

LA LECHE LEAGUE OF CANADA

FINANCIAL STATEMENTS

(Unaudited)

March 31, 2018

LA LECHE LEAGUE OF CANADA

March 31, 2018

CONTENTS

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Financial Activities and Net Assets	4
Statement of Cash Flows	5
Expenditures - Schedule 1	6
Notes to the Financial Statements	7 - 10

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of
La Leche League of Canada

We have reviewed the accompanying financial statements of La Leche League of Canada, that comprise the statement of financial position as at March 31, 2018 and the statements of financial activities and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, La Leche League of Canada derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of La Leche League of Canada. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to fundraising revenue, surplus or deficit, and cash flows from operations for the years ended March 31, 2018 and 2017, current assets as at March 31, 2018 and 2017, and net assets as at April 1 and March 31 for both the 2017 and 2018 year ends.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of La Leche League of Canada as at March 31, 2018, 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.

Other Matters

The financial statements of La Leche League of Canada for the year ended March 31, 2017 (prior to the restatement of the comparative information described in Note 4 to the financial statements) were audited by another firm that issued a disclaimer of opinion on those financial statements on January 31, 2018 due to a scope limitation preventing them from obtaining adequate audit evidence with respect to the completeness, accuracy and existence of cash, accounts receivable, accounts payable, revenues, expenses, deficit, and net assets.

As part of our review of the financial statements of La Leche League of Canada for the year ended March 31, 2018, we also reviewed the adjustments described in Note 4 that were applied to restate the financial statements for the year ended March 31, 2017. Based on our review, nothing has come to our attention that causes us to believe the adjustments are not appropriate and have not been properly applied.

We were not engaged to audit, review, or apply any procedures to the financial statements of La Leche League of Canada for the year ended March 31, 2017 other than with respect to the adjustments and, accordingly, we do not express a conclusion or any other form of assurance on the financial statements for the year ended March 31, 2017 taken as a whole.

The financial statements of La Leche League of Canada for the year ended March 31, 2017 were audited by Johnston Beaudette, Chartered Professional Accountants, of Cornwall, Ontario. Johnston Beaudette issued a disclaimer of opinion audit report on those statements on January 31, 2018.



Cornwall, Ontario
September 22, 2018

Chartered Professional Accountants
Licensed Public Accountants

LA LECHE LEAGUE OF CANADA

STATEMENT OF FINANCIAL POSITION

(Unaudited)
As at March 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 151,015	\$ 148,195
Short-term investments (Note 2)	166,046	164,533
Accounts receivable	4,522	8,096
Prepaid expenses	-	1,000
	\$ 321,583	\$ 321,824
LIABILITIES		
CURRENT		
Accounts payable	\$ 4,000	\$ 4,661
NET ASSETS		
UNRESTRICTED NET ASSETS	173,765	173,345
SUSTAINABILITY FUND (Note 3)	120,000	120,000
WEBSITE DEVELOPMENT FUND (Note 4)	23,818	23,818
	317,583	317,163
	\$ 321,583	\$ 321,824

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Date

LA LECHE LEAGUE OF CANADA

STATEMENT OF FINANCIAL ACTIVITIES AND NET ASSETS

(Unaudited)

For the year ended March 31, 2018

	2018	2017
REVENUE		
Books and other products	\$ 1,293	\$ 306
Breastfeeding benefits	1,145	265
Community skills	4,866	1,880
Donations and fundraising	61,740	77,978
Fees and memberships	5,547	5,380
Health professional seminars	22,510	4,125
Interest	1,572	1,389
Workshops	-	717
Miscellaneous	-	549
	98,673	92,589
EXPENDITURES (Schedule 1)		
Fundraising	2,982	5,236
Management	42,660	52,652
Program delivery	52,611	99,805
	98,253	157,693
SURPLUS (DEFICIT) FOR THE YEAR	420	(65,104)
NET ASSETS, beginning of year	317,163	382,267
NET ASSETS, end of year	\$ 317,583	\$ 317,163

See Notes and Independent Practitioner's Review Engagement Report dated September 22, 2018

LA LECHE LEAGUE OF CANADA

STATEMENT OF CASH FLOWS

(Unaudited)

For the year ended March 31, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus (deficit) for the year	\$ 420	\$ (65,104)
Changes in non-cash working capital balances		
Accounts receivable	3,574	10,849
Inventory	-	24
Prepaid expenses	1,000	(1,000)
Accounts payable	(661)	(10,802)
	4,333	(66,033)
CASH USED IN INVESTING ACTIVITIES		
Increase in investments	(1,513)	(1,154)
INCREASE (DECREASE) IN CASH	2,820	(67,187)
CASH, beginning of year	148,195	215,382
CASH, end of year	\$ 151,015	\$ 148,195
REPRESENTED BY:		
Cash	\$ 151,015	\$ 148,195

