

**AUNT LEAH'S INDEPENDENT LIFESKILLS
SOCIETY**

A Not-for-profit Organization

FINANCIAL STATEMENTS

March 31, 2024

GBCO

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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, 2024, 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, 2024, 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 9, 2024

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

For the year ended March 31, 2024

	2024	%	2023	%
Revenue				
Government funding (note 3)	\$ 3,016,664	49.0	\$ 2,417,445	36.7
Foundations and charities	1,076,121	17.5	1,931,158	29.3
Individuals	1,033,567	16.8	1,264,466	19.2
Social enterprise and others	901,432	14.6	873,318	13.2
Community, businesses and corporations	127,091	2.1	105,672	1.6
	6,154,875	100.0	6,592,059	100.0
Expenditures				
Programming (note 4)	5,056,608	82.2	4,530,380	68.7
Social enterprise (note 5)	961,712	15.6	945,225	14.3
Fundraising (note 6)	690,473	11.2	502,161	7.6
General and administration	460,558	7.5	560,106	8.5
	7,169,351	116.5	6,537,872	99.2
Excess (deficiency) of revenue over expenditures	\$ (1,014,476)	(16.5)	\$ 54,187	0.8

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY**STATEMENT OF CHANGES IN NET ASSETS**

For the year ended March 31, 2024

	Unrestricted Operating	Internally Restricted	Capital Assets	Restricted for endowment purposes	Total 2024	Total 2023
Balance, beginning of year	\$ 818,677	\$ 488,621	\$ 136,576	\$ 50,000	\$ 1,493,874	\$ 1,439,687
Excess (deficiency) of revenue over expenditures	(959,747)	-	(54,729)	-	(1,014,476)	54,187
Transfers	116,789	(169,255)	52,466	-	-	-
Balance, end of year	\$ (24,281)	\$ 319,366	\$ 134,313	\$ 50,000	\$ 479,398	\$ 1,493,874

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	2024	2023
ASSETS		
Current		
Cash (note 7)	\$ 77,438	\$ 1,500,786
Accounts receivable	230,225	157,431
Prepaid expenses	30,025	34,247
	337,688	1,692,464
Term deposits (note 8)	369,366	196,941
Capital assets (note 9)	134,314	136,576
Deposits	23,572	26,156
	\$ 864,940	\$ 2,052,137
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 184,697	\$ 139,700
Deferred contributions (note 11)	150,845	359,188
Deferred lease inducement	50,000	59,375
	385,542	558,263
Commitments (note 15)		
Unrestricted Operating	(24,281)	818,677
Internally Restricted	319,366	488,621
Capital Assets	134,313	136,576
Restricted for endowment purposes	50,000	50,000
	479,398	1,493,874
	\$ 864,940	\$ 2,052,137

See accompanying notes

Approved on behalf of the board:

DocuSigned by:

 Megan Halprin
 Director

Signed by:

 Monica Bohm
 Director

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

For the year ended March 31, 2024

	2024	2023
Cash used for:		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ (1,014,476)	\$ 54,187
Adjustments for non-cash items:		
Amortization	54,729	49,206
Accrued interest on term deposits	(4,307)	(1,140)
	(964,054)	102,253
Net change in non-cash working capital items:		
Accounts receivable	(72,794)	(48,072)
Prepaid expenses	4,222	69,213
Accounts payable and accrued liabilities	44,997	70,198
Deferred contributions	(208,343)	(223,618)
Deferred lease inducement	(9,375)	(9,375)
Deposits	2,584	8,335
Cash flows from operating activities	(1,202,763)	(31,066)
Financing activity		
Redemption of term deposit	223,014	-
Investing activities		
Purchase of term deposit	(391,132)	-
Purchase of capital assets	(52,467)	(22,196)
Cash flows from investing activities	(443,599)	(22,196)
Net decrease in cash	(1,423,348)	(53,262)
Cash, beginning of year	1,500,786	1,554,048
Cash, end of year	\$ 77,438	\$ 1,500,786

See accompanying notes

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

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, 2024

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	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.

