

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

**Financial Statements**

**March 31, 2017**

*Gordon B. Lee, Chartered Accountants*



C H A R T E R E D   A C C O U N T A N T S

## **Independent Auditor's 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 (the Association), which comprise the statement of financial position as at March 31, 2017, the statements of general fund operations and fund balance, capital reserve fund operations and fund balance 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 of these financial statements in accordance with the basis of accounting described in Note 2, for 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.

### **Auditor's 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 auditor's 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 qualified 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, 2017, 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 the Association and the LHIN and MOH and should not be distributed to or used by parties other than the LHIN and MOH.

WINDSOR, ONTARIO  
June 5, 2017

  
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Gordon B. Lee, C.A.  
Licensed Public Accountants  
Chartered Professional Accountants



# Bulimia Anorexia Nervosa Association - Can-Am

## Statement of Financial Position

March 31, 2017

	2017	2016
<b>Assets</b>		
Current		
Cash and term deposits	\$ 140,293	\$ 164,682
Accounts receivable	10,616	5,822
HST receivable	4,714	6,223
Prepaid	<u>5,423</u>	<u>7,606</u>
	<u>161,046</u>	<u>184,333</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>\$ 306,185</u>	<u>\$ 329,472</u>
<b>Liabilities and fund balances</b>		
Accounts payable and accrued liabilities	\$ 41,354	\$ 32,743
Deferred revenue (Note 3)	<u>16,351</u>	<u>48,367</u>
	<u>57,705</u>	<u>81,110</u>
<b>Fund balances</b>		
General fund	31,452	31,334
Capital reserve fund (Note 2)	71,889	71,889
Equity in capital assets (Note 2)	<u>145,139</u>	<u>145,139</u>
	<u>248,480</u>	<u>248,362</u>
	<u>\$ 306,185</u>	<u>\$ 329,472</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 General Fund Operations and Fund Balance

Year ended March 31, 2017

	Community Mental Health 2017	Institutional Health 2017	Other Revenue 2017	Trillium Grant 2017	Total 2017	Total 2016
Revenue						
Program funding (Note 6)	\$ 338,276	\$ 280,992	\$ -	\$ -	\$ 619,268	\$ 619,304
Donations and memberships	-	-	17,445	-	17,445	7,098
Other income	-	-	7,070	-	7,070	4,869
Fundraising revenue	-	-	11,221	-	11,221	32,509
Grant revenue	<u>338,276</u>	<u>280,992</u>	<u>35,736</u>	43,116	<u>43,116</u>	<u>33,656</u>
				<u>43,116</u>	<u>698,120</u>	<u>697,436</u>
Expenses						
Insurance	2,022	-	-	-	2,022	2,275
Advertising and promotion	-	-	3,739	-	3,739	5,243
Professional fees	-	3,534	8,098	-	11,632	3,825
Wages and benefits	279,143	265,874	-	39,984	585,001	567,742
Office equipment/supplies	-	3,713	14,267	-	17,980	14,962
Computer maintenance	-	-	1,517	-	1,517	3,883
Telephone	-	7,871	2,768	-	10,639	5,976
Rent	47,548	-	-	-	47,548	44,877
Staff education	5,522	-	5,170	-	10,692	11,198
Travel	4,041	-	-	-	4,041	3,517
Fundraising expenses	-	-	59	-	59	12,824
Grant expenses	-	-	-	3,132	3,132	13,367
Extraordinary item - replace computer server	-	-	-	-	-	6,977
	<u>338,276</u>	<u>280,992</u>	<u>35,618</u>	<u>43,116</u>	<u>698,002</u>	<u>696,666</u>
Excess of revenue over expenses for the year	-	-	118	-	118	770
Fund balance beginning of year	-	-	31,334	-	31,334	30,564
Fund balance, end of year	<u>-\$ -</u>	<u>\$ -</u>	<u>\$ 31,452</u>	<u>\$ -</u>	<u>\$ 31,452</u>	<u>\$ 31,334</u>

*Gordon B. Lee, Chartered Accountants*

# Bulimia Anorexia Nervosa Association - Can-Am

## Statement of Cash Flows

Year ended March 31, 2017

	2017	2016
Cash flows provided by (used for):		
Operating activities		
Excess of revenues over expenses	\$ 118	\$ 770
Change in non-cash components of working capital		
Accounts receivable	(4,794)	(64)
HST recoverable	1,509	2,537
Prepaid expense	2,183	866
Accounts payable and accrued liabilities	8,611	(13,132)
Deferred contributions	<u>(32,016)</u>	<u>18,509</u>
	<u>(24,389)</u>	<u>9,486</u>
Financing activities		
(Decrease) increase in cash during the year	(24,389)	9,486
Cash and cash equivalents, beginning of year	<u>164,682</u>	<u>155,196</u>
Cash and cash equivalents, end of year	\$ <u>140,293</u>	\$ <u>164,682</u>
Cash and cash equivalents consists of:		
Cash	\$ 68,173	\$ 95,389
Investments	<u>72,120</u>	<u>69,293</u>
	\$ <u>140,293</u>	\$ <u>164,682</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, 2017**

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### **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.