See Notes and Independent Practitioner's Review Engagement Report dated September 22, 2018

LA LECHE LEAGUE OF CANADA

EXPENDITURES

Schedule 1

(Unaudited)

For the year ended March 31, 2018

	2018	2017
FUNDRAISING		
Fundraising costs	\$ 2,982	\$ 3,754
Purchase of capital assets	-	1,482
	2,982	5,236
MANAGEMENT		
Administrators' costs and meetings	3,199	-
Affiliation and costs, La Leche League International	566	-
Bank and credit card charges	3,298	2,988
Board of director meetings and expenses	1,386	15,845
Bookkeeping	9,215	9,261
Conferences, meetings and travel	682	4,678
Equipment rentals	-	324
Insurance	7,657	5,222
Leader and membership costs	2,098	1,663
Occupancy costs	187	985
Office	2,283	1,603
Miscellaneous	396	(454)
Professional fees	8,677	5,104
Promotion, marketing and awareness	3,274	2,726
Telephone and internet	(287)	1,995
Training	29	712
	42,660	52,652
PROGRAM DELIVERY		
Breastfeeding benefits rebates	-	(10)
Communication skills	363	1,263
Contract payments	24,784	71,898
Health professional seminars	11,361	4,406
Volunteer expenditures	1,688	6,503
Website and development	14,415	15,745
	52,611	99,805
	\$ 98,253	\$ 157,693

See Notes and Independent Practitioner's Review Engagement Report dated September 22, 2018

LA LECHE LEAGUE OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited)

For the year ended March 31, 2018

PURPOSE OF ORGANIZATION

La Leche League of Canada ("the organization") is incorporated under the Corporations Act (Ontario) without share capital and is registered as a charitable organization under the Income Tax Act (Canada).

The purpose of the organization is to encourage, promote and provide peer-based breastfeeding support and educational opportunities as an important contribution to the health of children, families and society. The organization is an autonomous affiliate of La Leche League International.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenditures during the current period. Significant items subject to such estimates include the valuation of allowances for doubtful accounts receivable. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

(b) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the 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.

Health professional seminar and workshop revenue is recognized when the seminar is held. Grants are recognized as they become receivable under the terms of the funding agreement, or when all obligations under the funding agreement have been performed. All other revenues are recognized when funds are received or receivable.

(c) Cash and equivalents

Cash and equivalents consists of cash on deposit less cheques issued and outstanding.

LA LECHE LEAGUE OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited)

For the year ended March 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Short-term investments

Short-term investments are recorded at market value.

(e) Capital assets

Capital assets are expensed when purchased. Proceeds on the sale of capital assets are recorded as income in the year of sale.

(f) Pledges

The amount of any pledges to donate funds to the organization are included in revenues when the funds are received by the organization.

(g) Contributed materials and services

Contributed materials which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at fair value at the date of the contribution, if fair value can be reasonably estimated.

Volunteers contribute a large number of hours annually to assist the organization in carrying out its programs and fundraising activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(h) Financial instruments

The organization initially measures its financial assets and liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for short-term investments which are measured at fair value.

2. SHORT-TERM INVESTMENTS

Short-term investments consist of cash and mutual funds held in a Canadian investment account.

3. SUSTAINABILITY FUND

The sustainability fund was established by the organization to provide resources for the long-term continuation of the organization should there be a decrease in funding sources.

LA LECHE LEAGUE OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited)

For the year ended March 31, 2018

4. WEBSITE DEVELOPMENT FUND

The website development fund was established by the organization following the receipt of a donation earmarked to enhance the organization's website in order to facilitate the operational management of the organization since it does not have a physical office. During prior years, portions of this fund were expensed and those amounts were transferred to the operating surplus.

5. PRIOR PERIOD RESTATEMENTS

The comparative figures included in these financial statements have been restated to correct for misstatements relating to cash, accounts receivable and net asset balances that were overstated in the prior year. The effect of the restatements on the 2017 amounts presented for comparative purposes are as follows:

- Cash reduced by \$52,968
- Accounts receivable reduced by \$2,078
- Net assets reduced by \$55,046

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the statement of financial position date.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the organizations' cash requirements.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. Accounts receivable arise primarily from HST rebates. The maximum exposure to credit risk is the carrying value of accounts receivable on the balance sheet. Management believes concentration of credit risk with respect to accounts receivable is limited to the nature of the receivables.

LA LECHE LEAGUE OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited)

For the year ended March 31, 2018

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its short-term investments.

Other risks

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, equity market fluctuation and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. The company's investments are primarily concentrated in Canada limiting the market risk associated with fluctuations in foreign currency.