>95,507</u>

### Note 5 Bank Indebtedness

	<u>2009</u>	<u>2008</u>
Cash	\$ 4,052	4,335
Bank (Overdraft)	<u>(142,028)</u>	<u>(122,540)</u>
	<u>\$ (137,976)</u>	<u>(118,205)</u>

The Aunt Leah's Independent Lifeskills Society has a line of credit arranged with the Vancouver City Savings Credit Union to cover periodic cash shortfalls to a maximum of \$140,000. Interest is charged on the outstanding balance at the rate of bank prime plus 2%.

# AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

## NOTES TO FINANCIAL STATEMENTS

March 31, 2009

### Note 6 Accounts Payable and Accrued Liabilities

	<u>2009</u>	<u>2008</u>
Accounts payable - trade	\$ 11,899	9,588
Accrued liabilities	-	2,250
Accrued vacation pay	<u>8,113</u>	<u>6,842</u>
	<u>\$ 20,012</u>	<u>18,680</u>

### Note 7 Deferred Contributions

Deferred contributions represent funding externally restricted for operating expenses to be incurred in future periods. Funds from the following sources are deferred contributions:

	<u>2009</u>	<u>2008</u>
Gaming Capital Grant	2,714	2,714
Deferred contributions for assets purchased to be recognized at same rate as asset amortization	<u>11,166</u>	<u>13,879</u>
	<u>\$ 13,880</u>	<u>16,593</u>

### Note 8 Lease Obligations

The Society has entered into leases which have varying interest rates and repayment terms:

- a) De Lage Landen Financial Services Canada Inc.  
Copier with monthly payments of \$169 plus applicable taxes to May 2013.  
Copier with monthly payments of \$592 plus applicable taxes to December 2012.
- b) Pitney Bowes  
Postage machine with quarterly payments of \$245 plus applicable taxes to December 2009
- c) Begbie Court Holdings Inc.  
Building lease at #206, 88 - 10th Street, New Westminster, BC. Ten year lease effective September 1, 2007 with a minimum annual rents of:

2008	\$25,440
2009 - 2012	\$42,360
2013 - 2017	\$45,600
- d) Vohra Enterprises Ltd.  
Office and thrift store lease at 675 Southeast Marine Drive, Vancouver, B.C. The lease is a five year lease effective August 1, 2006 at \$60,000 per annum plus GST and property taxes.

# AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2009

## Note 9 Projects and Fundraising

The breakdown of the projects and fundraising is as follows:

	<u>2009</u>	<u>2008</u>
Gross projects and fundraising	\$ 239,953	235,481
Less: Direct expenses - purchases	<u>64,847</u>	<u>44,828</u>
Net projects and fundraising	<u>\$ 175,106</u>	<u>190,653</u>