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**LA LECHE LEAGUE OF CANADA**

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**FINANCIAL STATEMENTS**

**MARCH 31, 2015**

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# LA LECHE LEAGUE OF CANADA

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MARCH 31, 2015

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
La Leche League of Canada

We were engaged to audit the accompanying financial statements of La Leche League of Canada, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and changes in net assets and cash flow statement 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 misstatements, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Canadian generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for Disclaimer of Opinion**

In common with many charitable organizations, the Society derives revenues from fundraising events and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, current assets and net assets.

Furthermore, the Society did not maintain financial records and supporting documentation in sufficient detail for its Area and Local Group affiliates to allow us to obtain adequate audit evidence to satisfy ourselves as to the completeness, accuracy and existence of the recorded cash amount of \$293,235, the accounts receivable of \$26,749, the inventory of \$1,133, the accounts payable of \$15,584 and the deferred revenue of \$1,840, as stated on the statement of financial position. In addition, we were not able to obtain adequate audit evidence to satisfy ourselves as to the completeness, accuracy and existence of the recorded revenue amount of \$270,463, the expenses of \$264,479, and the excess of revenue over expenditures of \$5,984 as stated on the statement of operations and net assets.

We were unable to satisfy ourselves by alternative means concerning the financial records of the Society's Area and Local Group affiliates. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded cash, accounts receivable, inventory, accounts payable, deferred revenue, revenue and expenses, and the elements making up the statement of financial position, the statement of operations and net assets and the cash flow statement.

**Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

January 20, 2016

*Johnston Beaudette*

Licensed Public Accountants  
Chartered Professional Accountants

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# LA LECHE LEAGUE OF CANADA

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## STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2015

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### ASSETS

#### CURRENT

|                        |            |
|------------------------|------------|
| Cash                   | \$ 293,235 |
| Short-term investments | 162,289    |
| Accounts receivable    | 26,749     |
| Inventory              | 1,133      |
|                        | <hr/>      |
|                        | \$ 483,406 |

### LIABILITIES

#### CURRENT

|   |           |
|---|-----------|
| Accounts payable and accrued liabilities (Note 3) | \$ 15,584 |
| Deferred revenue                                  | 1,840     |
|   | <hr/>     |
|   | 17,424    |

### NET ASSETS

|                                   |            |
|-----------------------------------|------------|
| UNRESTRICTED NET ASSETS           | 322,164    |
| SUSTAINABILITY FUND (Note 4)      | 120,000    |
| WEBSITE DEVELOPMENT FUND (Note 5) | 23,818     |
|                                   | <hr/>      |
|                                   | 465,982    |
|                                   | <hr/>      |
|                                   | \$ 483,406 |

#### APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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# LA LECHE LEAGUE OF CANADA

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## STATEMENT OF OPERATIONS AND NET ASSETS FOR THE YEAR ENDED MARCH 31, 2015

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| <b>REVENUE</b>                         |            |
|--|------------|
| Books and other products               | \$ 8,057   |
| Breastfeeding benefits                 | 8,343      |
| Donations and fundraising              | 141,886    |
| Fees and memberships                   | 16,930     |
| Grants                                 | 27,472     |
| Health professional seminars           | 60,112     |
| Interest                               | 2,329      |
| Workshops                              | 5,334      |
|  | <hr/>      |
|  | 270,463    |
|  | <hr/>      |
| <b>EXPENSES (schedule 1)</b>           |            |
| Fundraising                            | 9,375      |
| Management                             | 93,448     |
| Program delivery                       | 161,656    |
|  | <hr/>      |
|  | 264,479    |
|  | <hr/>      |
| <b>EXCESS OF REVENUE OVER EXPENSES</b> | 5,984      |
| <b>NET ASSETS, beginning of year</b>   | <hr/>      |
|  | 316,180    |
| <b>NET ASSETS, end of year</b>         | <hr/>      |
|  | \$ 322,164 |

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# LA LECHE LEAGUE OF CANADA

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## STATEMENT OF CASH FLOWS MARCH 31, 2015

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### CASH FLOWS FROM OPERATING ACTIVITIES

|                            |            |
|----------------------------|------------|
| Cash receipts              | \$ 264,553 |
| Cash payments to suppliers | (190,596)  |
| Cash payments for salaries | (78,800)   |
| Interest received          | 2,329      |
| Interest paid              | (5,138)    |
|                            | <hr/>      |
|                            | (7,652)    |

