

**THE LYMPHOVENOUS ASSOCIATION OF ONTARIO**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2016**



**MELISSA L.  
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CPA, CA, LPA



# THE LYMPHOVENOUS ASSOCIATION OF ONTARIO

MARCH 31, 2016

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## Review Engagement Report

**To the Board of Directors of:  
The Lymphovenous Association of Ontario**

I have reviewed the balance sheet of The Lymphovenous Association of Ontario as at March 31, 2016 and the statement of operations and changes in fund balances and statement of cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the organization.

A review does not constitute an audit and consequently, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.



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

October 20, 2016  
Milton, Ontario



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



The Lymphovenous Association of Ontario

**BALANCE SHEET**  
**UNAUDITED**

As at March 31

	2016	2015
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	34,371	21,415
Short term investments (note 3)	861	853
Accounts receivable	4,276	3,745
Prepaid expenses	1,232	533
Book and product inventory	-	747
<b>Total current assets</b>	<b>40,740</b>	<b>27,293</b>
Capital asset, net (note 4)	-	1,450
	<b>40,740</b>	<b>28,743</b>
<b>LIABILITIES &amp; FUND BALANCES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	5,348	4,290
<b>Total current liabilities</b>	<b>5,348</b>	<b>4,290</b>
<b>Fund Balances (note 2)</b>		
Operating Fund - unrestricted	33,667	22,728
Compassion Fund - restricted	1,725	1,725
	<b>35,392</b>	<b>24,453</b>
	<b>40,740</b>	<b>28,743</b>

*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	2016 Total	2015 Total
<b>REVENUE</b>				
Memberships	28,790	-	28,790	30,795
Donations	11,068	-	11,068	13,344
Fundraising and Sundry	4,792	-	4,792	16,347
Newsletter	2,405	-	2,405	2,905
Conference	300	-	300	3
Interest	7	-	7	11
Grants	-	-	-	3,428
Product Sales	-	-	-	100
<b>Gross revenue</b>	<b>47,362</b>	<b>-</b>	<b>47,362</b>	<b>66,933</b>
<b>PROGRAM EXPENSES</b>				
Education and awareness	1,497	-	1,497	5,906
Conference costs	-	-	-	5,516
Newsletter	7,742	-	7,742	3,905
Products costs	-	-	-	1,005
Wages and benefits	-	-	-	40,495
<b>Total program expenses</b>	<b>9,239</b>	<b>-</b>	<b>9,239</b>	<b>56,827</b>
<b>ADMINISTRATION EXPENSES</b>				
Wages and benefits	14,553	-	14,553	26,996
Professional fees	3,500	-	3,500	1,250
Insurance	2,538	-	2,538	2,463
Rent	1,864	-	1,864	8,851
Office and general	1,850	-	1,850	6,832
Bank charges	1,562	-	1,562	2,424
Loss on disposal of assets	1,065	-	1,065	-
Fundraising costs	158	-	158	1,872
Travel	94	-	94	104
<b>Total administration expenses</b>	<b>27,184</b>	<b>-</b>	<b>27,184</b>	<b>50,792</b>
<b>Excess (shortfall) of revenue over expenses</b>	<b>10,939</b>	<b>-</b>	<b>10,939</b>	<b>(40,686)</b>
Fund balance, beginning of year	22,728	1,725	24,453	65,139
Interfund transfers	-	-	-	-
<b>Fund balance, end of year</b>	<b>33,667</b>	<b>1,725</b>	<b>35,392</b>	<b>24,453</b>

*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

	2016	2015
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess (shortfall) of revenues over expenses	10,939	(40,686)
Amortization	-	393
Changes in non-cash working capital items:		
Decrease in accounts receivable	(531)	20,341
Increase in prepaid expenses	(699)	(398)
Decrease in inventory	747	985
(Decrease)/increase in accounts payable and accrued liabilities	1,058	(61)
Decrease in government remittances	-	(1,634)
<b>Cash provided by (used in) operating activities</b>	<b>11,514</b>	<b>(21,060)</b>
<b>INVESTING ACTIVITIES</b>		
Capital asset additions	1,450	(1,843)
Increase in short term investments	(8)	(11)
<b>Cash used in investing activities</b>	<b>1,442</b>	<b>(1,854)</b>
Net change in cash	12,956	(22,914)
Cash, beginning of year	21,415	44,329
<b>Cash, end of year</b>	<b>34,371</b>	<b>21,415</b>

*The accompanying notes are an integral part of these financial statements*

## **The Lymphovenous Association of Ontario**

### **NOTES TO THE FINANCIAL STATEMENTS *UNAUDITED***

March 31, 2016

#### **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, 2016

#### **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.

#### **Capital assets**

Capital assets are recorded at cost. The organization provides for depreciation using the declining balance method at rates designed to amortize the cost of the capital assets over their useful lives. The annual rates are as follows:

Office Furniture	20% declining balance
Computers	55% declining balance

#### **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



**The Lymphovenous Association of Ontario**

**NOTES TO THE FINANCIAL STATEMENTS**  
***UNAUDITED***

March 31, 2016

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.

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 \$861 (2015 – \$853) earning interest at 1.0%. The fair value of these instruments approximates their carrying value as of March 31, 2016.

**4. CAPITAL ASSETS**

The organization disposed of all of its capital assets during the year and did not replace them.

	<b>Cost</b>	<b>Accumulated</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Depreciation</b>	<b>\$</b>	<b>\$</b>
		<b>\$</b>		
Furniture	-	-	-	585
Computer	-	-	-	865
	-	-	-	1450

**5. 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.

**The Lymphovenous Association of Ontario**

**NOTES TO THE FINANCIAL STATEMENTS  
*UNAUDITED***

March 31, 2016

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.

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