

# **Canadian Allergy, Asthma and Immunology Foundation**

**(La fondation canadienne d'allergie,  
d'asthme et d'immunologie)**



## **Financial Statements**

**For the year ended December 31, 2023**



**Canadian Allergy, Asthma and Immunology Foundation**  
(La fondation canadienne d'allergie, d'asthme et d'immunologie)  
**Financial Statements**  
For the year ended December 31, 2023

---

**Contents**

<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8

**Baker Tilly Ottawa LLP**  
Chartered Professional Accountants  
400-301 Moodie Drive  
Ottawa, ON  
Canada K2H 9C4

**T:** +1 613.820.8010  
**F:** +1 613.820.0465

ottawa@bakertilly.ca  
[www.bakertilly.ca](http://www.bakertilly.ca)

## Independent Auditor's Report

**To the Members of  
Canadian Allergy, Asthma and Immunology Foundation  
(La fondation canadienne d'allergie, d'asthme et d'immunologie)**

### Qualified Opinion

We have audited the financial statements of Canadian Allergy, Asthma and Immunology Foundation (La fondation canadienne d'allergie, d'asthme et d'immunologie), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in net assets, operations 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 effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Canadian Allergy, Asthma and Immunology Foundation as at December 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 Qualified Opinion

In common with charitable organizations, the Foundation reports revenues from donations and fundraising activities, 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. The audit opinion on the financial statements for the year ended December 31, 2022 was also qualified because of the possible effects of this limitation in scope. Therefore we were not able to determine whether any adjustments might be necessary to these revenues and excess of revenue over expenses for the years ended December 31, 2023 and 2022, assets as at December 31, 2023 and 2022, and net assets at both the beginning and end of the December 31, 2023 and 2022 years.

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 qualified opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)*

In preparing the financial statements, management is responsible for assessing the management'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 management or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

*Baker Tilly Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants  
June 27, 2024  
Ottawa, Ontario

---

**Canadian Allergy, Asthma and Immunology Foundation**  
(La fondation canadienne d'allergie, d'asthme et d'immunologie)  
**Statement of Financial Position**

December 31	2023	(Restated) 2022
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 266,795	\$ 283,533
Accounts receivable	9,334	26,676
	276,129	310,209
<b>Investments (Note 3)</b>	<b>1,023,599</b>	953,746
	<b>\$ 1,299,728</b>	\$ 1,263,955

**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 208,848	\$ 7,993
Government remittances payable	1,165	2,297
	210,013	10,290
<b>Deferred contributions (Notes 4 and 5)</b>	<b>76,571</b>	220,914
	286,584	231,204
<b>Net assets (Note 5)</b>	<b>1,013,144</b>	1,032,751
	<b>\$ 1,299,728</b>	\$ 1,263,955

Approved on behalf of the board:

\_\_\_\_\_ President

\_\_\_\_\_ Secretary-Treasurer

---

**Canadian Allergy, Asthma and Immunology Foundation**  
(La fondation canadienne d'allergie, d'asthme et d'immunologie)  
**Statement of Changes in Net Assets**

For the year ended December 31	2023	2022
Net assets, beginning of year, as previously stated	\$ 1,062,751	\$ 977,036
Prior period adjustment (Note 5)	(30,000)	(50,000)
Net assets, beginning of year, as restated	1,032,751	927,036
Excess (deficiency) of revenues over expenditures for the year	(19,607)	105,715
<b>Net assets, end of year</b>	<b>\$ 1,013,144</b>	<b>\$ 1,032,751</b>

**Canadian Allergy, Asthma and Immunology Foundation**  
(La fondation canadienne d'allergie, d'asthme et d'immunologie)  
**Statement of Operations**

