

THE LYMPHOVENOUS ASSOCIATION OF ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2018



**MELISSA L.
COULSON**

CPA, CA, LPA



THE LYMPHOVENOUS ASSOCIATION OF ONTARIO

MARCH 31, 2018

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Review Engagement Report

TO THE BOARD DIRECTORS OF THE LYMPHOVENOUS ASSOCIATION OF ONTARIO

I have reviewed accompanying financial statements of The Lymphovenous Association of Ontario that comprise the balance sheet as at March 31, 2018, and the statement of operations and retained earnings 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

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review engagement in accordance with Canadian generally accepted standards for review engagements, which require me 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, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of The Lymphovenous Association of Ontario as at March 31, 2018, and results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Melissa L. Coulson, CPA, CA
A Professional Corporation
Licensed Public Accountant

June 12, 2018
Milton, Ontario



**MELISSA L.
COULSON**
CPA, CA, LPA



The Lymphovenous Association of Ontario

BALANCE SHEET
UNAUDITED

As at March 31

	2018	2017
	\$	\$
ASSETS		
Current		
Cash	42,829	52,271
Short term investments <i>(note 3)</i>	5,002	-
Accounts receivable	5,087	5,099
Government remittances receivable	1,201	695
Prepaid expenses	2,123	752
Total current assets	56,242	58,817
LIABILITIES & FUND BALANCES		
Current		
Accounts payable and accrued liabilities	2,619	8,989
Total current liabilities	2,619	8,989
Fund Balances <i>(note 2)</i>		
Operating Fund - unrestricted	51,898	48,103
Compassion Fund - restricted	1,725	1,725
	53,623	49,828
	56,242	58,817

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

_____ Director

_____ Director

The Lymphovenous Association of Ontario

**STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCES
UNAUDITED**

Year ended March 31

	Operating Fund	Compassion Fund	2018 Total	2017 Total
REVENUE				
Memberships	27,608	-	27,608	28,323
Fundraising and Sundry	8,150	-	8,150	17,193
Donations	8,009	-	8,009	4,965
Newsletter	2,940	-	2,940	3,525
Interest	2	-	2	2
Gross revenue	46,709	-	46,709	54,008
PROGRAM EXPENSES				
Newsletter	8,452	-	8,452	8,494
Education and awareness	3,027	-	3,027	1,754
Total program expenses	11,479	-	11,479	10,248
ADMINISTRATION EXPENSES				
Wages and benefits	19,098	-	19,098	18,865
Insurance	2,677	-	2,677	2,635
Professional fees	2,500	-	2,500	2,940
Bank charges	2,184	-	2,184	1,976
Travel	1,739	-	1,739	42
Fundraising costs	1,212	-	1,212	793
Office and general	1,066	-	1,066	1,377
Rent	959	-	959	696
Total administration expenses	31,435	-	31,435	29,324
Excess of revenue over expenses	3,795	-	3,795	14,436
Fund balance, beginning of year	48,103	1,725	49,828	35,392
Interfund transfers	-	-	-	-
Fund balance, end of year	51,898	1,725	53,623	49,828

The accompanying notes are an integral part of these financial statements

The Lymphovenous Association of Ontario

STATEMENT OF CASH FLOWS
UNAUDITED

Year ended March 31

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	3,795	14,436
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivable	12	(1,753)
Decrease (increase) in government remittances receivable	(506)	235
Decrease (increase) in prepaid expenses	(1,371)	480
Increase (decrease) in accounts payable and accrued liabilities	(6,370)	3,641
Cash provided by (used in) operating activities	(4,440)	17,039
INVESTING ACTIVITIES		
(Purchase) redemption of short term investments	(5,002)	861
Cash provided by (used in) investing activities	(5,002)	861
Net change in cash	(9,442)	17,900
Cash, beginning of year	52,271	34,371
Cash, end of year	42,829	52,271

The accompanying notes are an integral part of these financial statements

The Lymphovenous Association of Ontario

**NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED**

March 31, 2018

1. PURPOSE OF THE ORGANIZATION

The Lymphovenous Association of Ontario (“the organization” or “the LAO”) is a non-profit organization of health care professionals, individuals and families who are dedicated to improving life for people living with Lymphedema. The organization operates under the trading name of “The Lymphedema Association of Ontario”.

The organization is incorporated under the Ontario Corporations Act as a not-for-profit organization and is registered under the Income Tax Act, registration number 87165 5049 RR0001 and is exempt from income taxes under Section 149 of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the organization have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses for the reporting period. Actual results could differ from those estimates.

Fund Accounting

The organization follows the restricted method of accounting for contributions.

(i) Operating Fund

The Operating Fund accounts for the expenditures related to programs, administrative and other operations of the organization financed by grant and general revenues. Surpluses may be used to fund special initiatives as approved by the Board of Directors.

(ii) Compassion Fund

The Compassion fund was established in 2008. This fund has been established to assist those that need financial assistance for Lymphedema management.

The Lymphovenous Association of Ontario

NOTES TO THE FINANCIAL STATEMENTS UNAUDITED

March 31, 2018

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 expense is incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Short term investments

Short term investments are classified as held-for-trading based on management's intention and are reported at estimated fair value. Realized and unrealized gains and losses are recognized as investment income as they arise.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts disclosed in the financial statements. Actual results could differ from those estimates. In particular, recognizing government funding during the period of service involves estimating adjustments the government may make subsequent to a period.

Volunteer services

The organization benefits from substantial services in the form of volunteer time. Since these invaluable services are not purchased by the organization, they are not recorded in these financial statements.

Financial instruments – recognition and measurement

Initial measurement

The Organization's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the LAO measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The financial instruments measured at amortized cost are cash, short term investments, campaign pledges and other receivables and accounts payable and accrued liabilities.

The Lymphovenous Association of Ontario

NOTES TO THE FINANCIAL STATEMENTS UNAUDITED

March 31, 2018

For financial assets measured at cost or amortized cost, LAO regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and management determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year of reversal.

3. SHORT TERM INVESTMENTS

Short term investments consist of high interest-bearing accounts totaling \$5,002 (2017 – \$nil) earning interest at 1.0%. The fair value of these instruments approximates their carrying value as of March 31, 2018.

4. FINANCIAL INSTRUMENTS

Credit Risk

The organization is exposed to credit risk on the accounts receivable from its members and advertisers. Management believes that this risk is not significant.

Fair Values

The fair values of cash, accounts receivable, accounts payable and accrued liabilities, and deferred revenue approximate their carrying value due to their short term nature. The fair values of short term investments are disclosed in Note 3.

Interest Rate Risk

Management does not feel that the organization is subject to significant interest rate risk due to the short-term nature of its investments at fixed rates.

5. CAPITAL MANAGEMENT

The LAO's main objective when managing capital is to safeguard its ability to continue as a going concern, so that it can ensure the continuation of offering conferences, programs and services to the community.

The capital structure of the LAO consists of unrestricted net assets and internally restricted assets. The LAO manages its capital structure and makes adjustments to it in light of economic conditions and the risk characteristics of the underlying assets. The LAO's primary use of capital is to finance non-cash working capital requirements and capital expenditures which are currently funded from its internally generated cash flows.

The Lymphovenous Association of Ontario

NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED

March 31, 2018

The LAO is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.