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

March 31, 2024

3. Government funding

The breakdown of government funding is as follows:

	2024	2023
Ministry of Children and Family Development	\$ 957,124	\$ 910,334
BC Housing	524,765	170,844
Reaching Home: Canada's Homelessness Strategy	489,696	448,138
Employment and Social Development Canada (YESS)	396,145	301,924
Minister for the Department for Women and Gender Equality	290,334	165,426
Skills Training for Employment program (STE)	206,545	244,753
Municipal funding	76,500	84,500
BC Gaming income	65,500	70,058
Employment and Social Development Canada (Canada Summer Jobs)	10,055	21,468
	-	-
	\$ 3,016,664	\$ 2,417,445

4. Programming

The breakdown of program expenses is as follows:

	2024	2023
Wages and benefits	\$ 1,893,124	\$ 1,915,687
Operating expenses	1,413,856	1,414,558
Administration and overhead	771,871	601,177
Reaching Home: Canada's Homelessness Strategy	489,733	426,367
BC Housing	488,024	172,591
	\$ 5,056,608	\$ 4,530,380

5. Social enterprises

The breakdown of social enterprises expenses is as follows:

	2024	2023
Operating expenses	\$ 487,650	\$ 517,559
Wages and benefits	351,946	320,659
Administration and overhead	122,116	107,007
	\$ 961,712	\$ 945,225

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

March 31, 2024

6. Fundraising

The breakdown of fundraising expenses is as follows:

	2024	2023
Wages and benefits	\$ 474,883	\$ 360,847
Administration and overhead	135,122	112,703
Operating expenses	80,468	28,611
	\$ 690,473	\$ 502,161

7. Cash

Included in cash is \$nil (2023 - \$700,868) 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 \$319,366 (2023 - \$146,941) are internally restricted for the purpose of a contingency fund to be used for emergencies and significant non-recurring expenses. \$50,000 (2023 - \$50,000) of the total term deposits are externally restricted for endowment purposes.

9. Capital assets

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Art	\$ 14,224	\$ -	\$ 14,224	\$ 14,224
Computer equipment	129,941	100,567	29,374	21,131
Computer software	69,614	39,788	29,826	21,726
Equipment	23,090	19,489	3,601	4,501
Furniture and fixtures	79,964	62,840	17,124	15,145
Leasehold improvements	454,878	414,713	40,165	59,849
	\$ 771,711	\$ 637,397	\$ 134,314	\$ 136,576

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

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

	Balance, beginning of year	Received	Recognized	Balance, end of year
Anonymous Community Foundation	\$ 150,000	\$ -	\$ (150,000)	\$ -
Bootstraps YESS	79,476	316,669	(396,145)	-
Minister for the Department for Women and Gender Equality	69,712	220,622	(290,334)	-
City of Vancouver	60,000	-	(60,000)	-
Aqueduct Foundation	-	100,000	-	100,000
Ministry of Children and Family Development	-	1,007,969	(957,124)	50,845
	\$ 359,188	\$ 1,645,260	\$ (1,853,603)	\$ 150,845

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 \$707,524 (2023 - \$287,388).

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

The Society paid a total severance pay of \$67,433 (2023 - \$nil) to 8 employees upon termination during the year.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

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:

2025	\$	339,593
2026		293,393
2027		279,107
2028		149,818
2029		124,604
Subsequent years		919,151
		<hr/>
		\$ 2,105,666

16. Financial instrument risk and management

Liquidity risk

The Society has a liquidity risk in the accounts payable and accrued liabilities of \$184,697 (2023 - \$139,700). 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.

AUNT LEAH'S INDEPENDENT LIFESKILLS SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

16. Financial instrument risk and management — continued

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.

17. Subsequent event

Subsequent to the year end, the Society paid a total severance pay of \$90,316 to 2 employees upon termination.

18. Comparative figures

Certain 2023 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, 2024

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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, 2024, 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, 2024, 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 (2023 - \$157,983), and capital asset fund balance should be decreased by \$157,983 (2023 - \$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
June 26, 2024

