

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

A Not-for-profit Organization

FINANCIAL STATEMENTS

March 31, 2025

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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, 2025, 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, 2025, 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
August 21, 2025

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

For the year ended March 31, 2025

	2025	%	2024	%
Revenue				
Government funding (note 4)	\$ 2,759,864	44.2	\$ 2,953,338	48.7
Individuals	1,482,642	23.7	1,033,567	17.0
Foundations and charities	1,013,760	16.2	1,076,121	17.7
Social enterprise and others	847,519	13.6	875,287	14.4
Community, businesses and corporations	145,889	2.3	127,091	2.1
	6,249,674	100.0	6,065,404	100.0
Expenditures				
Programming (note 5)	4,184,551	67.0	5,056,608	83.4
Social enterprise (note 6)	803,388	12.9	961,712	15.9
Fundraising (note 7)	588,229	9.4	690,473	11.4
General and administration	267,379	4.3	460,559	7.6
	5,843,547	93.5	7,169,352	118.2
Excess (deficiency) of revenue over expenditures	\$ 406,127	6.5	\$ (1,103,948)	(18.2)

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2025

	Unrestricted Operating	Internally Restricted	Capital Assets	Restricted for endowment purposes	Total 2025	Total 2024
Balance, beginning of year						
As previously stated	\$ (24,281)	\$ 319,366	\$ 134,313	\$ 50,000	\$ 479,398	\$ 1,493,874
Prior period adjustments (note 2)	(89,472)	-	-	-	(89,472)	-
As restated	(113,753)	319,366	134,313	50,000	389,926	1,493,874
Excess (deficiency) of revenue over expenditures	456,315	-	(50,188)	-	406,127	(1,103,948)
Transfers	(164,685)	164,685	-	-	-	-
Balance, end of year	\$ 177,877	\$ 484,051	\$ 84,125	\$ 50,000	\$ 796,053	\$ 389,926

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

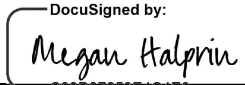
STATEMENT OF FINANCIAL POSITION

As at March 31, 2025

	2025	2024
ASSETS		
Current		
Cash (note 8)	\$ 481,838	\$ 77,438
Accounts receivable	235,410	244,666
Prepaid expenses	107,570	30,025
	824,818	352,129
Term deposits (note 9)	288,632	369,366
Capital assets (note 10)	84,125	134,314
	\$ 1,197,575	\$ 855,809
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 199,289	\$ 262,464
Deferred contributions (note 12)	158,807	150,845
Deferred lease inducement	40,625	50,000
Deposits	2,801	2,574
	401,522	465,883
Commitments (note 15)		
Unrestricted Operating	177,877	(113,753)
Internally Restricted	484,051	319,366
Capital Assets	84,125	134,313
Restricted for endowment purposes	50,000	50,000
	796,053	389,926
	\$ 1,197,575	\$ 855,809

See accompanying notes

Approved on behalf of the board:

DocuSigned by:

 Megan Halprin
 Director

Signed by:

 Rick Schneider
 Director

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

For the year ended March 31, 2025

	2025	2024
Cash used for:		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 406,127	\$ (1,103,948)
Adjustment for non-cash item:		
Amortization	50,188	54,729
	456,315	(1,049,219)
Net change in non-cash working capital items:		
Accounts receivable	9,256	(87,235)
Prepaid expenses	(77,545)	4,222
Accounts payable and accrued liabilities	(63,173)	122,764
Deferred contributions	7,962	(208,343)
Deferred lease inducement	(9,375)	(9,375)
Deposits	227	28,730
Cash flows from operating activities	323,667	(1,198,456)
Financing activity		
Redemption of term deposit	91,862	223,014
Investing activities		
Purchase of term deposit	(11,129)	(395,439)
Purchase of capital assets	-	(52,467)
Cash flows from investing activities	(11,129)	(447,906)
Change in cash position	404,400	(1,423,348)
Cash, beginning of year	77,438	1,500,786
Cash, end of year	\$ 481,838	\$ 77,438

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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. Restatement of prior year figures

During the year, the Society determined that in the fiscal year ended March 31, 2024, the Society received and recognized excess government funding that should have been repayable and recorded as a liability. The Society also determined that during the same period, it had recorded damage deposits from program participants as income.

As a result, government funding was overstated while accounts receivable, accounts payable and deposits were understated.

The comparative figures have been restated to reflect the above adjustments required. The effect of the adjustments is noted below.

