

**Bulimia Anorexia Nervosa
Association - Can-Am**

Financial Statements

March 31, 2013

Gordon B. Lee, Chartered Accountants



Independent Auditors' Report

To: Board of Directors of
Bulimia Anorexia Nervosa Association - Can-Am

Report on the Financial Statements

We have audited the accompanying financial statements of Bulimia Anorexia Nervosa Association - Can-Am, which comprise the statement of financial position as at March 31, 2013, and the statement of general fund operations and fund balance 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 of these financial statements in accordance with the basis of accounting described in Note 2, determining that the described framework is acceptable in the circumstances, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Association derives revenues from donations and other fund raising activities, the completeness of which is not susceptible to conclusive audit verification. These revenues could only be verified from the time they were deposited and entered into the Association's records. Accordingly, we were unable to determine whether any adjustments for unrecorded revenues might be necessary to donation revenue, fundraising revenue, excess of revenue over expenses and fund balances.

Qualified Opinion

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Bulimia Anorexia Nervosa Association - Can-Am as at March 31, 2013, and the results of its operations and cash flows for the year then ended, in accordance with basis of accounting described in Note 2.

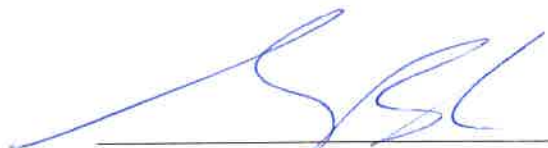
Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements of Bulimia Anorexia Nervosa Association - Can-Am are prepared for the purpose of providing information to the Erie St. Clair Local Health Integration Network (LHIN) and Ministry of Health & Long Term Care (MOH). As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Bulimia Anorexia Nervosa Association - Can-Am and the Erie St. Clair Local Health Integration Network and Ministry of Health & Long Term Care and should not be distributed to or used by parties other than the Erie St. Clair Local Health Integration Network and Ministry of Health & Long Term Care.

Comparative information

Without modifying our opinion we draw attention to Note 9 to the financial statements, which describes that Bulimia Anorexia Nervosa Association - Can-Am adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2012 and April 1, 2011, and the statements of general fund operations and fund balance and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited because it was audited under Part V generally accepted accounting principles in the previous year.

WINDSOR, ONTARIO
June 12, 2013



Gordon B. Lee
Chartered Accountants
Licensed Public Accountants



Bulimia Anorexia Nervosa Association - Can-Am
Statement of General Fund Operations and Fund Balance

	Year ended March 31, 2013				
	Community Mental Health 2013	Institutional Health 2013	Other Revenue 2013	Total 2013	Total 2012
Revenue					
Erie St. Clair LHIN/Ministry of Health & Long Term Care	\$ 209,512	\$ 280,992	\$ -	\$ 490,504	\$ 490,504
Donations and memberships	-	-	6,616	6,616	7,615
Relocation	25,000	-	11,210	36,210	-
Other income	-	-	8,895	8,895	11,932
Legal, advocacy, computers	-	-	-	-	26,225
Fundraising revenue	-	-	9,280	9,280	22,184
Grant revenue	<u>234,512</u>	<u>280,992</u>	<u>19,324</u>	<u>570,829</u>	<u>22,529</u>
					<u>580,989</u>
Expenses					
Insurance	2,162	-	-	2,162	2,175
Advertising and promotion	-	2,001	69	2,070	2,115
Professional fees	-	3,432	-	3,432	3,026
Wages and benefits	149,572	267,240	12,310	429,122	454,025
Office supplies	-	-	6,550	6,550	7,351
Computer maintenance	2,207	532	2,429	5,168	5,581
Telephone	-	5,469	-	5,469	5,774
Rent	44,214	-	-	44,214	48,271
Staff education	8,763	-	-	8,763	2,692
Travel	2,594	-	-	2,594	4,292
Legal, advocacy and computers	-	-	-	-	26,225
Fundraising expenses	-	-	1,048	1,048	19,649
Relocation expenses	25,000	-	11,210	36,210	-
Grant expenses	<u>234,512</u>	<u>278,674</u>	<u>9,333</u>	<u>556,135</u>	<u>6,391</u>
					<u>587,567</u>
Excess of revenue over expenses					<u>(6,578)</u>
Fund balance beginning of year	-	2,318	12,376	14,694	25,222
Fund balance, end of year	<u>-\$</u>	<u>(\$ 2,318)</u>	<u>\$ 20,962</u>	<u>\$ 33,338</u>	<u>\$ 18,644</u>

