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**AUNT LEAH'S INDEPENDENT
LIFESKILLS SOCIETY**

A Not For Profit Organization

FINANCIAL STATEMENTS

March 31, 2010


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

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AUDITORS' REPORT

B.M. Galloway *

E.A. Botteselle *

B.R. Blamey *

D.P. Van Gruen *

R.E. Biedka

A. Fong

Y. Chang

* Professional Corporation

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, 2010 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, 2010 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.

Galloway Botteselle & Company

Certified General Accountants

Vancouver, BC

May 31, 2010

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF OPERATIONS

For the Year Ended March 31, 2010

	2010	%	2009	%
Revenue				
Fees for service	\$ 1,166,258	62.8	853,225	56.1
Projects and fundraising (Note 9)	197,988	10.7	175,106	11.5
BC Gaming Commission	69,433	3.7	62,713	4.1
Donations and grants	424,259	22.8	428,590	28.2
	<u>1,857,938</u>	<u>100.0</u>	<u>1,519,634</u>	<u>100.0</u>
Expenses				
Advertising and promotion	6,128	0.3	11,079	0.7
Amortization	20,106	1.1	17,621	1.2
Bank charges and interest	10,972	0.6	9,984	0.7
Contract service fees	26,152	1.4	22,037	1.5
Food and clothing	95,363	5.1	88,838	5.8
Equipment operating expense	37,567	2.0	41,770	2.7
Insurance	8,711	0.5	10,224	0.7
Office and operating expense	11,216	0.6	24,984	1.6
Professional fees	8,253	0.4	6,063	0.4
Program and training	57,836	3.1	38,759	2.6
Recreation	20,129	1.1	12,473	0.8
Repair and maintenance	27,946	1.5	25,935	1.7
Rent	399,594	21.5	407,249	26.8
Salaries and benefits	848,580	45.7	728,770	48.0
Staff development	11,352	0.6	11,676	0.8
Sundry	1,778	0.1	4,476	0.3
Transportation	60,364	3.2	56,271	3.7
Utilities	33,198	1.8	37,377	2.5
	<u>1,685,245</u>	<u>90.6</u>	<u>1,555,586</u>	<u>102.5</u>
Excess of Revenue Over Expense	\$ 172,693	9.4	(35,952)	(2.5)

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, 2010

	Unrestricted Operating	Equity Capital Assets	Total 2010	Total 2009
Beginning Balance	\$ (161,318)	95,507	(65,811)	(29,859)
Excess of Revenue Over Expense	192,799	(20,106)	172,693	(35,952)
Capital Additions	(4,801)	4,801	-	-
Ending Members' Equity	\$ 26,680	80,202	106,882	(65,811)

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, 2010

	2010	2009
ASSETS		
Current		
Cash	\$ 17,430	-
Accounts receivable	140,430	4,480
Prepaid expenses	23,691	23,691
	<u>181,551</u>	<u>28,171</u>
Capital Assets (Note 4)	62,582	77,886
	<u>\$ 244,133</u>	<u>106,057</u>
LIABILITIES		
Current		
Bank indebtedness (Note 5)	\$ -	137,976
Accounts payable and accrued liabilities (Note 6)	32,804	20,012
Deferred contributions (Note 7)	104,447	13,880
	<u>137,251</u>	<u>171,868</u>
MEMBERS' EQUITY	106,882	(65,811)
	<u>\$ 244,133</u>	<u>106,057</u>

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

Approved by:

"Jim McCullum"

Jim McCullum, Chair

"Marty Frost"

Marty Frost, Treasurer



AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2010

	2010	2009
CASH PROVIDED BY:		
Operating Activities		
Excess of revenue over expense	\$ 172,693	(35,952)
Non-cash item:		
Amortization	<u>20,106</u>	<u>17,621</u>
	192,799	(18,331)
Changes in non-cash working capital:		
Accounts receivable	(135,950)	(60)
Accounts payable and accrued liabilities	12,791	1,333
Deferred contributions	<u>90,567</u>	<u>(2,713)</u>
	<u>160,207</u>	<u>(19,771)</u>
Investing Activities		
Acquisition of capital assets	(4,801)	-
	<u>(4,801)</u>	<u>-</u>
Change in Cash Position	155,406	(19,771)
Beginning Cash Position	(137,976)	(118,205)
Ending Cash Position	<u>\$ 17,430</u>	<u>(137,976)</u>

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



AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

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, 2010

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>2010</u>	<u>2009</u>
Artwork	\$ 22,980	22,980
Automobile	32,242	32,242
Computer equipment	45,122	41,651
Computer software	9,670	9,670
Equipment	11,908	11,908
Furniture and fixtures	28,716	27,386
Leasehold improvements	<u>33,630</u>	<u>33,630</u>
	184,268	179,467
Accumulated amortization	<u>121,686</u>	<u>101,581</u>
Net book value	<u>\$ 62,582</u>	<u>77,886</u>

Note 5 Bank Indebtedness

	<u>2010</u>	<u>2009</u>
Petty Cash	\$ 2,644	4,052
Bank (Overdraft)	<u>14,786</u>	<u>(142,028)</u>
	<u>\$ 17,430</u>	<u>(137,976)</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 \$120,000. 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, 2010

Note 6 Accounts Payable and Accrued Liabilities

	<u>2010</u>	<u>2009</u>
Accounts payable - trade	\$ 24,691	11,838
Accrued vacation pay	8,113	8,113
Due to government agencies	<u>-</u>	<u>61</u>
	<u>\$ 32,804</u>	<u>20,012</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>2010</u>	<u>2009</u>
Vancouver Foundation	\$ 95,000	-
Gaming Capital Grant	2,714	2,714
Deferred contributions for assets purchased to be recognized at same rate as asset amortization	<u>6,733</u>	<u>11,166</u>
	<u>\$ 104,447</u>	<u>13,880</u>

The grant from Vancouver Foundation is for a total of \$175,000, which is to be used towards the Society's Link program. The \$95,000 represents the first instalment of the agreement which was paid subsequent to the fiscal year end. The final two instalments of \$40,000 each will be received in 2011 and 2012 subject to the Society providing satisfactory reporting to the Foundation.



AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

Note 8 Lease Obligations

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

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.

Bridget Orford

House for single mothers and infants at 4810 Boundary Road, Burnaby, BC. The lease is for \$26,400 per year until lease agreement is terminated.

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	\$57,175
2009 - 2012	\$74,095
2013 - 2017	\$77,335

Vohra Enterprises Ltd.

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.

Children Resource Support Houses

Consists of 15 leased childcare support houses ranging from \$1,000 to \$2,000 per month.

Note 9 Projects and Fundraising

The breakdown of the projects and fundraising is as follows:

	<u>2010</u>	<u>2009</u>
Gross projects and fundraising	\$ 247,986	239,953
Less: Direct expenses - purchases	<u>49,998</u>	<u>64,847</u>
Net projects and fundraising	<u>\$ 197,988</u>	<u>175,106</u>

Note 10 Subsequent Event

The Society was involved in a fundraising campaign to raise funds in order to qualify for a government grant for purchasing the single mothers house in Burnaby, BC. In May 2010, the Society was approved for a grant of \$666,500 and will purchase the house in July 2010 for \$665,000. The Society received 90% of the grant as of May 2010 and the remaining 10% will be received in September 2010.

