

**ANXIETY CANADA ASSOCIATION -
ASSOCIATION ANXIETE CANADA**

FINANCIAL STATEMENTS

MARCH 31, 2021

ANXIETY CANADA ASSOCIATION - ASSOCIATION ANXIETE CANADA

FINANCIAL STATEMENTS

MARCH 31, 2021

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Anxiety Canada Association - Association Anxiete Canada, which comprise the statement of financial position as at March 31, 2021, 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, 2021, 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)

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)

- 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 xx, 2021

ANXIETY CANADA ASSOCIATION - ASSOCIATION ANXIETE CANADA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	2021	2020
	\$	\$
ASSETS		
CURRENT		
Cash	1,213,211	88,804
Investment (Note 2)	-	636,160
Accounts receivable	900	2,640
Government remittances receivable	3,091	6,056
Prepaid expenses	17,115	10,953
	1,234,317	744,613
EQUIPMENT (Note 3)	3,752	2,458
	1,238,069	747,071
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	24,822	20,239
Deferred contributions (Note 4)	344,898	123,868
	369,720	144,107
NET ASSETS		
UNRESTRICTED NET ASSETS	868,349	602,964
	1,238,069	747,071

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, 2021

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	2021	2020
	\$	\$
REVENUES		
Grants	659,766	501,390
Consulting fees	255,260	209,536
Sponsorship	56,890	6,000
Donations	49,575	25,573
Program	20,612	-
Talks and workshops	12,500	4,695
Government assistance (Note 5)	7,728	-
Interest	4,607	9,575
Events	-	21,692
Gifts	-	8,748
	1,066,938	787,209
EXPENSES		
Salaries and benefits	387,547	352,366
Consulting	200,095	173,426
Facilities and support	63,891	55,911
Resources and materials	59,710	23,998
Website	43,381	-
Professional fees	39,658	48,655
Insurance	4,324	1,709
Amortization	2,848	2,772
Travel	99	12,638
Events	-	18,544
	801,553	690,019
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	265,385	97,190
NET ASSETS, BEGINNING OF YEAR	602,964	505,774
NET ASSETS, END OF YEAR	868,349	602,964

See accompanying notes to the financial statements

ANXIETY CANADA ASSOCIATION - ASSOCIATION ANXIETE CANADA
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 2021

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	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN):		
CASH FROM OPERATING ACTIVITIES		
Cash receipts from grants	880,796	625,258
Cash receipts from consulting fees	255,260	209,536
Cash receipts from donations	49,575	25,573
Cash receipts from events	-	21,692
Cash receipts from other income	91,742	17,803
Cash receipts from government assistance	7,728	-
Interest received	4,607	9,575
Cash paid to suppliers and employees	(797,319)	(711,839)
	492,389	197,598
CASH FROM INVESTING ACTIVITIES		
Redemption (purchase) of investment	636,160	(358,984)
Purchase of equipment	(4,142)	(2,973)
	632,018	(361,957)
Change in cash	1,124,407	(164,359)
Cash, beginning of year	88,804	253,163
Cash, end of year	1,213,211	88,804

See accompanying notes to the financial statements

PURPOSE OF THE ORGANIZATION

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. SIGNIFICANT ACCOUNTING POLICIES

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 amortized cost. Changes in fair value are recognized in the statement of operations.

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

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.

Continued...

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

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:

Furniture and equipment	5 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.

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.

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2. INVESTMENT

The Organization's investment consisted of a term deposit with VanCity, that matured on August 2, 2020, with an interest rate of 1.700% compounded at maturity.

3. EQUIPMENT

	2021		2020	
	Cost	Accumulated	Cost	Accumulated
	\$	\$	\$	\$
Computer and electronics	13,536	(9,784)	9,395	(6,937)
Net book value	3,752		2,458	

Continued...

4. DEFERRED CONTRIBUTIONS

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

	2021	2020
	\$	\$
Balance, beginning of year	123,868	-
Contributions received during the year	599,756	294,845
Amounts recognized as revenue during the year	(378,726)	(170,977)
	344,898	123,868

Deferred contributions consist of the following:

	2021	2020
	\$	\$
Mindshift™ CBT Program (Aqueduct Foundation)	120,003	123,868
Mindshift™ Enhancing Online Anxiety Management (RBC)	224,895	-
	344,898	123,868

5. GOVERNMENT ASSISTANCE

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

Temporary Wage Subsidy for Employers (TWS)	7,728
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The TWS serves 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.

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6. COMMITMENTS

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, 2021 is \$83,484 (excluding sales tax).

The commitment by year is:

March 31, 2022	\$41,466
March 31, 2023	\$27,837
March 31, 2024	\$14,181

7. THE NOVEL CORONAVIRUS ("COVID-19")

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. As at June xx, 2021, the pandemic has had a significant impact on mental health across the country, which has increased the Organization's visibility and has opened new opportunities.

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.

8. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following presents the Organization's risk exposure and concentration at March 31, 2021.

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 (2020: \$nil).

Liquidity Risk

Liquidity risk is the risk the Organization will encounter difficulties in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations and unrestricted net assets.

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.

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.