

FINANCIAL STATEMENTS

For

**CANADIAN ALLERGY, ASTHMA, AND IMMUNOLOGY FOUNDATION/
LA FONDATION CANADIENNE D'ALLERGIE, D'ASTHME ET D'IMMUNOLOGIE**

For year ended

DECEMBER 31, 2025

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 (the "Foundation"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and 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* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025 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 fundraising and donation activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donations or fundraising revenue, net expenses, and cash flows used in operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 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 audit 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.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but 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
Licensed Public Accountants

Ottawa, Ontario
June 10, 2026.

**CANADIAN ALLERGY, ASTHMA, AND IMMUNOLOGY FOUNDATION/
LA FONDATION CANADIENNE D'ALLERGIE, D'ASTHME ET D'IMMUNOLOGIE**

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 52,107	\$ 18,963
Accounts receivable	47,420	23,400
Government remittances receivable	4,898	6,707
Prepaid expenses	<u>5,150</u>	<u>-</u>
	109,575	49,070
INVESTMENTS (note 3)	<u>990,127</u>	<u>1,184,021</u>
	<u>\$ 1,099,702</u>	<u>\$ 1,233,091</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 7,035	\$ 121,389
Government remittances payable	<u>1,249</u>	<u>1,214</u>
	8,284	122,603
DEFERRED CONTRIBUTIONS (note 4)	<u>184,758</u>	<u>118,970</u>
	193,042	241,573
NET ASSETS - unrestricted	<u>906,660</u>	<u>991,518</u>
	<u>\$ 1,099,702</u>	<u>\$ 1,233,091</u>

Approved by the Board:

..... President

..... Secretary-Treasurer

(See accompanying notes)

**CANADIAN ALLERGY, ASTHMA, AND IMMUNOLOGY FOUNDATION/
LA FONDATION CANADIENNE D'ALLERGIE, D'ASTHME ET D'IMMUNOLOGIE**

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
Revenue		
Grants and contributions	\$ 70,283	\$ 248,300
Donations	99,046	30,807
Gala dinner sponsorships	82,500	82,500
Fundraising and events	31,970	30,100
Investment income	53,143	41,241
Unrealized gain on investments	<u>24,568</u>	<u>45,609</u>
	<u>361,510</u>	<u>478,557</u>
Expenses		
Research awards	310,000	390,500
Fundraising	59,013	32,379
Management salary	56,653	55,011
Professional fees	7,249	7,835
Insurance	2,980	2,890
Miscellaneous	2,470	1,485
Committees and meetings	2,115	1,540
Grant management	1,799	1,742
Travel	1,497	3,940
Postage and office	1,064	1,804
Website	632	147
Bank charges	534	523
Marketing	<u>362</u>	<u>387</u>
	<u>446,368</u>	<u>500,183</u>
Net expenses	(84,858)	(21,626)
Net assets, beginning of year	<u>991,518</u>	<u>1,013,144</u>
Net assets, end of year	<u>\$ 906,660</u>	<u>\$ 991,518</u>

(See accompanying notes)

**CANADIAN ALLERGY, ASTHMA, AND IMMUNOLOGY FOUNDATION/
LA FONDATION CANADIENNE D'ALLERGIE, D'ASTHME ET D'IMMUNOLOGIE**

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net expense	\$ (84,858)	\$ (21,626)
Adjustments for non-cash items:		
Unrealized gain on investments	(24,568)	(45,609)
Donated securities	(7,646)	(7,418)
Transferred securities	74,202	(73,914)
Reinvested distributions on investments	<u>(53,143)</u>	<u>(40,899)</u>
	(96,013)	(189,466)
Change in non-cash working capital items:		
Accounts receivable	(24,020)	(18,400)
Prepaid expenses	(5,150)	-
Accounts payable and accrued liabilities	(114,354)	(87,459)
Government remittances receivable/payable	1,844	(2,324)
Deferred contributions	<u>65,788</u>	<u>42,399</u>
	<u>(171,905)</u>	<u>(255,250)</u>
INVESTING ACTIVITIES		
Proceeds from sale of investments	449,111	132,418
Purchase of investments	<u>(244,062)</u>	<u>(125,000)</u>
	<u>205,049</u>	<u>7,418</u>
INCREASE (DECREASE) IN CASH	33,144	(247,832)
CASH, BEGINNING OF YEAR	<u>18,963</u>	<u>266,795</u>
CASH, END OF YEAR	<u>\$ 52,107</u>	<u>\$ 18,963</u>

(See accompanying notes)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

1. NATURE OF OPERATIONS

The Canadian Allergy, Asthma, and Immunology Foundation/La fondation canadienne d'allergie, d'asthme et d'immunologie (the "Foundation") is a not-for-profit organization 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.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Financial instruments

The Foundation initially measures all financial instruments at fair value. Subsequently, financial instruments are measured at amortized cost, except for cash and investments in equity instruments quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Contributed materials and services

Contributed materials and services which are used in the Foundation's operations are not recorded in these financial statements.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions and donations are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions and donations 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 registrations and 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 approval 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.

**CANADIAN ALLERGY, ASTHMA, AND IMMUNOLOGY FOUNDATION/
LA FONDATION CANADIENNE D'ALLERGIE, D'ASTHME ET D'IMMUNOLOGIE**

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles 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. By their nature, these estimates are subject to uncertainty and the impact on the financial statements of the current and future years could be material.

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

3. INVESTMENTS

	<u>2025</u>	<u>2024</u>
Mutual funds	\$ 982,481	\$ 1,184,021
Equity shares	<u>7,646</u>	<u>-</u>
	<u>\$ 990,127</u>	<u>\$ 1,184,021</u>

The Foundation's mutual funds include 65% (2024 - 60%) 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 \$928,696 (2024 - \$1,125,997) 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.

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:

	<u>Balance, beginning of year</u>	<u>Amounts received</u>	<u>Recognized as revenue</u>	<u>Balance, end of year</u>
Research and Fellowship Contributions	\$ 59,998	\$ 109,000	\$ (50,000)	\$ 118,998
Vaughan Ungar Memorial Fund	<u>58,972</u>	<u>6,788</u>	<u>-</u>	<u>65,760</u>
	<u>\$ 118,970</u>	<u>\$ 115,788</u>	<u>\$ (50,000)</u>	<u>\$ 184,758</u>

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2025

5. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, accounts receivable, investments, and accounts payable and accrued liabilities. The Foundation is exposed to risks through its ownership of financial instruments as at December 31, 2025 as follows:

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 maximum exposure to credit risk is represented by the carrying value of its cash, accounts receivable and investments.

The Foundation's cash is deposited with a Canadian chartered bank and investments are held within a diversified portfolio of mutual funds therefore it is management's opinion that the Foundation is not subject to significant credit risk with respect to these instruments.

The Foundation manages its credit risk by reviewing accounts receivable on a continuous basis and following up on outstanding amounts. Management believes that all accounts receivable at year-end will be collected and has not deemed it necessary to establish an allowance for doubtful accounts.

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: currency risk, interest rate risk and other price risk.

i) *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 subject to currency risk through foreign exchange fluctuations on its investment in foreign mutual funds.

ii) *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 Foundation is exposed to limited interest rate risk through its investments in bonds held in mutual funds.

iii) *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 currency risk or interest rate 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 significant other price risk with respect to its investments in mutual funds.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with its financial liabilities. The Foundation manages this risk by preparing and monitoring forecasts of cash flows from operations, anticipating investing and financing activities, and generally holding assets that can be readily converted into cash.

Changes in risk

There have been no significant changes to the Foundation's risk exposures from the prior year.

6. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.