

THE LYMPHOVENOUS ASSOCIATION OF ONTARIO
FINANCIAL STATEMENTS
MARCH 31, 2019



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



THE LYMPHOVENOUS ASSOCIATION OF ONTARIO

MARCH 31, 2019

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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, 2019, and the statement of operations and retained earnings and changes in fund balances 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, 2019, 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

August 27, 2019
Milton, Ontario



The Lymphovenous Association of Ontario

BALANCE SHEET
UNAUDITED

As at March 31

	2019	2018
	\$	\$
ASSETS		
Current		
Cash	59,719	42,829
Short term investments (note 3)	5,018	5,002
Accounts receivable	2,763	5,087
Government remittances receivable	955	1,201
Prepaid expenses	3,443	2,123
Total current assets	71,898	56,242
LIABILITIES & FUND BALANCES		
Current		
Accounts payable and accrued liabilities	7,167	2,619
Total current liabilities	7,167	2,619
Fund Balances (note 2)		
Operating Fund - unrestricted	63,006	51,898
Compassion Fund - restricted	1,725	1,725
	64,731	53,623
	71,898	56,242

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	2019 Total	2018 Total
REVENUE				
Memberships	22,660	-	22,660	27,608
Donations	16,986	-	16,986	8,009
Fundraising and Sundry	12,415	-	12,415	8,150
Newsletter	2,940	-	2,940	2,940
Interest	15	-	15	2
Gross revenue	55,016	-	55,016	46,709
PROGRAM EXPENSES				
Newsletter	9,807	-	9,807	8,452
Education and awareness	2,865	-	2,865	3,027
Total program expenses	12,672	-	12,672	11,479
ADMINISTRATION EXPENSES				
Wages and benefits	19,290	-	19,290	19,098
Insurance	2,808	-	2,808	2,677
Bank charges	2,766	-	2,766	2,184
Professional fees	2,500	-	2,500	2,500
Office and general	1,349	-	1,349	1,066
Rent	915	-	915	959
Fundraising costs	814	-	814	1,212
Travel	482	-	482	1,739
Conference	312	-	312	-
Total administration expenses	31,236	-	31,236	31,435
Excess of revenue over expenses	11,108	-	11,108	3,795
Fund balance, beginning of year	51,898	1,725	53,623	49,828
Interfund transfers	-	-	-	-
Fund balance, end of year	63,006	1,725	64,731	53,623

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

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	11,108	3,795
Changes in non-cash working capital items:		
Decrease in accounts receivable	2,324	12
Decrease (increase) in government remittances receivable	246	(506)
Increase in prepaid expenses	(1,320)	(1,371)
Increase (decrease) in accounts payable and accrued liabilities	4,548	(6,370)
Cash provided by (used in) operating activities	16,906	(4,440)
INVESTING ACTIVITIES		
Purchase of short term investments	(16)	(5,002)
Cash used in investing activities	(16)	(5,002)
Net change in cash	16,890	(9,442)
Cash, beginning of year	42,829	52,271
Cash, end of year	59,719	42,829

The accompanying notes are an integral part of these financial statements

The Lymphovenous Association of Ontario

**NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED**

March 31, 2019

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, 2019

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, 2019

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 \$5,018 (2018 – \$5,002) earning interest at .23%. The fair value of these instruments approximates their carrying value as of March 31, 2019.

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, 2019

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