

Canadian Allergy, Asthma and Immunology Foundation

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



Financial Statements

For the year ended December 31, 2020



Canadian Allergy, Asthma and Immunology Foundation
(La fondation canadienne d'allergie, d'asthme et d'immunologie)
Financial Statements
For the year ended December 31, 2020

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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, 2020, 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 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, 2020 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, 2019 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, 2020 and 2019, assets as at December 31, 2020 and 2019, and net assets at both the beginning and end of the December 31, 2020 and 2019 years.

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 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

Members 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:

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.

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
May 25, 2021
Ottawa, Ontario

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

December 31 **2020** **2019**

Assets

Current

Cash	\$	278,128	\$	123,780
Investments (Note 2)		710,884		683,363
Accounts receivable		7,500		13,868
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	\$	996,512	\$	821,011

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$	8,943	\$	12,078
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Deferred contributions (Note 4)		367,381		273,365
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		376,324		285,443
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Net assets		620,188		535,568
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	\$	996,512	\$	821,011
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Approved on behalf of the board of directors:

_____ President

_____ Secretary-Treasurer

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

For the year ended December 31	2020	2019
Revenues		
Grants and contributions	\$ 420,932	\$ 220,526
Donations	53,191	45,321
Gala dinner and online auction proceeds	7,145	10,175
Investment income	27,678	29,391
Gala dinner	-	36,350
Gala dinner sponsorship	62,250	90,000
	<u>571,196</u>	<u>431,763</u>
Expenditures		
Bad debts	1,089	-
Bank charges and credit card discounts	1,379	882
Committees and meetings	156	1,558
Consulting fees	-	5,253
Fundraising	10,780	46,044
Insurance	2,727	2,372
Management salary	48,155	45,628
Miscellaneous	1,515	732
Grant management	2,679	-
Postage and office	1,141	1,077
Marketing	935	360
Professional fees	5,717	5,753
Research awards	420,000	218,000
Travel	-	1,451
Website	303	386
	<u>496,576</u>	<u>329,496</u>
Excess of revenues over expenditures before undernoted item	74,620	102,267
CEBA loan forgiveness	10,000	-
Excess of revenues over expenditures for the year	84,620	102,267
Net assets, beginning of year	535,568	433,301
Net assets, end of year	\$ 620,188	\$ 535,568

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	2020	2019
Cash flows from (used in) operating activities		
Excess of revenues over expenditures for the year	\$ 84,620	\$ 102,267
Adjustments for non-cash items		
Gain on investments	(27,521)	(29,249)
CEBA loan forgiveness	(10,000)	-
	47,099	73,018
Change in non-cash working capital items		
Accounts receivable	6,368	(11,412)
Prepaid expenses	-	6,899
Accounts payable and accrued liabilities	31,865	(8,966)
Deferred contributions	59,016	21,880
	144,348	81,419
Cash flows from (used in) financing activities		
CEBA loan proceeds	40,000	-
CEBA loan repayment	(30,000)	-
	10,000	-
Increase in cash during the year	154,348	81,419
Cash, beginning of year	123,780	42,361
Cash, end of year	\$ 278,128	\$ 123,780

Canadian Allergy, Asthma and Immunology Foundation

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

Notes to the Financial Statements

December 31, 2020

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 provisions for accrued liabilities and certain accounts payable.

Uncertainty due to COVID-19 The duration and full financial effect of the COVID-19 pandemic is COVID-19 unknown at this time, as are the measures taken by governments, the Foundation or others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Foundation's operations, financial results and condition in future periods are also subject to significant uncertainty.

Canadian Allergy, Asthma and Immunology Foundation
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Notes to the Financial Statements

December 31, 2020

1. Significant Accounting Policies (continued)

Financial Instruments

Measurement of 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.

The Foundation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions which are measured at the exchange amount.

The Foundation subsequently measures all its 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 excess of revenue over expenses.

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

Financial assets held in investments 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 excess of revenue over expenses. 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 excess of revenue over expenses.

Transaction costs

The Foundation recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, 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.

Canadian Allergy, Asthma and Immunology Foundation

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

Notes to the Financial Statements

December 31, 2020

1. Significant Accounting Policies (continued)

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.

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.

Investment income is recognized as revenue when earned.

Sponsorship and fundraising revenues are recognized annually in the year the event occurs.

2. Investments

	<u>2020</u>	<u>2019</u>
Mutual funds	<u>\$ 710,884</u>	<u>\$ 683,363</u>

The Foundation's mutual funds include 55% (2019 - 52%) investment in foreign bonds. The remaining investments are held primarily in cash and cash equivalents and domestic bonds. These investments 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.

3. CEBA Loan Payable

During the year, the Foundation applied for a \$40,000 Canadian Emergency Business Account loan. The terms of the loan outlined that, subject to certain conditions, if the loan was repaid by December, 2022, \$10,000 would be forgiven. The Foundation has since repaid the loan and qualified for the forgiveness provision. As a result \$10,000 was recorded as other income in the current year.

Canadian Allergy, Asthma and Immunology Foundation
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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 Contribution	\$ 229,753	\$ 507,500	\$ (420,000)	\$ 317,253
Sara Pocaluyko Memorial Fund	10,000	-	-	10,000
VUHA Memorial Fund	33,612	7,448	(932)	40,128
	\$ 273,365	\$ 514,948	\$ (420,932)	\$ 367,381

5. 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, 2020.

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 interest rate risk and currency risk as a result of its investments in mutual funds which include foreign and domestic bonds.

Interest risk

There have been no significant changes in the Foundation's financial instruments risk exposures from its previous fiscal year.

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.

Canadian Allergy, Asthma and Immunology Foundation
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Notes to the Financial Statements

December 31, 2020

5. Financial Instruments (continued)

Changes in risks

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 fair value risk on its investment in bonds.

6. Comparative Amounts

Certain amounts in the 2019 financial statements have been reclassified to conform with the basis of presentation used in 2020.