AUNT LEAH'S FOUNDATION

FINANCIAL STATEMENTS

March 31, 2024

AUNT LEAH'S FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	General Fund	Housing Fund	Capital Asset Fund	Replacement Reserve	2024	2023
ASSETS						
Current						
Cash	\$ 25,865	\$ -	\$ 170,788	\$ 102,628	\$ 299,281	\$ 356,885
Accounts receivable	11,168	-	158,032	-	169,200	28,114
Prepaid expenses	120,694	19,623	50,000	-	190,317	44,743
	157,727	19,623	378,820	102,628	658,798	429,742
Tangible capital assets (Note 4)						
	-	-	20,172,018	-	20,172,018	7,937,887
	\$ 157,727	\$ 19,623	\$ 20,550,838	\$ 102,628	\$ 20,830,816	\$ 8,367,629
LIABILITIES						
Current						
Accounts payable and accrued liabilities	\$ 63,702	\$ 1,299	\$ 3,219	\$ -	\$ 68,220	\$ 53,159
Deposits	19,714	4,848	-	-	24,562	4,848
Current portion of long-term debt (Note 5)	-	-	33,995	-	33,995	33,067
	83,416	6,147	37,214	-	126,777	91,074
Long-term debt (note 5)						
	-	-	5,345,013	-	5,345,013	878,944
BC Housing forgivable loans (Note 6)						
	-	-	5,125,151	-	5,125,151	5,125,151
	83,416	6,147	10,507,378	-	10,596,941	6,095,169
FUND BALANCES						
Balance	74,311	13,476	10,043,460	102,628	10,233,875	2,272,460
	\$ 157,727	\$ 19,623	\$ 20,550,838	\$ 102,628	\$ 20,830,816	\$ 8,367,629

See accompanying notes to the financial statements

Approved on behalf of the board:

DocuSigned by:


 Director

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 Director

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AUNT LEAH'S FOUNDATION**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**

For the year ended March 31, 2024

	General Fund	Housing Fund	Capital Asset Fund	Replacement Reserve	2024	2023
Revenue						
Donations and bequests (Note 7)	\$ 47,790	\$ -	\$ 34,100	\$ -	\$ 81,890	\$ 280,948
Grants and other (Note 8)	-	-	8,011,300	-	8,011,300	441,775
Interest income	-	-	5,815	1,435	7,250	975
Rental	98,031	167,063	-	-	265,094	217,490
	145,821	167,063	8,051,215	1,435	8,365,534	941,188
Expenses						
Accounting	10,696	-	-	-	10,696	6,957
Amortization	-	-	53,294	-	53,294	23,573
Bad debts	-	-	-	-	-	5,906
Donations	-	-	-	-	-	71,780
Insurance	17,903	15,377	-	-	33,280	27,523
Management fees	-	8,314	-	-	8,314	19,654
Mortgage interest	24,566	-	-	-	24,566	18,100
Office	36,750	-	-	-	36,750	8,725
Professional services	31,004	-	7,646	-	38,650	15,235
Property taxes	10,655	6,910	-	-	17,565	9,128
Rent	15,864	-	-	-	15,864	17,564
Repairs and maintenance	13,440	42,336	-	1,802	57,578	69,082
Wages and benefits	107,562	-	-	-	107,562	62,249
	268,440	72,937	60,940	1,802	404,119	355,476
Other expenses						
Loss on disposal of capital assets (Note 7)	-	-	-	-	-	8,745
Excess (deficiency) of revenues over expenditures	(122,619)	94,126	7,990,275	(367)	7,961,415	576,967
Balance, beginning of year	82,135	(1,325)	2,106,009	85,641	2,272,460	1,695,493
Interfund transfers	114,795	(79,325)	(52,824)	17,354	-	-
Balance, end of year	\$ 74,311	\$ 13,476	\$ 10,043,460	\$ 102,628	\$ 10,233,875	\$ 2,272,460

See accompanying notes to the financial statements

AUNT LEAH'S FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

	2024	2023
Operating activities		
Excess of revenues over expenditures	\$ 7,961,415	\$ 576,967
Adjustments for		
Amortization	53,294	23,573
Donated capital assets	-	(152,931)
Loss on disposal of capital assets	-	8,745
	53,294	(120,613)
	8,014,709	456,354
Change in non-cash working capital items		
Accounts receivable	(141,084)	231,324
Prepaid expenses	(145,585)	(4,016)
Accounts payable and accrued liabilities	15,056	1,590
Deposits	19,714	-
	7,762,810	685,252
Investing activities		
Acquisition of capital assets	(12,287,412)	(686,138)
Proceeds on sale of donated property (Note 3)	-	144,186
Financing activities		
Loan repayments	(33,002)	(31,960)
Loan advance	4,500,000	-
	4,466,998	(31,960)
Increase (decrease) in cash	(57,604)	111,340
Cash, beginning of year	356,885	245,545
Cash, end of year	\$ 299,281	\$ 356,885

See accompanying notes to the financial statements

AUNT LEAH'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

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

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

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 FINANCIAL STATEMENTS

March 31, 2024

2. Significant accounting policies — continued

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.

