

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

A Not-for-profit Organization

FINANCIAL STATEMENTS

March 31, 2026

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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, 2026, 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, 2026, 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 the Audit of the Financial Statements

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 Bottiselle & Company

Chartered Professional Accountants
Vancouver, BC
August 27, 2026

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF OPERATIONS

For the year ended March 31, 2026

	2026	%	2025	%
Revenue				
Government funding (note 3)	\$ 2,742,113	41.3	\$ 2,759,864	44.2
Individuals	1,735,803	26.1	1,482,642	23.7
Foundations and charities	1,379,751	20.8	1,013,760	16.2
Social enterprise and others	650,313	9.8	847,519	13.6
Community, businesses and corporations	131,247	2.0	145,889	2.3
	6,639,227	100.0	6,249,674	100.0
Expenditures				
Programming (note 4)	4,235,892	63.8	4,184,551	67.0
Fundraising (note 5)	580,014	8.7	588,229	9.4
Social enterprise (note 6)	521,099	7.8	803,388	12.9
General and administration	256,576	3.9	267,379	4.3
	5,593,581	84.3	5,843,547	93.5
Excess of revenue over expenditures	\$ 1,045,646	15.7	\$ 406,127	6.5

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2026

	Unrestricted Operating	Internally Restricted	Capital Assets	Restricted for endowment purposes	Total 2026	Total 2025
Balance, beginning of year	\$ 177,877	\$ 484,051	\$ 84,125	\$ 50,000	\$ 796,053	\$ 389,926
Excess (deficiency) of revenue over expenditures	1,071,086	-	(25,440)	-	1,045,646	406,127
Transfers	(44,441)	39,612	4,829	-	-	-
Balance, end of year	\$ 1,204,522	\$ 523,663	\$ 63,514	\$ 50,000	\$ 1,841,699	\$ 796,053

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF FINANCIAL POSITION

As at March 31, 2026

	2026	2025
ASSETS		
Current		
Cash	\$ 1,102,831	\$ 77,613
Accounts receivable	129,734	235,410
Prepaid expenses	88,822	107,570
	1,321,387	420,593
Restricted cash (note 7)	345,147	404,225
Term deposits (note 8)	449,490	288,632
Capital assets (note 9)	63,514	84,125
	\$ 2,179,538	\$ 1,197,575
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 112,338	\$ 199,289
Deferred contributions (note 11)	220,975	158,807
Deferred lease inducement	-	40,625
Deposits	4,526	2,801
	337,839	401,522
Commitments (note 15)		
Unrestricted Operating	1,204,522	177,877
Internally Restricted	523,663	484,051
Capital Assets	63,514	84,125
Restricted for endowment purposes	50,000	50,000
	1,841,699	796,053
	\$ 2,179,538	\$ 1,197,575

See accompanying notes

Approved on behalf of the board:

DocuSigned by:

Megan Halprin

Megan Halprin

Director

Signed by:

Rick Schneider

Rick Schneider

Director

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY**STATEMENT OF CASH FLOWS**

For the year ended March 31, 2026

	2026	2025
Cash used for:		
Operating activities		
Excess of revenue over expenditures	\$ 1,045,646	\$ 406,127
Adjustment for non-cash item:		
Amortization	25,441	50,188
	1,071,087	456,315
Net change in non-cash working capital items:		
Accounts receivable	105,676	9,256
Prepaid expenses	18,748	(77,545)
Accounts payable and accrued liabilities	(86,952)	(63,173)
Deferred contributions	62,168	7,962
Deferred lease inducement	(40,625)	(9,375)
Deposits	1,725	227
Cash flows from operating activities	1,131,827	323,667
Financing activity		
Redemption of term deposit	-	91,862
Investing activities		
Purchase of term deposit	(160,858)	(11,129)
Purchase of capital assets	(4,829)	-
Cash flows from investing activities	(165,687)	(11,129)
Change in cash position	966,140	404,400
Cash, beginning of year	481,838	77,438
Cash, end of year	\$ 1,447,978	\$ 481,838
Cash consists of:		
Cash	\$ 1,102,831	\$ 77,613
Restricted cash	345,147	404,225
	\$ 1,447,978	\$ 481,838

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2026

1. Purpose of the organization

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

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

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.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2026

2. Summary of significant accounting policies — continued

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.

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:

Furniture and fixtures	20% declining balance
Computer software	30% declining balance
Leasehold improvements	5-10 years straight-line
Computer equipment	55% declining balance
Equipment	20% declining balance

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

For the year ended March 31, 2026

2. Summary of significant accounting policies — continued

Allocation of expenses

The Society incurs general administrative expenses, and the Society allocates these expenses directly to its programs based on cost driver such as number of employees, salary expenses, and time spent on programs.