Gordon B. Lee, Chartered Accountants

Bulimia Anorexia Nervosa Association - Can-Am

Statement of Financial Position

March 31, 2013

	2013	2012
Assets		
Current		
Cash	\$ 51,387	\$ 62,099
Investments - held for trading	65,561	64,029
Accounts receivable	3,128	6,776
Government revenue receivable	11,976	-
HST receivable	7,315	6,444
Prepaid	<u>4,171</u>	<u>8,754</u>
	<u>143,538</u>	<u>148,102</u>
Capital (Note 2)		
Furniture and equipment	88,930	88,930
Computer equipment	35,224	35,224
Leasehold improvement	<u>20,985</u>	<u>20,985</u>
	<u>145,139</u>	<u>145,139</u>
	<u>\$ 288,677</u>	<u>\$ 293,241</u>
Liabilities and fund balances		
Accounts payable and accrued liabilities	\$ 23,984	\$ 20,707
Deferred revenue (Note 3)	<u>10,556</u>	<u>18,393</u>
	<u>34,540</u>	<u>39,100</u>
Fund balances		
General fund	33,338	18,644
Capital reserve fund (Note 4)	75,660	90,358
Equity in capital assets (Note 2)	<u>145,139</u>	<u>145,139</u>
	<u>254,137</u>	<u>254,141</u>
	<u>\$ 288,677</u>	<u>\$ 293,241</u>

Approved on behalf of the Board of Directors:
Bulimia Anorexia Nervosa Association - Can-Am



Director



Director

See accompanying Notes to the Financial Statements

Gordon B. Lee, Chartered Accountants

Bulimia Anorexia Nervosa Association - Can-Am

Statement of Cash Flows

Year ended March 31, 2013

	2013	2012
Cash flows provided by (used for):		
Operating activities		
Excess (deficiency) of revenues over expenses	\$ 14,694	\$ (6,578)
Change in non-cash components of working capital		
Accounts receivable	3,648	(1,835)
Government revenue receivable	(11,976)	-
HST recoverable	(871)	(1,968)
Prepaid expense	4,583	408
Accounts payable and accrued liabilities	3,277	(1,468)
Deferred contributions	<u>(7,837)</u>	<u>14,104</u>
	<u>5,518</u>	<u>2,663</u>
Financing activities		
Change in reserve fund	<u>(14,698)</u>	<u>(25,404)</u>
Decrease in cash during the year	(9,180)	(22,741)
Cash, beginning of year	<u>126,128</u>	<u>148,869</u>
Cash, end of year	<u>\$ 116,948</u>	<u>\$ 126,128</u>
Consists of:		
Cash	\$ 51,387	\$ 62,099
Investments	<u>65,561</u>	<u>64,029</u>
	<u>\$ 116,948</u>	<u>\$ 126,128</u>

See accompanying Notes to the Financial Statements

Gordon B. Lee, Chartered Accountants

Bulimia Anorexia Nervosa Association - Can-Am

Notes to the Financial Statements

March 31, 2013

1. Purpose of Association

The Association was incorporated, without share capital under the Corporations Act by Letters Patent dated October 22, 1985. The purpose of the Association is to provide specialized treatment, education and support services for individuals affected directly or indirectly by eating disorders.

2. Summary of significant accounting policies

Basis of presentation

These financial statements include the assets, liabilities, revenue and expenses of the Bulimia Anorexia Nervosa Association - Can-Am which pertain to two distinct programs. The Erie St. Clair Local Health Integration Network provides funding for the Community Health Program in the amount of \$209,512 (2012 - \$209,512) annually for salaries and other operating costs and the Ministry of Health & Long Term Care provides funding for the Institutional Health Program in the amount of \$280,992 (2012 - \$280,992) annually for salaries and operating costs. The financial statements are prepared on the going concern basis which contemplates the realization of assets and the settlement of liabilities in the normal course of operation.