<b>For the year ended December 31</b>	<b>2023</b>	(Restated) <b>2022</b>
<b>Revenues</b>		
Grants and contributions (Note 5)	\$ 269,053	\$ 334,935
Donations	75,242	176,960
Gala dinner and online auction proceeds	30,310	28,967
Gala dinner sponsorships	117,009	90,547
Investment income	31,482	26,611
Unrealized gain (loss) on investments	45,083	(63,736)
	<b>568,179</b>	<b>594,284</b>
<b>Expenditures</b>		
Bank charges and credit card discounts	518	902
CAAIF run/walk	-	579
Committees and meetings	226	1,375
Fundraising	41,510	61,151
Grant management	1,765	1,389
Insurance	2,848	2,848
Management salary	48,617	50,226
Marketing	225	2,051
Miscellaneous	3,296	2,762
Postage and office	870	1,650
Professional fees	10,276	7,063
Research awards	475,715	354,074
Travel	1,873	2,454
Website	47	45
	<b>587,786</b>	<b>488,569</b>
<b>Excess (deficiency) of revenues over expenditures for the year</b>	<b>\$ (19,607)</b>	<b>\$ 105,715</b>



**Canadian Allergy, Asthma and Immunology Foundation**  
(La fondation canadienne d'allergie, d'asthme et d'immunologie)  
**Statement of Cash Flows**

For the year ended December 31	2023	(Restated) 2022
<b>Cash flows from (used in) operating activities</b>		
Excess (deficiency) of revenues over expenditures for the year	\$ (19,607)	\$ 105,715
Adjustments for non-cash items		
Unrealized (gain) loss on investments	(45,083)	63,736
Donated securities	(4,829)	(6,137)
Reinvested distributions on investments	(31,115)	(23,995)
	(100,634)	139,319
Change in non-cash working capital items		
Accounts receivable	17,342	(8,906)
Accounts payable and accrued liabilities	200,855	(30,424)
Government remittances payable	(1,132)	36
	116,431	100,025
<b>Cash flows from (used in) investing activities</b>		
Purchase of investments	-	(300,000)
Redemption of investments	11,174	100,000
	11,174	(200,000)
<b>Cash flows from (used in) financing activity</b>		
Deferred contributions	(144,343)	17,655
<b>Decrease in cash during the year</b>	<b>(16,738)</b>	<b>(82,320)</b>
<b>Cash, beginning of year</b>	<b>283,533</b>	<b>365,853</b>
<b>Cash, end of year</b>	<b>\$ 266,795</b>	<b>\$ 283,533</b>

---

# Canadian Allergy, Asthma and Immunology Foundation

(La fondation canadienne d'allergie, d'asthme et d'immunologie)

## Notes to the Financial Statements

December 31, 2023

---

### 1. Significant Accounting Policies

#### Nature of Foundation

The Canadian Allergy, Asthma and Immunology Foundation / La fondation canadienne d'allergie, d'asthme et d'immunologie is a not-for-profit foundation incorporated without share capital under the laws of Canada. The Foundation's purpose is to support research into the causes and treatment of immunology and allergy diseases. The Foundation also supports the training of professionals in this medical specialty and the professional education in allergy and clinical immunology.

The Foundation is a registered charity under the laws of Canada and, as such, is exempt from income taxes and may issue tax receipts to donors.

#### Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which is a part of Canadian generally accepted accounting principles and include the following significant accounting policies.

#### 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Significant estimates include assumptions used in estimating the collectibility of accounts receivable and in estimating provisions for accrued liabilities.

#### Financial Instruments

Financial instruments are financial assets or liabilities of the Foundation where, in general, the Foundation has the right to receive cash or another financial asset from another party or the Foundation has the obligation to pay another party cash or other financial assets.

##### Measurement of arm's length financial instruments

The Foundation initially measures its arm's length financial assets and liabilities at fair value.

---

**Canadian Allergy, Asthma and Immunology Foundation**  
(La fondation canadienne d'allergie, d'asthme et d'immunologie)  
**Notes to the Financial Statements**

**December 31, 2023**

---

**1. Significant Accounting Policies (continued)**

**Financial Instruments  
(continued)**

Measurement of arm's length financial instruments (continued)

The Foundation subsequently measures all its arm's length financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Arm's length financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, and accounts payable and accrued liabilities.

Investments in mutual funds and equities are measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in operations. The previously recognized impairment loss may be reversed, to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in operations.

Transaction costs

The Foundation recognizes its transaction costs in operations in the period incurred. However, arm's length financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**Contributed Materials  
and Services**

Contributed materials and services which are used in the normal course of the Foundation's operations and would otherwise have been purchased are not recorded.