General administrative expenses allocated to programs are \$806,074 (2025 - \$803,438).

3. Government funding

The breakdown of government funding is as follows:

	2026	2025
Ministry of Children and Family Development	\$ 1,133,161	\$ 1,094,470
BC Housing	890,049	836,856
Reaching Home: Canada's Homelessness Strategy	464,494	430,807
Skills Training for Employment program (STE)	131,909	227,096
BC Gaming income	62,500	70,135
Municipal funding	60,000	78,200
Vancouver Coastal Health Authority	-	22,300
	\$ 2,742,113	\$ 2,759,864

4. Programming

The breakdown of program expenses is as follows:

	2026	2025
Wages and benefits	\$ 1,445,253	\$ 1,604,148
BC Housing	864,040	861,294
Operating expenses	823,343	718,333
Administration and overhead	621,803	569,788
Reaching Home: Canada's Homelessness Strategy	481,453	430,988
	\$ 4,235,892	\$ 4,184,551

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2026

5. Fundraising

The breakdown of fundraising expenses is as follows:

	2026	2025
Wages and benefits	\$ 386,461	\$ 393,033
Administration and overhead	171,979	170,713
Operating expenses	21,574	24,483
	\$ 580,014	\$ 588,229

6. Social enterprise

The breakdown of social enterprise expenses is as follows:

	2026	2025
Operating expenses	\$ 294,420	\$ 521,822
Wages and benefits	180,199	203,382
Administration and overhead	46,480	78,184
	\$ 521,099	\$ 803,388

7. Restricted cash

Cash related to deferred contributions is restricted externally for specified purposes. Cash internally restricted is for the purpose of a contingency fund to be used for emergencies and significant non-recurring expenses.

	2026	2025
Externally restricted	\$ 220,975	\$ 158,806
Internally restricted - contingency fund	124,172	245,419
	\$ 345,147	\$ 404,225

8. Term deposits

Term deposits totaling \$399,490 (2025 - \$238,632) are internally restricted for the purpose of a contingency fund to be used for emergencies and significant non-recurring expenses. \$50,000 (2025 - \$50,000) of the total term deposits are externally restricted for endowment purposes.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2026

9. Capital assets

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 84,794	\$ 69,971	\$ 14,823	\$ 13,699
Computer software	69,614	55,000	14,614	20,878
Art	14,224	-	14,224	14,224
Leasehold improvements	454,878	443,311	11,567	19,196
Computer equipment	129,941	123,960	5,981	13,247
Equipment	23,090	20,785	2,305	2,881
	\$ 776,541	\$ 713,027	\$ 63,514	\$ 84,125

10. Bank 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 and for capital asset purchases. Changes in deferred contributions are as follows:

	Balance, beginning of year	Received	Recognized	Balance, end of year
City of Vancouver	\$ 60,000	\$ 85,000	\$ (60,000)	\$ 85,000
Lotte & John Hecht Memorial Foundation	-	75,000	(37,500)	37,500
Orange County Community Foundation	-	28,662	-	28,662
Macdougall Consultants	24,109	15,000	(14,969)	24,140
Chantler-Langer Foundation	15,000	18,000	(15,000)	18,000
UBC - CUES	-	15,750	-	15,750
BC Employment and Assistance	-	11,923	-	11,923
FYFE Foundation	51,556	-	(51,556)	-
Ministry of Children and Family Development	8,142	-	(8,142)	-
	\$ 158,807	\$ 249,335	\$ (187,167)	\$ 220,975

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2026

12. Remuneration of directors and employees

During the year, the Society paid remuneration to 10 employees (2025 - 8 employees) who earned equal to or in excess of \$75,000 for an aggregate total of \$867,927 (2025 - \$713,656).

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

The Society incurred severance pay of \$11,136 to 1 employee (2025 - \$90,316 to 2 employees) upon termination during the year.

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 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:

2027	\$ 251,273
2028	150,014
2029	72,000
2030	72,000
2031	72,000
Subsequent years	1,254,000
	\$ 1,871,287

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2026

16. Financial instrument risk and management

Liquidity risk

The Society has a liquidity risk in the accounts payable and accrued liabilities of \$112,338 (2025 - \$199,289). Liquidity risk is the risk that the Society cannot repay its obligations when they become due to its creditors. The Society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains an adequate line of credit to repay vendors. In the opinion of management the liquidity risk exposure to the Society is low.

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Society is exposed to this risk mainly in respect to its cash and accounts receivable. In the opinion of management the credit risk exposure to the Society is low.