Accrual basis of accounting

Revenues and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

Capital assets

Furniture and equipment, computer equipment and leasehold improvements are stated at cost on the capital fund and are recorded as expenses of the operating fund in the year acquired. Amortization is not recognized in the financial statements. Amortization has not been reported in the statement of General Fund Operations and Fund Balance because it is not funded by the Erie St. Clair Local Health Integration Network and Ministry of Health & Long Term Care.

Had amortization been taken on the capital assets the book value of the capital assets as at March 31, 2013 as shown on the statement of financial position would have been decreased by \$142,964 (2012 - \$142,395) and the equity in capital assets would have decreased by \$142,964 (2012 - \$142,395).

Contributed Services

A number of volunteers contribute their time and other resources each year. There is significant measurement uncertainty associated with determining the fair value of the time and other resources, therefore contributed services/resources are not recognized in these financial statements.

Bulimia Anorexia Nervosa Association - Can-Am

Notes to the Financial Statements

March 31, 2013

2. Summary of significant accounting policies (continued)

Capital Disclosures

The Association's objectives when managing capital are to safeguard the ability of the entity to continue as a going concern. This enables the Association to continue to provide the services required as outlined in Note 1.

The Association manages the capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of the underlying assets and liabilities.

Measurement Uncertainty

The preparation of the corporation's financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the amounts reported and disclosed in the financial statements. Actual results could differ from those estimates. Specifically, these financial statements include management estimates and assumptions relating to the valuation of accounts receivable and the valuation of capital assets and their useful lives

Financial Instruments Classification

Cash, including any investments with maturity dates of less than three months is classified as held for trading. Short-term and long-term investments are classified as held for trading and are reported at fair value at each financial position date, and any change in fair value is recognized in investment income. Accounts receivable have been classified as receivables and are reported at cost. Accounts payable and accrued charges and deferred revenue have been classified as other debt and are reported at cost.

The use of the effective interest method did not provide any additional information for any of the financial instruments owned by the Association as the difference between the cost method and the effective interest method was not significant.

Fund Accounting Method

The Association follows the restricted fund method of accounting for contributions.

The general fund reports the contributions from government grants, and donations and fundraising and expenses related to the operations and administration of the program.

The Capital reserve fund has been allocated to replacement or improvement of existing office and treatment facilities including potentially leasing or purchasing a new building.

Bulimia Anorexia Nervosa Association - Can-Am

Notes to the Financial Statements

March 31, 2013

2. Summary of significant accounting policies (continued)

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. The Association has three continuing significant revenue streams, program and grant revenue, donations and memberships and other income. The Association's program and grant revenue, based on approved program applications is recognized as revenue in the period in which the related expenses are incurred. Donation and membership revenue is recognized as received. If there are any pledges, those pledges are not recognized until received. Fundraising revenue is recognized as received and is presented as the gross amount with the associated costs and the net amount of each fund raising effort. Investment income is recognized when it is earned.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and highly liquid financial instruments. Due to the short-term nature of these assets, the fair value of these instruments is not significantly different from their carrying value.

Accounts Receivable

Accounts receivable are recorded net of an allowance for uncollectible or doubtful accounts. The Association reviews accounts receivable and provides a reserve for amounts estimated not to be collectible. During this review, historical experience, the age of the receivable balance, the credit-worthiness of the funding providers and the reason for the delinquency are considered.

Leases

Leases are classified as either finance or operating leases. Finance leases are those that substantially transfer the benefits and risks of ownership of an asset to the lessee. All leases other than finance leases are operating leases.

Assets held under finance leases are recognized as assets, and a corresponding liability is recognized as a finance lease obligation. Lease payments are apportioned between interest expense and reduction of the lease obligation to achieve a constant rate of interest on the remaining liability. Total payments under operating leases are expensed on a straight-line basis over the term of the relevant lease.

Financial Instruments – Measurement

The Association recognizes financial assets and financial liabilities when the Association becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as at fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition. Financial assets at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred. Measurement in subsequent periods depends on the classification of the financial instrument:

Bulimia Anorexia Nervosa Association - Can-Am

Notes to the Financial Statements

March 31, 2013

2. Summary of significant accounting policies (continued)

Financial Instruments – Measurement (continued)

Financial assets at fair value through profit or loss (FVTPL) - financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management, or if they are derivative assets. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the consolidated statements of income. The Association's financial assets classified as FVTPL include cash and cash equivalents. The Association does hold derivative assets.

