

La Leche League Canada
Financial Statements
March 31, 2021
(Unaudited)

La Leche League Canada
Contents

For the year ended March 31, 2021
(Unaudited)

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To the Board of La Leche League Canada:

We have reviewed the accompanying financial statements of La Leche League Canada that comprise the statement of financial position as at March 31, 2021, the statements of operations, the statement of changes in 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.

Conclusion

Based on our review, 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 Canada as at March 31, 2021, 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.

Cornwall, Ontario

Chartered Professional Accountants
Licensed Public Accountants

La Leche League Canada Statement of Financial Position

As at March 31, 2021
(Unaudited)

	2021	2020
Assets		
Current		
Cash	226,082	228,978
Accounts receivable (Note 9)	14,313	14,503
Portfolio investments (Note 3)	171,850	171,099
Prepaid expenses	-	2,500
	412,245	417,080
Liabilities		
Current		
Accounts payable and accruals (Note 4)	8,571	8,741
Significant event (Note 8)		
Net Assets		
Unrestricted net assets	186,394	191,059
Internally restricted net assets (Note 5)	217,280	217,280
	403,674	408,339
	412,245	417,080

Approved on behalf of the Board

Director

The accompanying notes are an integral part of these financial statements

La Leche League Canada
Statement of Operations
For the year ended March 31, 2021
(Unaudited)

	2021	2020
<hr/>		
Revenue		
Donations	75,977	176,627
Program delivery	14,825	9,956
Grant revenue	3,000	-
Interest	1,700	3,157
	<hr/>	<hr/>
	95,502	189,740
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Fundraising		
Fundraising costs	459	-
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Management		
Salaries	54,059	17,632
Leader and membership costs	17,594	15,943
Bookkeeping	11,798	7,126
Professional fees	11,652	21,619
Contract payments	7,985	23,837
Office	5,602	3,738
Insurance	4,289	4,356
Conferences, meetings and travel	3,419	608
Telephone and internet	2,402	1,817
Affiliation costs, La Leche League International	2,310	2,486
Bank and credit card charges	1,759	2,682
Promotion, marketing and awareness	122	4,877
Board of director meetings and expenses	-	894
Administrator's costs and meetings	-	166
	<hr/>	<hr/>
	122,991	107,781
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Program delivery		
Website and development	1,656	8,564
Health professional seminars	1,702	482
	<hr/>	<hr/>
	3,358	9,046
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Total expenses	126,808	116,827
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Excess (deficiency) of revenue over expenses before other items	(31,306)	72,913
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Other items		
Government assistance (Note 9)	26,641	-
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Excess (deficiency) of revenue over expenses	(4,665)	72,913
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The accompanying notes are an integral part of these financial statements

La Leche League Canada
Statement of Changes in Net Assets
For the year ended March 31, 2021
(Unaudited)

	<i>Unrestricted net assets</i>	<i>Internally restricted net assets</i>	2021	2020
Net assets, beginning of year	191,059	217,280	408,339	335,426
Excess (deficiency) of revenue over expenses	(4,665)	-	(4,665)	72,913
Net assets, end of year	186,394	217,280	403,674	408,339

The accompanying notes are an integral part of these financial statements

La Leche League Canada
Statement of Cash Flows
For the year ended March 31, 2021
(Unaudited)

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(4,665)	72,913
Non-cash increase in portfolio investments	(751)	(2,441)
Changes in working capital accounts		
Accounts receivable	190	(5,520)
Prepaid expenses	2,500	(2,500)
Accounts payable and accruals	(170)	4,650
Increase (decrease) in cash resources	(2,896)	67,102
Cash resources, beginning of year	228,978	161,876
Cash resources, end of year	226,082	228,978

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

La Leche League Canada (the "Organization") was incorporated without share capital under the authority of the Corporations Act (Ontario) and is a registered charity and thus is exempt from income taxes under the Income Tax Act ("the Act").

The Organization's purpose 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.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Measurement uncertainty (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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the year in which they become known.

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. Program delivery revenue is recognized when the service is provided and collection is reasonably assured. Interest income is recognized when earned.

Government assistance

Government assistance is recognized when there is reasonable assurance that the Company has complied and will continue to comply with all conditions of the assistance. Government assistance toward current expenses is recognized in income for the period as a reduction in the related expenses.

Cash

Cash includes cash on deposit less cheques issued and outstanding.

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value. They consist of mutual funds which are all traded in the public markets. Changes in fair value are recorded immediately in the excess of revenues over expenses.

Capital assets

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

2. Significant accounting policies *(Continued from previous page)*

Contributed materials

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations and would otherwise have been purchased.

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.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value.

The Organization subsequently measures all financial instruments at amortized cost, with the exception of marketable securities which are measured at fair value.

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group, there are numerous assets affected by the same factors, or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess in the year the reversal occurs.

3. Portfolio investments

Portfolio investments consist of cash and mutual funds held in a Canadian investment account. The cost at year end is equal to fair market value.

4. Accounts payable and accruals

Included in accounts payable and accruals are government remittances of \$1,222 (2020 - \$1,818).

5. Internally restricted net assets

Internally restricted net assets are funds identified for specified purposes as approved by the board of directors, as follows:

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. The balance of the sustainability fund at March 31, 2021 was \$120,000 (2020 - \$120,000).

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. The balance of the website development fund at March 31, 2021 was \$23,818 (2020 - \$23,818).

The group virtual accounts fund was established by the Organization to provide leaders and groups across the country with a pool of funds to apply to local workshops, seminars, and other community events. During the previous year, the board of directors approved a transfer (2020 - \$73,462) but none during the current year from unrestricted net assets to the group virtual accounts fund, which represents the balance at March 31, 2021.

6. Capital assets

During the year, the Organization purchased office equipment for \$Nil (2020 - \$1,278). These purchases were expensed when acquired and were reported in office expenses in the statement of operations.

7. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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 and government assistance. 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.

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 portfolio investments.

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's cash requirements.

La Leche League Canada

Notes to the Financial Statements

For the year ended March 31, 2021
(Unaudited)

8. Significant event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and charities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced donations, fundraising, and community events, and increased government regulations, all of which may negatively impact the Organization's objectives and financial condition.

9. Government assistance

In response to the negative economic impact of the COVID-19 pandemic, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS"). CEWS provides eligible employers with a subsidy to cover a portion of wage costs paid to eligible employees during prescribed claim periods.

During the year, the Organization recognized \$26,641 (2020 - \$Nil) of CEWS as other income, of which \$5,487 was accrued in accounts receivable at year-end.