**Government Assistance**

The Foundation periodically applies for financial assistance under available government incentive programs. The Foundation recognizes these incentives when there is reasonable assurance that the Foundation has complied with the conditions for receipt of such assistance.

---

**Canadian Allergy, Asthma and Immunology Foundation**  
(La fondation canadienne d'allergie, d'asthme et d'immunologie)  
**Notes to the Financial Statements**

**December 31, 2023**

---

**1. Significant Accounting Policies (continued)**

**Revenue Recognition**      The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Gala dinner and online auction proceeds and gala dinner sponsorships are recognized annually in the year the event occurs.

Investment income and unrealized gains/losses on investments are recognized as revenue when earned.

**Research Awards**      Research grants are recognized upon approved by the board in the respective fiscal year designated by the board. Any research funds that are unused and returned to the Foundation are recognized as a reduction to research award expenditures in the year they are returned.

---

**2. Cash**

The Foundation's cash balance is held at a Canadian chartered bank and earns nominal interest.

---

**3. Investments**

	<b>2023</b>	(Restated) 2022
Mutual funds	<b>\$ 1,023,599</b>	\$ 947,609
Equity shares	-	6,137
	<b>\$ 1,023,599</b>	\$ 953,746

The Foundation's mutual funds include 52% (2022 - 51%) investment in foreign bonds and equities. The remaining investments are held primarily in cash and cash equivalents and domestic bonds. These investments have a cost basis of \$1,039,992 (2022 - \$1,009,084) and are in accordance with the Foundation's investment policy statement, which mandates low to medium growth returns with a primary focus on the preservation of capital.

---

**Canadian Allergy, Asthma and Immunology Foundation**  
(La fondation canadienne d'allergie, d'asthme et d'immunologie)  
**Notes to the Financial Statements**

**December 31, 2023**

---

**4. Deferred Contributions**

Deferred contributions represent funds received from various sources to be used for administration expenses and research awards to be granted in subsequent years. The variations in the balance of deferred contributions are as follows:

	Balance, beginning of year	Received	Recognized	Balance, end of year
Research and Fellowship Contributions	\$ 160,000	\$ 119,000	\$ (269,002)	\$ 9,998
Sara Pocaluyko Memorial Fund	13,300	-	-	13,300
VUHA Memorial Fund	47,614	5,659	-	53,273
	<u>\$ 220,914</u>	<u>\$ 124,659</u>	<u>\$ (269,002)</u>	<u>\$ 76,571</u>

---

**5. Prior Period Adjustment**

During the year, it was discovered that a grant remaining in the deferred contributions balance at prior year-end should have been recognized as revenue in the prior year, and another grant that was recognized in a prior year should have been deferred. As a result, a prior period adjustment has been made to correct the error.

The corresponding amounts have been restated to reflect these adjustments: the 2022 deferred contributions balance has been increased by \$30,000, the 2022 grants and contributions revenue has been increased by \$20,000, and the 2022 net assets has been decreased by \$50,000.

As a result of correcting these misstatements, excess of revenues over expenditures for 2022 has increased by \$20,000 and net assets as of January 1, 2023 has been restated to reflect these corrections. No other accounts were impacted by this adjustment.

---

---

**Canadian Allergy, Asthma and Immunology Foundation**  
(La fondation canadienne d'allergie, d'asthme et d'immunologie)  
**Notes to the Financial Statements**

**December 31, 2023**

---

**6. Financial Instruments**

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations as at December 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 Foundation's main credit risk relate to its accounts receivable.

*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 risk: interest rate risk, currency risk and other price risk. The Foundation is mainly exposed to other price risk and currency risk as a result of its investments in mutual funds which include foreign and domestic bonds.

*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 Foundation is exposed to other price risk with respect to its investments in mutual funds.

*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 Foundation is exposed to foreign exchange fluctuations on its investment in foreign mutual funds.

*Changes in risk*

There have been no other significant changes in society's risk exposures from the 2022 fiscal year.

---

**7. Comparative Amounts**

Certain amounts in the 2022 financial statements have been reclassified to conform with the basis of presentation used in 2023.

---