

**Eating Disorder Foundation of
Newfoundland and Labrador
Financial Statements**

December 31, 2022

Eating Disorder Foundation of Newfoundland and Labrador

December 31, 2022

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Independent Auditors' Report

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To the Members of
Eating Disorder Foundation of Newfoundland and Labrador

Qualified Opinion

We have audited the financial statements of Eating Disorder Foundation of Newfoundland and Labrador, which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Eating Disorder Foundation of Newfoundland and Labrador as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Basis for Qualified Opinion

In common with many not for profit organizations, the foundation derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the foundation and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenditures, assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing these financial statements, management is responsible for assessing the foundation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Paradise, Newfoundland and Labrador
March 14, 2023

Coombs & Associates
Chartered Professional Accountants

Eating Disorder Foundation of Newfoundland and Labrador

Statement of Financial Position

December 31, 2022

	2022	2021
Assets		
Current Assets		
Cash	\$ 93,642	\$ 109,107
Short term investments	99,072	45,821
Accounts receivable, net of allowance for doubtful accounts (Note 6)	15,298	18,683
Inventory	4,834	8,290
Prepays	1,011	905
	213,857	182,806
Long term investments (Note 2)	17,500	17,500
Tangible capital assets (Note 3)	12,777	16,674
	\$ 244,134	\$ 216,980
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 11,124	\$ 10,087
Employee deductions payable	3,355	4,905
Deferred revenue (Note 4)	10,000	10,000
Current portion of Canada Emergency Business Account loan (Note 5)	40,000	-
	64,479	24,992
Canada emergency business account loan (Note 5)	-	40,000
	64,479	64,992
Net assets		
Investment in capital assets	12,777	16,674
Unrestricted net assets	166,878	135,314
	179,655	151,988
	\$ 244,134	\$ 216,980

Approved on Behalf of the Board:

_____, Director

_____, Director

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

Eating Disorder Foundation of Newfoundland and Labrador

Statement of Operations

For the Year Ended December 31, 2022

	2022	2021
Revenue		
Grants (Schedule 1)	\$ 201,645	\$ 155,099
Fundraising (Schedule 2)	65,099	76,845
Donations (Schedule 3)	45,213	50,020
Interest income	3,049	581
Miscellaneous	2,714	2,169
Workshops	1,460	3,150
	319,180	287,864
Operating expenses		
Salaries and benefits	176,409	204,441
Rent	39,151	38,613
Program and support services	17,546	6,300
Drive in Bingo expenses	13,161	28,989
Annual golf tournament	13,096	8,277
Office	7,763	4,438
Professional fees	6,113	6,612
Cost of inventory sold	3,456	1,800
Utilities	2,982	2,563
Insurance	2,235	2,215
Scholarships	2,000	1,001
Interest and bank charges	1,912	1,548
Advertising and promotion	1,189	-
Fundraising	603	1,195
Donated items	-	4,128
Bad debt expense	-	1,440
	287,616	313,560
Excess (deficiency) of revenues over expenditures before undernoted items	31,564	(25,696)
Forgivable portion of Canada emergency business account loan	-	10,000
Depreciation	(3,897)	(5,465)
Excess (deficiency) of revenues over expenditures	\$ 27,667	\$ (21,161)

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

Eating Disorder Foundation of Newfoundland and Labrador

Statement of Changes in Net Assets
For the Year Ended December 31, 2022

	Investment in Tangible Capital Assets	Unrestricted	2022	2021
Balance, beginning of year	\$ 16,674	\$ 135,314	\$ 151,988	\$ 173,149
Excess (deficiency) of revenues over expenditures	-	27,667	27,667	(21,161)
Depreciation	(3,897)	3,897	-	-
	\$ 12,777	\$ 166,878	\$ 179,655	\$ 151,988

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

Eating Disorder Foundation of Newfoundland and Labrador

Statement of Cash Flows

For the Year Ended December 31, 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenues over expenditures	\$ 27,667	\$ (21,161)
Depreciation	3,897	5,465
	31,564	(15,696)
Change in other working capital items:		
Accounts receivable	3,385	(2,941)
Inventory	3,456	504
Prepays	(106)	-
Accounts payable and accrued liabilities	(513)	(4,181)
Deferred revenue	-	(6,968)
	37,786	(29,282)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of tangible capital assets	-	(2,639)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Canada emergency business account loan	-	10,000
Net increase (decrease) in cash and cash equivalents	37,786	(21,921)
Cash and cash equivalents, beginning of year	154,928	176,849
Cash and cash equivalents, end of year	\$ 192,714	\$ 154,928
Cash and cash equivalents consist of the following:		
Cash	\$ 93,642	\$ 109,107
Short term investments	99,072	45,821
	\$ 192,714	\$ 154,928

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

Eating Disorder Foundation of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended December 31, 2022

1. Significant Accounting Policies

Nature of business and basis of preparation

Eating Disorder Foundation of Newfoundland and Labrador (the foundation) was incorporated in December 2006, as a leadership advocacy group dedicated to promoting research and providing public support services and information about matters related to eating disorders, including information on available treatment services for individuals and families who experience disordered eating. As a not for profit organization, the foundation is exempt from income taxes under the Income Tax Act.

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations.

Cash and cash equivalents

Cash and cash equivalents includes short term investments and deposits with financial institutions, which are carried at the lower of cost and market value with a maturity date of less than one year.

Inventory

T-shirt Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Donated artwork is recorded at the lower of appraised value and estimated net realizable value. Based on prior years' sales, management has recorded the artwork at 50% of appraised value.