Loans and Receivables - loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method. Accounts receivables are classified as loans and receivables.

Other financial liabilities - Other financial liabilities are financial liabilities that are not derivative liabilities or classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. The Association's other financial liabilities include accounts payable and accrued liabilities. The Association does not currently hold any derivative liabilities.

3. Deferred revenue

Legal, Advocacy and Computers Committee

During the year ended March 31, 2013 the Board of Directors directed no funds to the Advocacy Committee and there were no funds expensed from the Advocacy Committee. The balance at the end of the year is \$3,468 (2012 - \$3,468).

Green Shield Grant

During the prior year, the Association received a grant in the amount of \$36,000 from Green Shield Canada in support of the Be Yourself: Inside and Out project. During the prior and current year the Association paid the following expenses using these funds; \$9,724 (2012 - \$15,587) for salaries and \$4,635 (2012 - \$5,488) for travel, brochures and client manuals and other approved expenses. The balance of the deferred revenue as at March 31, 2013 is \$566 (2012 \$14,925).

Relocation Costs

During the year ended March 31, 2013 the Board of Directors approved the use of \$15,000 from the Capital Reserve Fund to assist with the relocation costs to the new office and treatment centre. Those funds along with a one time funding of \$25,000 from the Erie St. Clair Local Health Integration Network were used for renovation and relocation expenses during the year ended March 31, 2013 for a total of \$36,210. The balance of \$3,790 will be used in the following year.

Gordon B. Lee, Chartered Accountants

Bulimia Anorexia Nervosa Association - Can-Am

Notes to the Financial Statements

March 31, 2013

3. **Deferred revenue** (continued)

University of Windsor - Dr. R. Moriarty

Funds in the amount of \$2,733 were advanced during the year ended March 31, 2013 to assist with research to be determined by the Board of Directors. These funds will be used in future years.

4. **Capital Reserve Fund (Restoration fund)**

The Association's Capital Reserve fund has been allocated to replacement or improvement of existing office and treatment facilities including, potentially, leasing or purchasing a new building.

During the year ended March 31, 2013 activity was as follows:

	2013	2012
Balance, beginning of year	\$ <u>90,358</u>	\$ <u>115,762</u>
Allocation - unused Dare To Dream grant	<u>302</u>	<u>-</u>
Expenditures		
New computers and server	-	13,829
Salary increase	-	9,384
Executive Director retirement	-	2,191
Relocation expense	<u>15,000</u>	<u>-</u>
	<u>15,000</u>	<u>25,404</u>
Balance, end of year	\$ <u><u>75,660</u></u>	\$ <u><u>90,358</u></u>

5. **Commitment**

The Association has entered into a five year lease agreement effective March 1, 2013 for office and treatment space at the monthly rate of \$3,427 for rent and \$621 for cleaning services, including HST. This lease can be terminated in the event the funding received from the government ceases.

6. **Remuneration of Directors and Officers**

No remuneration was paid to Directors and Officers during the year.

Bulimia Anorexia Nervosa Association - Can-Am

Notes to the Financial Statements

March 31, 2013

7. Financial instruments

The Association's financial instruments consist of cash, accounts receivable and accounts payable. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Credit Risk

The corporation is exposed to credit risk to accounts receivable of \$22,419 (2012 - \$13,220). Credit risk is the risk that other organizations that owe monies to the Association will not repay their obligations as they become due. The Association manages this risk by endeavouring to ensure as best as possible that all claims submitted to each of the government agencies with whom they transact business are submitted correctly and on a timely basis to ensure that the amounts recorded as grants receivable will be received as anticipated by the Association. The amount owed by Erie St. Clair Local Health Integration Network does represent a concentration risk. A concentration risk exists when one person or group of related persons owes more than 10% of the total balance in Accounts Receivable. In the opinion of management the credit risk is low and is not a material risk to the Association. This risk is unchanged from the prior year.

