

**ANXIETY CANADA ASSOCIATION -
ASSOCIATION ANXIETE CANADA**

FINANCIAL STATEMENTS

MARCH 31, 2023

ANXIETY CANADA ASSOCIATION - ASSOCIATION ANXIETE CANADA

FINANCIAL STATEMENTS

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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 financial statements of Anxiety Canada Association - Association Anxiete Canada, which comprise the statement of financial position as at March 31, 2023, 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, 2023, 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, 2023

ANXIETY CANADA ASSOCIATION - ASSOCIATION ANXIETE CANADA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

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	2023	2022
	\$	\$
ASSETS		
CURRENT		
Cash	421,486	928,665
Investments (Note 2)	506,242	501,642
Accounts receivable	21,444	33,435
Government remittances receivable	3,599	11,387
Prepaid expenses	19,214	15,897
	971,985	1,491,026
CAPITAL ASSETS (Note 3)	49,614	58,755
	1,021,599	1,549,781
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	35,199	160,753
Deferred revenue (Note 4)	3,850	-
Deferred contributions (Note 5)	150,218	243,369
	189,267	404,122
NET ASSETS		
UNRESTRICTED NET ASSETS	832,332	1,145,659
	1,021,599	1,549,781

APPROVED ON BEHALF OF THE BOARD:

_____, Director _____, Director

See accompanying notes to the financial statements

ANXIETY CANADA ASSOCIATION - ASSOCIATION ANXIETE CANADA
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED MARCH 31, 2023

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	2023	2022
	\$	\$
REVENUES		
Grants	287,323	1,292,450
Consulting fees	226,805	276,046
Licensing	83,838	-
Donations	58,537	55,645
Sponsorship	24,042	50,281
Program	18,046	19,746
Interest	7,353	2,229
Events	1,235	518
Other income	190	-
Talks and workshops	-	1,900
Gain on disposal of equipment	-	500
	707,369	1,699,315
EXPENSES		
Salaries and benefits	613,777	617,004
Consulting	186,567	550,579
Website	76,861	50,761
Resources and materials	47,477	74,482
Facilities and support (Note 6)	36,116	63,302
Amortization	27,080	4,153
Professional fees	24,133	52,782
Insurance	5,993	5,062
Travel	2,448	3,699
Events	244	181
	1,020,696	1,422,005
(DEFICIENCY)/EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	(313,327)	277,310
NET ASSETS, BEGINNING OF YEAR	1,145,659	868,349
NET ASSETS, END OF YEAR	832,332	1,145,659

See accompanying notes to the financial statements

ANXIETY CANADA ASSOCIATION - ASSOCIATION ANXIETE CANADA
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 2023

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	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN):		
CASH FROM OPERATING ACTIVITIES		
Cash receipts from grants	225,795	1,157,721
Cash receipts from consulting fees	221,477	281,967
Cash receipts from donations	63,466	50,256
Cash receipts from events	1,235	518
Cash receipts from other income	43,045	72,060
Cash receipts from licensing	63,838	-
Interest received	7,353	2,229
Cash paid to suppliers and employees	(1,110,849)	(1,288,999)
	(484,640)	275,752
CASH FROM INVESTING ACTIVITIES		
Net change in investments	(4,600)	(501,642)
Purchase of equipment	(17,939)	(59,156)
Proceeds from sale of equipment	-	500
	(22,539)	(560,298)
Change in cash	(507,179)	(284,546)
Cash, beginning of year	928,665	1,213,211
Cash, end of year	421,486	928,665

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 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.

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:

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.

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.

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.

Continued...

2. INVESTMENTS

The Organization's investments consist of a guaranteed investment certificate maturing on August 26, 2023 with interest rate of 2.10% (2022: August 26, 2022 with interest rate of 0.55%).

3. CAPITAL ASSETS

	2023		2022	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Computer and electronics	17,463	(15,682)	17,462	(12,519)
Website development	71,750	(23,917)	53,812	-
	89,213	(39,599)	71,274	(12,519)
Net book value	49,614		58,755	

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). Amortization of the website was commenced in 2022 as it began being used by the Organization in April 2022. In the current fiscal year, \$23,917 (2022: \$nil) of amortization is recognized as an expense.

4. DEFERRED REVENUE

The amount represents the deposit for the last month on the 16-month office sublease agreement with the subtenant.

5. DEFERRED CONTRIBUTIONS

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

	2023	2022
	\$	\$
Balance, beginning of year	243,369	344,898
Contributions received during the year	218,710	741,026
Amounts recognized as revenue during the year	(311,861)	(842,555)
	150,218	243,369

Deferred contributions consist of the following:

	2023	2022
	\$	\$
Mindshift™ CBT Program (Aqueduct Foundation)	120,125	129,056
Anxiety in Older Adults website tool (Canadian Coalition for Seniors' Mental Health)	29,500	-
Mindshift™ CBT Groups Licensing (Vancouver Coastal Health)	593	5,922
BTM (Ministry of Mental Health and Addictions)	-	103,391
Mindshift™ CBT Program (Other Restricted Donations)	-	5,000
	150,218	243,369

Continued...

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, 2023 is \$23,941 (excluding sales tax).

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 minimum total rent of \$22,950 in the 2024 fiscal year to be paid to the Organization. In the 2023 fiscal year, sublease income of \$37,617 (2022: \$nil) is recognized as a reduction of rental expenses and recorded under facilities and support expenses in the statement of operations.

7. 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, 2023.

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 (2022: \$nil).

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is mainly in respect of its accounts payable and accrued 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.

7. FINANCIAL INSTRUMENTS (Continued)

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 as the investments are in Guaranteed Investment Certificates with fixed interest rates.

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.