### CASH FLOWS FROM INVESTING ACTIVITIES

|                         |         |
|-------------------------|---------|
| Increase in investments | (1,537) |
|-------------------------|---------|

**NET DECREASE IN CASH** (9,189)

**CASH, beginning of year** 302,424

**CASH, end of year** \$ 293,235

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# LA LECHE LEAGUE OF CANADA

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NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2015

## 1. DESCRIPTION OF OPERATIONS

La Leche League of Canada ("the Society") 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 Society 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 Society is an autonomous affiliate of La Leche League International.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Cash

Cash consists of cash on deposit with Canadian chartered banks less cheques issued and outstanding.

(b) Capital assets

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

(c) Revenue recognition

The Society 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.

(i) Health professional seminar and workshop revenue is recognized when the seminar is held.

(ii) 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.

(iii) All other revenues are recognized when funds are received or receivable.



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# LA LECHE LEAGUE OF CANADA

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NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Contributed materials and services

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

Volunteers contribute a large number of hours annually to assist the Society 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.

(e) Pledges

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

(f) Financial instruments

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

(g) Use of estimates

The preparation of financial statements in accordance 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 expenditures during the year. Actual results could differ from those estimates.

## 3. ACCOUNTS PAYABLE

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|                        |        |
|------------------------|--------|
| Trade payable          | 13,590 |
| Government remittances | 1,994  |
|                        | <hr/>  |
|                        | 15,584 |

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## 4. SUSTAINABILITY FUND

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

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# LA LECHE LEAGUE OF CANADA

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NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2015

## 5. WEBSITE DEVELOPMENT FUND

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

## 6. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities.

The risks that arise from transacting in financial instruments include interest rate risk, liquidity risk, credit risk, foreign currency exchange risk and market risk. Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk. Other price risk arises from other changes in market prices caused by factors specific to the financial instrument or its issuer, or factors affecting all similar financial instruments in the market.

### (a) Credit risk

The Society is exposed to risk in the event of non-performance by counterparties in connection with its accounts receivable and short-term investments.

The Society performs continuous evaluation of its accounts receivable and, if required, records an allowance for doubtful accounts.

The short-term investment credit risk is minimized by investing only in money market funds with a Canadian financial institution.

### (b) Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet its obligations associated with financial liabilities. The Society controls liquidity risk by management of working capital and cash flows.

### (c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk on its fixed rate financial instruments.

## 7. COMPARATIVE FIGURES

Comparative figures were not presented since the financial activities of the Groups and the Areas have not been previously reflected in the Society's financial statements and therefore comparative figures would not be meaningful.

# LA LECHE LEAGUE OF CANADA

**SCHEDULE 1  
EXPENSES BY CATEGORIES  
FOR THE YEAR ENDED MARCH 31, 2015**

|  |            |
|--|------------|
| <b>FUNDRAISING</b>                                   |            |
| Fundraising costs                                    | \$ 8,246   |
| Purchase of capital assets                           | 1,129      |
|  | 9,375      |
| <b>MANAGEMENT</b>                                    |            |
| Administrators' costs and meetings                   | 183        |
| Affiliation and costs, La Leche League International | (167)      |
| Bad debt   | 5,756      |
| Bank and credit card charges                         | 5,138      |
| Board of directors meetings and expenses             | 4,004      |
| Bookkeeping  | 8,485      |
| Conferences, meetings and travel                     | 15,540     |
| Equipment rentals                                    | 1,799      |
| Insurance  | 7,704      |
| Leader and membership costs                          | 574        |
| Occupancy costs                                      | 4,031      |
| Office   | 6,663      |
| Miscellaneous  | 1,629      |
| Professional fees                                    | 3,000      |
| Promotion, marketing and awareness                   | 21,803     |
| Telephone and internet                               | 3,731      |
| Training   | 3,575      |
|  | 93,448     |
| <b>PROGRAM DELIVERY</b>                              |            |
| Breastfeeding benefit rebates                        | 318        |
| Health professional seminars                         | 39,492     |
| Ontario best start                                   | 18,078     |
| Volunteer expenditures                               | 17,729     |
| Wages and employee benefits                          | 78,800     |
| Website and development                              | 7,239      |
|  | 161,656    |
| <b>TOTAL EXPENSES</b>                                | \$ 264,479 |