The Association has credit risk relating to cash and cash equivalents, which it manages by dealing with large chartered banks or established credit unions in Canada; investing in highly liquid investments. The Association's objective is to minimize its exposure to credit risk in order to prevent losses on financial assets by placing its investments in highly liquid investments such as money market funds. The Association's cash and cash equivalents carrying value is \$116,948 (2012 - \$126,127) representing the maximum exposure to credit risk of these financial assets, all of the cash and cash equivalents were held by one financial institution. In the opinion of management the credit risk is low and is not a material risk to the Association. The risk did not change from the prior year.

Liquidity Risk

The Association is exposed to liquidity risk to accounts payable of \$23,984 (2012 - \$20,708). Liquidity risk is the risk that the Association will not repay their obligations as they become due. The Association manages this risk by ensuring that it prepares an annual budget wherein it plans its revenues and expenditures. In the opinion of management the liquidity risk is low and is not a material risk to the Association. This risk is unchanged from the prior year.

8. Economic dependence

A significant portion of revenue is granted from the Erie St. Clair Local Health Integration Network and the Ministry of Health & Long Term Care. The ability of the programs to operate as a going concern is dependent on this continued support in the form of ongoing funding.

Bulimia Anorexia Nervosa Association - Can-Am

Notes to the Financial Statements

March 31, 2013

9. Charitable organization status

This Association is a not for profit entity which qualifies as a charitable organization and as such is not subject to income taxes under Section 149(l)(d) of the Income Tax Act.

10. Adoption of Accounting Standards for Not for Profit Organizations

These financial statements were prepared in accordance with Part III of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting ("Part III").

The Association's first reporting period using Part III is for the year ended March 31, 2013. As a result, the date of transition to Part III is April 1, 2012. The Association presented financial statements under its previous Canadian generally accepted accounting principles (CGAAP) annually to March 31 of each fiscal year up to and including March 31, 2012.

As these financial statements are the first financial statements for which the Association has applied Part III, the financial statements have been prepared in accordance with the provisions set out in Section 1501 of Part III, First-time adoption by Not-for-Profit Organizations.

The Association is required to apply Part III effective for period ending on March 31, 2013 in:

- a) preparing and presenting its opening statement of financial position at April 1, 2012
- b) preparing and presenting its statement of financial position for March 31, 2013 (including comparative amounts for 2012) statement of general fund operations and fund balance and statement of cash flows for the year ended March 31, 2013 (including comparative amounts for 2012) and disclosures (including comparative information for 2012).

Gordon B. Lee, Chartered Accountants

Bulimia Anorexia Nervosa Association - Can-Am

Notes to the Financial Statements

March 31, 2013

10. Adoption of Accounting Standards for Not for Profit Organizations (continued)

	March 31, 2011	No adjustment required on conversion to ASNFPO	April 1, 2011
Assets			
Current			
Cash	\$ 86,799	\$ -	\$ 86,799
Investments - held for trading	62,070	-	62,070
Accounts receivable	9,417	-	9,417
Prepaid	<u>9,162</u>	<u>-</u>	<u>9,162</u>
	<u>167,448</u>	<u>-</u>	<u>167,448</u>
Capital			
Furniture and equipment	88,930	-	88,930
Computer equipment	35,224	-	35,224
Leasehold improvement	<u>20,985</u>	<u>-</u>	<u>20,985</u>
	<u>145,139</u>	<u>-</u>	<u>145,139</u>
	<u>\$ 312,587</u>	<u>\$ -</u>	<u>\$ 312,587</u>
Liabilities and fund balances			
Accounts payable and accrued liabilities	\$ 22,175	\$ -	\$ 22,175
Deferred revenue	<u>4,289</u>	<u>-</u>	<u>4,289</u>
	<u>26,464</u>	<u>-</u>	<u>26,464</u>
Fund balances			
General fund	25,222	-	25,222
Capital reserve fund	115,762	-	115,762
Equity in capital assets	<u>145,139</u>	<u>-</u>	<u>145,139</u>
	<u>286,123</u>	<u>-</u>	<u>286,123</u>
	<u>\$ 312,587</u>	<u>\$ -</u>	<u>\$ 312,587</u>

Gordon B. Lee, Chartered Accountants