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.

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.

Tangible capital assets

Tangible 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 tangible capital assets over their estimated useful lives. The annual amortization rate is as follows:

Buildings	25 to 30 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.

AUNT LEAH'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

2. Significant accounting policies — continued

Tangible capital assets — continued

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.

Contributed services

Certain directors and committee members volunteer their time to assist in the Foundation's activities. While these services benefit the Foundation 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.

Financial instruments

The Foundation's financial instruments consist of cash and cash equivalent, 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. 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 FINANCIAL STATEMENTS

March 31, 2024

4. Tangible capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Boundary Road				
Land	\$ 1,112,460	\$ -	\$ 1,112,460	\$ 1,112,460
Building	990,700	(49,535)	941,165	980,793
Building under development	312,423	-	312,423	-
	2,415,583	(49,535)	2,366,048	2,093,253
Boyne Street				
Land	487,575	-	487,575	487,575
Building	326,940	(103,423)	223,517	237,183
	814,515	(103,423)	711,092	724,758
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 Ave				
Land	993,817	-	993,817	993,817
Building	1,196,016	-	1,196,016	1,196,016
	2,189,833	-	2,189,833	2,189,833
Pender Street				
Land	7,913,014	-	7,913,014	-
Building	4,036,986	-	4,036,986	-
	11,950,000	-	11,950,000	-
Marine Way				
Soft costs	25,003	-	25,003	-
	\$ 20,324,976	\$ (152,958)	\$ 20,172,018	\$ 7,937,886

Total cost capitalized for the laneway house construction at the Boundary Road property was \$312,423 in 2024 (2023 - nil).

AUNT LEAH'S FOUNDATION**NOTES TO FINANCIAL STATEMENTS**

March 31, 2024

5. Long-term debt

	2024	2023
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.	\$ 450,090	\$ 466,178
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.	428,918	445,833
Sacha Enterprises Loan		
Interest payable monthly at 5% per annum calculated semi annually over term of 2 years due March 18, 2026, secured by a first charge over the Pender Street property and assignment of rents.	4,500,000	-
	5,379,008	912,011
Less: current portion	33,995	33,067
	\$ 5,345,013	\$ 878,944

Minimum principal repayments over the next five years are as follows:

2025	\$ 33,995
2026	4,951,773
2027	393,240
	\$ 5,379,008

6. 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.

AUNT LEAH'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

7. Donations and bequests

The Foundation received an in-kind donation of land in 2023. 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 in 2023, resulting in a loss of \$8,745.

8. Grants and other

The Foundation received \$272,900 grant contribution in 2024 (2023 - nil) for the construction of the laneway house at the Boundary Road property (Note 4) from Lu'ma Native BCH Housing Society. This contribution is subject to terms and conditions set out in the agreement.

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.

Liquidity risk

The Foundation does have a liquidity risk in the accounts payable and accrued liabilities of \$68,220 (2023 - \$53,159). 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.

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.

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.

AUNT LEAH'S FOUNDATION

SCHEDULE 1

March 31, 2024

	Boundary Rd (General)	Boyne St (General)	Royal Ave (Housing)	8th Ave (Housing)	Pender (General)	Total 2024
Rental	\$ 48,000	\$ 44,450	\$ 105,047	\$ 62,016	\$ 5,581	\$ 265,094
Expenses						
Insurance	2,979	4,925	9,173	6,203	5,627	28,907
Interest	9,582	14,984	-	-	-	24,566
Management fees	-	-	8,314	-	-	8,314
Property taxes	5,908	4,747	6,910	-	-	17,565
Repair and maintenance	1,516	8,372	22,296	7,166	-	39,350
Utilities	1,140	497	7,602	5,272	-	14,511
	21,125	33,525	54,295	18,641	5,627	133,213
Excess (deficiency) of revenues over expenditures	\$ 26,875	\$ 10,925	\$ 50,752	\$ 43,375	\$ (46)	\$ 131,881

See accompanying notes to the financial statements