

**LA LECHE LEAGUE OF CANADA**

**FINANCIAL STATEMENTS**

(Unaudited)

**March 31, 2019**

# LA LECHE LEAGUE OF CANADA

March 31, 2019

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## 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, 2019 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, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1 and March 31 for both the 2019 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, 2019, 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  
July 25, 2019

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# LA LECHE LEAGUE OF CANADA

## STATEMENT OF FINANCIAL POSITION

(Unaudited)  
As at March 31, 2019

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 161,876	\$ 151,015
Short-term investments (Note 2)	168,658	166,046
Accounts receivable	8,983	4,522
	<b>\$ 339,517</b>	<b>\$ 321,583</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 4,091	\$ 4,000
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b>	<b>191,608</b>	173,765
<b>SUSTAINABILITY FUND (Note 3)</b>	<b>120,000</b>	120,000
<b>WEBSITE DEVELOPMENT FUND (Note 4)</b>	<b>23,818</b>	23,818
	<b>335,426</b>	317,583
	<b>\$ 339,517</b>	<b>\$ 321,583</b>

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, 2019

	2019	2018
<b>REVENUE</b>		
Books and other products	\$ 86	\$ 1,293
Breastfeeding benefits	666	1,145
Community skills	1,400	4,866
Donations and fundraising	89,640	61,740
Fees and memberships	2,815	5,547
Health professional seminars	11,190	22,510
Interest	2,620	1,572
	<b>108,417</b>	<b>98,673</b>
<b>EXPENDITURES (Schedule 1)</b>		
Fundraising	1,169	2,982
Management	39,538	42,660
Program delivery	49,867	52,611
	<b>90,574</b>	<b>98,253</b>
<b>SURPLUS FOR THE YEAR</b>	<b>17,843</b>	<b>420</b>
<b>NET ASSETS, beginning of year</b>	<b>317,583</b>	<b>317,163</b>
<b>NET ASSETS, end of year</b>	<b>\$ 335,426</b>	<b>\$ 317,583</b>

See Notes and Independent Practitioner's Review Engagement Report dated July 25, 2019

# LA LECHE LEAGUE OF CANADA

## STATEMENT OF CASH FLOWS

(Unaudited)

For the year ended March 31, 2019

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	\$ 17,843	\$ 420
Changes in non-cash working capital balances		
Accounts receivable	(4,461)	3,574
Prepaid expenses	-	1,000
Accounts payable	91	(661)
	<b>13,473</b>	<b>4,333</b>
<b>CASH USED IN INVESTING ACTIVITIES</b>		
Increase in investments	(2,612)	(1,513)
<b>INCREASE IN CASH</b>	<b>10,861</b>	<b>2,820</b>
<b>CASH, beginning of year</b>	<b>151,015</b>	<b>148,195</b>
<b>CASH, end of year</b>	<b>\$ 161,876</b>	<b>\$ 151,015</b>
<b>REPRESENTED BY:</b>		
Cash	\$ 161,876	\$ 151,015

See Notes and Independent Practitioner's Review Engagement Report dated July 25, 2019

# LA LECHE LEAGUE OF CANADA

## EXPENDITURES

Schedule 1

(Unaudited)

For the year ended March 31, 2019

	2019	2018
<b>FUNDRAISING</b>		
Fundraising costs	\$ 1,169	\$ 2,982
<b>MANAGEMENT</b>		
Administrators' costs and meetings	7,199	3,199
Affiliation costs, La Leche League International	713	566
Bank and credit card charges	2,482	3,298
Board of director meetings and expenses	811	1,386
Bookkeeping	9,733	9,215
Conferences, meetings and travel	1,884	682
Insurance	6,102	7,657
Leader and membership costs	1,981	2,098
Occupancy costs	16	187
Office	1,409	2,283
Miscellaneous	-	395
Professional fees	6,003	8,677
Promotion, marketing and awareness	242	3,274
Telephone and internet	963	(287)
Training	-	29
	<b>39,538</b>	<b>42,659</b>
<b>PROGRAM DELIVERY</b>		
Communication skills	-	363
Contract payments	27,105	24,784
Health professional seminars	7,953	11,361
Volunteer expenditures	1,191	1,688
Website and development	13,618	14,415
	<b>49,867</b>	<b>52,611</b>
	<b>\$ 90,574</b>	<b>\$ 98,252</b>

See Notes and Independent Practitioner's Review Engagement Report dated July 25, 2019

# LA LECHE LEAGUE OF CANADA

## NOTES TO THE FINANCIAL STATEMENTS

(Unaudited)

For the year ended March 31, 2019

### 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

Cash 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, 2019

### 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.

### 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.

### 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.

# LA LECHE LEAGUE OF CANADA

## NOTES TO THE FINANCIAL STATEMENTS

(Unaudited)

For the year ended March 31, 2019

### 5. 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's 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.

#### 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.