	As previously stated	As restated	Adjustment
Government funding	\$ 3,016,664	\$ 2,967,444	\$ (63,326)
Social enterprise and others (revenue)	901,432	875,287	(26,145)
Accounts receivable	230,225	244,666	14,441
Deposits	23,572	(2,574)	(26,146)
Accounts payable and accrued liabilities	184,697	248,358	77,767
Unrestricted operating net assets	(24,281)	(99,647)	(89,472)

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

3. 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, 2025

3. 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	55% 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.

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 \$803,438 (2024 - \$907,606).

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY**NOTES TO FINANCIAL STATEMENTS**

March 31, 2025

4. Government funding

The breakdown of government funding is as follows:

	2025	2024
Ministry of Children and Family Development	\$ 1,094,470	\$ 957,124
BC Housing	836,856	502,526
Reaching Home: Canada's Homelessness Strategy	430,807	489,696
Skills Training for Employment program (STE)	227,096	206,545
Municipal funding	78,200	76,500
BC Gaming income	70,135	65,500
Vancouver Coastal Health Authority	22,300	-
Employment and Social Development Canada (YESS)	-	396,145
Minister for the Department for Women and Gender Equality	-	249,247
Employment and Social Development Canada (CanadaSummer Jobs)	-	10,055
	\$ 2,759,864	\$ 2,953,338

5. Programming

The breakdown of program expenses is as follows:

	2025	2024
Wages and benefits	\$ 1,604,148	\$ 1,893,124
BC Housing	861,294	488,024
Operating expenses	718,333	1,413,856
Administration and overhead	569,788	771,871
Reaching Home: Canada's Homelessness Strategy	430,988	489,733
	\$ 4,184,551	\$ 5,056,608

6. Social enterprise

The breakdown of social enterprise expenses is as follows:

	2025	2024
Operating expenses	\$ 521,822	\$ 487,650
Wages and benefits	203,382	351,946
Administration and overhead	78,184	122,116
	\$ 803,388	\$ 961,712

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

7. Fundraising

The breakdown of fundraising expenses is as follows:

	2025	2024
Wages and benefits	\$ 393,033	\$ 474,883
Administration and overhead	170,713	135,122
Operating expenses	24,483	80,468
	\$ 588,229	\$ 690,473

8. Cash

Included in cash is \$195,419 (2024 - \$nil) which has been internally restricted for the purpose of a contingency fund to be used for emergencies and significant non-recurring expenses.

9. Term deposits

Term deposits totaling \$238,632 (2024 - \$319,366) are internally restricted for the purpose of a contingency fund to be used for emergencies and significant non-recurring expenses. \$50,000 (2024 - \$50,000) of the total term deposits are externally restricted for endowment purposes.

10. Capital assets

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Art	\$ 14,224	\$ -	\$ 14,224	\$ 14,224
Computer equipment	129,941	116,694	13,247	29,374
Computer software	69,614	48,736	20,878	29,826
Equipment	23,090	20,209	2,881	3,601
Furniture and fixtures	79,964	66,265	13,699	17,124
Leasehold improvements	454,878	435,682	19,196	40,165
	\$ 771,711	\$ 687,586	\$ 84,125	\$ 134,314

11. 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%.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

12. 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
Aqueduct Foundation	\$ 100,000	\$ -	\$ (100,000)	\$ -
Ministry of Children and Family Development	50,845	1,051,767	(1,094,470)	8,142
Chantler-Langer Foundation	-	15,000	-	15,000
Macdougall Consultants	-	30,000	(5,891)	24,109
FYFE Foundation	-	100,000	(48,444)	51,556
City of Vancouver	-	60,000	-	60,000
	\$ 150,845	\$ 1,256,767	\$ (1,248,805)	\$ 158,807

13. Remuneration of directors and employees

During the year, the Society paid remuneration to 8 employees (2024 - 8 employees) who earned equal to or in excess of \$75,000 for an aggregate total of \$713,656 (2024 - \$707,524).

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

The Society paid a total severance pay of \$90,316 to 2 employees (2024 - \$67,433 to 8 employees) upon termination during the year.

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 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.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

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.

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:

2026	\$ 372,493
2027	360,082
2028	226,618
2029	148,604
2030	91,151
Subsequent years	1,326,000
	\$ 2,524,948

17. Financial instrument risk and management

Liquidity risk

The Society has a liquidity risk in the accounts payable and accrued liabilities of \$199,289 (2024 - \$262,464). 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.