

**ANXIETY CANADA ASSOCIATION -  
ASSOCIATION ANXIETE CANADA**

**FINANCIAL STATEMENTS**

**MARCH 31, 2022**

**ANXIETY CANADA ASSOCIATION - ASSOCIATION ANXIETE CANADA**

**FINANCIAL STATEMENTS**

**MARCH 31, 2022**

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## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors  
**Anxiety Canada Association - Association Anxiete Canada**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Anxiety Canada Association - Association Anxiete Canada, which comprise the statement of financial position as at March 31, 2022, the statement of operations and changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Anxiety Canada Association - Association Anxiete Canada as at March 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 Opinion*

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 Anxiety Canada Association - Association Anxiete Canada 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.

## INDEPENDENT AUDITORS' REPORT (Continued)

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

Those charged with governance are responsible for overseeing the Organization'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.

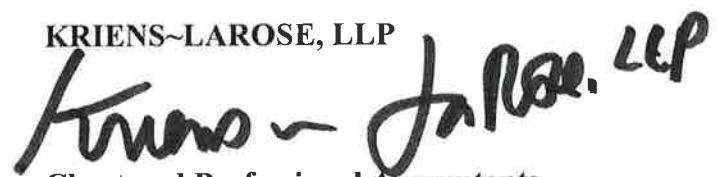
### INDEPENDENT AUDITORS' REPORT (Continued)

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- 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 Organization'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 Organization'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 Organization 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.

KRIENS-LAROSE, LLP



Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Ontario  
June 29, 2022

ANXIETY CANADA ASSOCIATION - ASSOCIATION ANXIETE CANADA  
**STATEMENT OF FINANCIAL POSITION**  
AS AT MARCH 31, 2022

	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	928,665	1,213,211
Investments (Note 3)	501,642	-
Accounts receivable	33,435	900
Government remittances receivable	11,387	3,091
Prepaid expenses	15,897	17,115
	1,491,026	1,234,317
<b>CAPITAL ASSETS (Note 4)</b>	<b>58,755</b>	<b>3,752</b>
	1,549,781	1,238,069
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	160,753	24,822
Deferred contributions (Note 5)	243,369	344,898
	404,122	369,720
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b>	<b>1,145,659</b>	<b>868,349</b>
	1,549,781	1,238,069

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_, Director \_\_\_\_\_, Director

ANXIETY CANADA ASSOCIATION - ASSOCIATION ANXIETE CANADA  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
 FOR THE YEAR ENDED MARCH 31, 2022

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	2022	2021
	\$	\$
<b>REVENUES</b>		
Grants	1,292,450	659,766
Consulting fees	276,046	255,260
Donations	55,645	49,575
Sponsorship	50,281	56,890
Program	19,746	20,612
Interest	2,229	4,607
Talks and workshops	1,900	12,500
Events	518	-
Gain on disposal of equipment	500	-
Government assistance (Note 6)	-	7,728
	1,699,315	1,066,938
<b>EXPENSES</b>		
Salaries and benefits	617,004	387,547
Consulting	550,579	200,095
Resources and materials	74,482	59,710
Facilities and support	63,302	63,891
Professional fees	52,782	39,658
Website	50,761	43,381
Insurance	5,062	4,324
Amortization	4,153	2,848
Travel	3,699	99
Events	181	-
	1,422,005	801,553
<b>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	277,310	265,385
<b>NET ASSETS, BEGINNING OF YEAR</b>	868,349	602,964
<b>NET ASSETS, END OF YEAR</b>	1,145,659	868,349

See accompanying notes to the financial statements

ANXIETY CANADA ASSOCIATION - ASSOCIATION ANXIETE CANADA  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED MARCH 31, 2022

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	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED IN):</b>		
<b>CASH FROM OPERATING ACTIVITIES</b>		
Cash receipts from grants	1,157,721	880,796
Cash receipts from consulting fees	281,967	255,260
Cash receipts from donations	50,256	49,575
Cash receipts from events	518	-
Cash receipts from other income	72,060	91,742
Cash receipts from government assistance	-	7,728
Interest received	2,229	4,607
Cash paid to suppliers and employees	(1,288,999)	(797,319)
	275,752	492,389
<b>CASH FROM INVESTING ACTIVITIES</b>		
(Purchase)/redemption of investments	(501,642)	636,160
Purchase of equipment	(59,156)	(4,142)
Proceeds from sale of equipment	500	-
	(560,298)	632,018
Change in cash	(284,546)	1,124,407
Cash, beginning of year	1,213,211	88,804
Cash, end of year	928,665	1,213,211

See accompanying notes to the financial statements



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## **PURPOSE OF THE ORGANIZATION**

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Anxiety Canada Association - Association Anxiete Canada ("the Organization") is incorporated under the Province of British Columbia without share capital. The Organization is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from the payment of corporate income taxes.

The Organization is a leader in developing free online, self-help, and evidence-based resources on anxiety. The mission of the Organization is to promote awareness of anxiety disorders and increase access to proven resources.

### **1. ECONOMIC DEPENDENCE**

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The Organization is economically dependent on grants received (76% of total revenues) and the continued funding which they currently have in place.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

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These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

#### **Financial Instruments**

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost or amortized cost include cash and accounts receivable. Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities.

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## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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### 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

### Investments

Investments are recorded at cost plus accrued interest.

### Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

### Equipment and Amortization

Purchased equipment is recorded at cost. Contributed equipment is recorded at the fair market value on the date of contribution. Donations and grants for the acquisition of equipment are recorded as deferred equipment contributions.

Amortization is calculated using the straight-line method with rates based on the estimated useful lives of the assets as follows:

Website	3 years
Computers and electronics	3 years

### Revenue Recognition

The Organization follows the deferral method of accounting for revenue.

Restricted contributions and grants are recognized in the year in which the related expenses are incurred. Restricted contributions and grants for equipment are recorded as revenue in the year in which the related amortization is incurred.

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

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Event registration fees and sponsorships are recognized as revenue when invoiced except for fees received in advance of the year of the event, as these are deferred to the date of the event.

Interest is recognized as revenue when received.

*Government Assistance*

Government assistance is a restricted contribution and is accounted for using the deferral method based on the assistance provided. Wage subsidies are recognized as revenue in the year the related wages are incurred.

**Donated Property and Services**

During the year, voluntary services were provided. Because these services are not normally purchased by the Organization, and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

**3. INVESTMENTS**

The Organization's investments consist of a guaranteed investment certificate maturing on August 26, 2022 with interest rate of 0.55%.

**4. CAPITAL ASSETS**

	2022		2021	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Computer and electronics	17,462	(12,519)	13,537	(9,785)
Website development	53,812	-	-	-
	71,274	(12,519)	13,537	(9,785)
Net book value	58,755		3,752	

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**4. CAPITAL ASSETS (Continued)**

In 2022, the Organization contracted with a third-party vendor to develop the website. The total project cost is \$73,500 (inclusive of sales tax). Payments totaling \$55,125 were made in 2022. The total estimated cost to complete the website in the 2023 fiscal year is \$18,375. No depreciation has been charged in 2022 as the website has not been completed and launched by the Organization as at March 31, 2022.

**5. DEFERRED CONTRIBUTIONS**

Deferred contributions represent externally restricted grants and donations. The changes in deferred contribution balances are as follows:

	2022	2021
	\$	\$
Balance, beginning of year	344,898	123,868
Contributions received during the year	741,026	599,756
Amounts recognized as revenue during the year	(842,555)	(378,726)
	243,369	344,898

Deferred contributions consist of the following:

	2022	2021
	\$	\$
Mindshift™ CBT Program (Aqueduct Foundation)	129,056	120,003
BTM (Ministry of Mental Health and Addictions)	103,391	-
Mindshift™ CBT Groups Licensing (Vancouver Coastal Health)	5,922	-
Mindshift™ CBT Program (Other Restricted Donations)	5,000	-
Mindshift™ Enhancing Online Anxiety Management (RBC)	-	224,895
	243,369	344,898

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**6. GOVERNMENT ASSISTANCE**

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During the fiscal year, the Organization received government assistance as follows:

	2022	2021
	\$	\$
Temporary Wage Subsidy for Employers (TWS)	-	7,728

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The TWS served as reduction in the amount of payroll deductions required to be remitted to the Canada Revenue Agency (CRA). The assistance received is not repayable albeit is subject to audit by the Canada Revenue Agency (CRA). The TWS was temporary and was available from March 18, 2020 to June 19, 2020.

**7. COMMITMENTS**

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The Organization entered a lease agreement for office space commencing October 1, 2019 for a period of four years. Included in the monthly lease payments is basic rent, additional rent and a management fee equal to 6% of basic rent.

The remaining commitment on the lease agreement as at March 31, 2022 is \$42,018 (excluding sales tax).

The minimum lease payments by year are:

March 31, 2023	\$27,837
March 31, 2024	\$14,181

Effective June 1, 2022, the Organization entered into a 16-month office sublease agreement with a subtenant with minimum lease payments of \$25 per square foot for total rent of \$20,646 in the 2023 fiscal year and \$12,387 in the 2024 fiscal year to be paid to the Organization.

The Organization has committed to pay \$424,300 (inclusive of sales tax), of which \$315,000 has been reflected in these financial statements, to create, produce and distribute video series for a productions and communications campaign in the next fiscal year. The remaining \$109,300 is to be paid next fiscal year.

## 8. FINANCIAL INSTRUMENTS

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The Organization is exposed to various risks through its financial instruments. The following presents the Organization's risk exposure and concentration at March 31, 2022.

### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$nil (2021: \$nil).

### **Liquidity Risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk as it depends on grants for its operations. In order to reduce its liquidity risk, the Organization seeks to continue to receive grants on an annual basis, manage its cash flow, and set aside idle funds to fulfill its obligations.

### **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not exposed to foreign currency risk.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization has a low interest rate risk.

### **Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to other price risk.

**9. IMPACT OF THE NOVEL CORONAVIRUS ("COVID-19")**

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In March 2020, the World Health Organization declared a global pandemic due to the outbreak of the novel Coronavirus ("COVID-19"). The situation is continuously developing, and the economic impact has been substantial to both Canada and the globe.

Management is aware of the changes in operations as a result of the pandemic including the transition of most operations to an online platform. The pandemic has had a significant impact on mental health across the country, which has increased the Organization's visibility and opened up new opportunities. Management is actively monitoring and mitigating the financial and operational impact and does not foresee any future significant financial impact on operations.

The duration of the pandemic is unknown at this time. As a result, it is not possible to reliably estimate the length or severity of these developments, nor the impact on the financial position of the Organization.