Tangible capital assets

Tangible capital assets are carried at cost. Depreciation is calculated using the declining balance method over the estimated useful lives as follows for the major classes of assets:

Furniture and equipment	10%
Computers	50%
Video conferencing system	20%
Artwork	20%

Impairment of long-lived assets

In the event that facts and circumstances indicate that the foundation's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The foundation considers that no circumstances exist that would require such an evaluation.

Eating Disorder Foundation of Newfoundland and Labrador

Notes to the Financial Statements

For the Year Ended December 31, 2022

1. Significant Accounting Policies continued

Financial instruments

The foundation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost. The financial assets measured at amortized cost include cash, short term investments and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The foundation has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

The foundation recognizes all transaction costs related to financial assets and liabilities as a reduction to net earnings in the period in which the costs were incurred.

Revenue recognition

The foundation follows the deferral fund method of accounting for contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. All other contributions are reported as revenue of the current period.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The foundation makes estimates with respect to the collectibility of accounts receivable, the valuation of inventory, the estimated useful lives of tangible capital assets and the valuation of contributed services. Actual results could differ from those estimates and may have an impact on future periods.

Contributed services

The foundation and its members benefit from contributed services in the form of in-kind donations and volunteer time for various committees. In-kind donations are valued at fair market value at the date received when a value can be reasonably determined. The total value of in-kind contributions for the year was \$nil; (2021 - \$5,424). Contributed services for volunteer time are not recognized in these financial statements.

2. Long term investments

The foundation has established a revolving credit facility, ScotiaLine for Business Visa card, with a limit of \$17,500 bearing interest at Prime plus 1.5%. As security for the credit facility, the foundation is required to maintain a minimum balance of \$17,500 in a Scotiabank investment account. There was no balance outstanding at December 31, 2022.

Eating Disorder Foundation of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended December 31, 2022

3. Tangible capital assets

	Cost	Accumulated Depreciation	2022 Net Book Value	2021 Net Book Value
Furniture and equipment	\$ 16,094	\$ 9,466	\$ 6,628	\$ 7,341
Computers	11,953	10,030	1,923	4,052
Video conferencing system	16,561	13,280	3,282	4,101
Artwork	5,000	4,056	944	1,180
	\$ 49,608	\$ 36,832	\$ 12,777	\$ 16,674

4. Deferred revenue

In 2019, the foundation received \$10,000 from the Curran family to be used for the Lana Curran Needs Assessment and Prevention Program. Due to the COVID-19 pandemic, no amount of this funding has been spent to date. The revenue will be recognized when the related costs are incurred.

5. Canada Emergency Business Account (CEBA) loan

The CEBA loan is unsecured, guaranteed by the Government of Canada, non-interest bearing and, if repaid by December 31, 2023, \$20,000 of the principal is forgivable. If the loan is not repaid prior to January 1, 2024, the original principal is converted to a three year term loan bearing interest at 5%, repayable in minimum monthly payments of interest only with outstanding principal due in full by December 31, 2026.

6. Related party transactions

During the year the foundation received general donations and donations in-kind totalling \$ 18,719 (2021 - \$ 19,701) from Directors of the foundation, who have significant influence over the operations. These amounts are included in donation revenue on the statement of operations.

Included in accounts receivable is a balance of \$500 (2021 - \$500) owing from a member of management, who has significant influence over the financial operations of the foundation. The balance relates to a training program, is non-interest bearing and is expected to be repaid in full in 2023.

These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Eating Disorder Foundation of Newfoundland and Labrador

Notes to the Financial Statements

For the Year Ended December 31, 2022

7. Credit risk

Financial instruments which potentially subject the foundation to concentrations of credit risk consist of cash equivalents and accounts receivable. The cash equivalents consist mainly of short-term bank deposits. The foundation has deposited the cash equivalents with reputable financial institutions, from which management believes the risk of loss to be remote. The foundation has accounts receivable from clients engaged in various industries including governmental agencies and finance, and are not concentrated in any specific geographic area. These specific industries may be affected by economic factors which may impact accounts receivable. Management does not believe that any single industry or geographic region represents significant credit risk. Credit risk concentration with respect to trade receivables is limited due to the foundation's broad client base.

Eating Disorder Foundation of Newfoundland and Labrador

Schedule 1 - Grants

For the Year Ended December 31, 2022

	2022	2021
Province of Newfoundland and Labrador		
Operating Grant	\$ 43,700	\$ 43,700
One Time Program Funding	108,193	-
Community Addictions Prevention and Mental Health Promotion Fund	5,000	-
Canada Emergency Wage Subsidy	24,645	79,796
Canada Emergency Rent Subsidy	4,865	15,635
Wage subsidies	6,242	1,000
Program Grants	9,000	14,968
	\$ 201,645	\$ 155,099

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

Eating Disorder Foundation of Newfoundland and Labrador

Schedule 2 - Fundraising For the Year Ended December 31, 2022

	2022	2021
Golf tournament/Online Auction	\$ 34,107	\$ 25,688
Drive-in Bingo	12,780	28,366
Ticket sweep	7,228	10,474
Hope Always Walk	6,410	5,546
Online Auction	4,574	-
50/50 Tickets	-	6,771
	\$ 65,099	\$ 76,845

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

Eating Disorder Foundation of Newfoundland and Labrador

Schedule 3 - Donations For the Year Ended December 31, 2022

	2022	2021
General donations	\$ 40,327	\$ 42,481
In Memorial	2,886	1,115
Scholarships	2,000	1,000
Donations - In Kind	-	5,424
	\$ 45,213	\$ 50,020

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