The 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(1)(d) of the Income Tax Act.

### **2. Summary of significant accounting policies**

#### **Basis of presentation**

These financial statements have been prepared in accordance with the reporting requirements of the Association's principal funders unless otherwise stated these reporting requirements are consistent with the requirements of Canadian Accounting Standards for Not-for-Profit Organizations.

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.

#### **Fund Accounting Method**

The Association maintains separate funds to allow it to monitor and report separately different aspects of its operations, or to segregate certain categories of net assets which must be separately maintained as required by the Centre's funders. The funds maintained by the Centre and their purposes, are as follows:

The general fund reflects the day-to-day revenues and expenditures of the Association and is comprised of various programs provided by grant revenue as well as revenue received from donations and fundraising and expenses related to the operations and administration of the program.

The capital reserve fund has been allocated for community outreach and improving front line services. There has been no activity in this fund for the years 2016 or 2017. The balance remains at \$71,889.

# Bulimia Anorexia Nervosa Association - Can-Am

## Notes to the Financial Statements

March 31, 2017

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### 2. Summary of significant accounting policies (continued)

#### **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, 2017 as shown on the statement of financial position would have been decreased by \$144,273 (2016 - \$144,050) and the equity in capital assets would have decreased by \$144,273 (2016 - \$144,050).

#### **Revenue Recognition**

The Association follows the deferral method of accounting for contributions of grants and donations. Grants received or receivable in excess of costs incurred are reported as deferred revenue. Grants approved but not received at the end of an accounting year are accrued. Where a portion of the grant relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions are recognized as revenue in the general fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized on the same basis as the related capital assets are amortized.

Donations and revenue from fund raising are recognized as received and are presented at the gross amount with the associated costs shown separately.

#### **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. There was no remuneration paid to Directors or Officers during the year.



# Bulimia Anorexia Nervosa Association - Can-Am

## Notes to the Financial Statements

March 31, 2017

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### 2. Summary of significant accounting policies (continued)

#### Measurement uncertainty

The preparation of financial statements requires the Association's management to make estimates and assumptions that affect the reported value of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual amounts could differ from those estimates.

#### Financial instruments classification

The Association recognizes all financial instruments at fair value when they are acquired or become an obligation of the Centre. Subsequent to that date, they are measured at amortized cost.

### 3. Deferred revenue

Deferred revenue consists of:

	2017	2016
Legal, advocacy and Computer Committee	\$ 3,468	\$ 3,468
University of Windsor, Dr. R. Moriarty	2,733	2,733
Medical consulting fees/services	4,250	4,250
Trillium Grant	5,400	37,416
University of Windsor Student Alliance	500	500
	<u>\$ 16,351</u>	<u>\$ 48,367</u>

#### Legal, Advocacy and Computers Committee

Funds allocated by the Board of Directors in prior years for specific programming. There were no funds expensed from the Advocacy Committee.

#### University of Windsor - Dr. R. Moriarty

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

#### Medical consulting fees/services

In the prior year the Board of Directors allocated \$5,000 from the Capital Reserve Fund to be used for additional consulting fees/services. The balance of \$4,250 was included within deferred revenues and no funds were used during the current year and

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

## **Notes to the Financial Statements**

**March 31, 2017**

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**3. Deferred revenue (continued)**

**Ontario Trillium Foundation**

During the year the Association received a grant from the Ontario Trillium Foundation in the amount of \$5,900 for the period February 2, 2017 to July 31, 2017 to host a conference to be held in the next fiscal year. During the year the Association received \$5,400 and used none of these funds. The balance of the deferred revenue is \$5,400.

**4. 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 including HST for the first three years, \$3,639 including HST for the last two years for rent and \$621 including HST for cleaning services for the entire term of the lease. This lease can be terminated in the event the funding received from the government ceases.

**5. Financial instruments**

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

Consistent with earlier years, management does not believe that the Association has any material exposure to credit risk, or to changes in market prices, interest rates or exchange rates

**6. Economic dependence**

A significant portion of revenue is granted from the Erie St. Clair Local Health Integration Network which provides funding for the Community Health Program in the amount of \$338,276 (2016 - \$338,312) 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 (2016 - \$280,992) annually for salaries and operating costs. The ability of the programs to operate as a going concern is dependent on this continued support in the form of ongoing funding.