

**FINANCIAL STATEMENTS**  
**For**  
**CANADIAN SOCIETY OF ALLERGY AND CLINICAL IMMUNOLOGY -**  
**LA SOCIÉTÉ CANADIENNE D'ALLERGIE ET D'IMMUNOLOGIE CLINIQUE**  
**For year ended**  
**DECEMBER 31, 2022**

**INDEPENDENT AUDITOR'S REPORT**

To the members of

**CANADIAN SOCIETY OF ALLERGY AND CLINICAL IMMUNOLOGY -  
LA SOCIÉTÉ CANADIENNE D'ALLERGIE ET D'IMMUNOLOGIE CLINIQUE**

*Opinion*

We have audited the financial statements of Canadian Society of Allergy and Clinical Immunology - La Société Canadienne d'Allergie et d'Immunologie Clinique (the "Society"), which comprise the statement of financial position as at December 31, 2022, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2022 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 the Society 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 opinion.

*Other Matter*

The financial statements of the Society for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 1, 2022.

*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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

*WELCH LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Ontario  
June 17, 2023.

**CANADIAN SOCIETY OF ALLERGY AND CLINICAL IMMUNOLOGY  
LA SOCIÉTÉ CANADIENNE D'ALLERGIE ET D'IMMUNOLOGIE CLINIQUE**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 815,407	\$ 948,292
Accounts receivable	8,329	6,859
Government remittances recoverable	73,992	4,721
Prepaid expenses	65,499	58,859
Investments (note 4)	<u>294,887</u>	<u>641,394</u>
	1,258,114	1,660,125
<b>INVESTMENTS (note 4)</b>	<u>509,244</u>	<u>-</u>
	<u>\$ 1,767,358</u>	<u>\$ 1,660,125</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (note 6)	\$ 55,220	\$ 42,800
Government remittances payable	-	1,538
Deferred revenue (note 5)	<u>30,342</u>	<u>103,907</u>
	85,562	148,245
<b>NET ASSETS</b>		
Unrestricted	<u>1,681,796</u>	<u>1,511,880</u>
	<u>\$ 1,767,358</u>	<u>\$ 1,660,125</u>

Approved by the Board:

..... Director

..... Director

(See accompanying notes)

**CANADIAN SOCIETY OF ALLERGY AND CLINICAL IMMUNOLOGY  
LA SOCIÉTÉ CANADIENNE D'ALLERGIE ET D'IMMUNOLOGIE CLINIQUE**

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>REVENUE</b>		
Annual meeting	\$ 880,564	\$ 694,478
Annual dues	102,235	86,658
Women in Allergy & Immunology (WAI)	88,325	75,225
Rhinitis guideline sponsorship	71,250	-
Investment income	22,472	9,647
Fellows in Training (FIT)	-	1,500
	<u>1,164,846</u>	<u>867,508</u>
<b>EXPENSES</b>		
Annual meeting	434,185	219,248
Management fees	256,192	230,063
Guideline	71,250	1,298
FIT	57,392	6,250
WAI	52,257	52,106
Journal	38,376	39,975
Mid-term meeting	30,771	-
Donations	27,166	127,870
Office	18,021	15,177
Professional fees	9,202	12,883
Insurance	7,151	4,162
Website	7,039	25,992
Travel and committees	3,682	24,600
	<u>1,012,684</u>	<u>759,624</u>
<b>NET REVENUE FROM OPERATIONS</b>	<u>152,162</u>	<u>107,884</u>
<b>NORTH AMERICAN PEDIATRIC ALLERGY AND ASTHMA CONGRESS</b>		
NAPAAC meeting revenue	190,130	-
NAPAAC meeting expenses	<u>(172,376)</u>	<u>-</u>
	<u>17,754</u>	<u>-</u>
<b>NET REVENUE</b>	169,916	107,884
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,511,880</u>	<u>1,403,996</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,681,796</u>	<u>\$ 1,511,880</u>

(See accompanying notes)

**CANADIAN SOCIETY OF ALLERGY AND CLINICAL IMMUNOLOGY  
LA SOCIÉTÉ CANADIENNE D'ALLERGIE ET D'IMMUNOLOGIE CLINIQUE**

**STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Net revenue	\$ 169,916	\$ 107,884
Adjustments for:		
Accrued interest	<u>(12,457)</u>	<u>(8,529)</u>
	157,459	99,355
Net change in non-cash working capital items:		
Accounts receivable	(1,470)	66,277
Government remittances recoverable / payable	(70,809)	-
Prepaid expenses	(6,640)	(10,193)
Accounts payable and accrued liabilities	12,420	(134)
Deferred revenue	<u>(73,565)</u>	<u>(6,720)</u>
	<u>17,395</u>	<u>148,585</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	639,720	-
Purchase of investments	<u>(790,000)</u>	<u>-</u>
	<u>(150,280)</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH</b>	(132,885)	148,585
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>948,292</u>	<u>799,707</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 815,407</u>	<u>\$ 948,292</u>

(See accompanying notes)

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2022**

**1. NATURE OF OPERATIONS**

The Canadian Society of Allergy and Clinical Immunology - La Société Canadienne d'Allergie et d'Immunologie Clinique (the "Society") is a not-for-profit organization incorporated without share capital under the laws of Canada. The Society's purpose is to improve the standards of teaching and practice of allergy and clinical immunology, to foster co-operation between those engaged in the study and practice of allergy and clinical immunology, to encourage research in the field of allergy and clinical immunology and to promote harmony and understanding between physicians engaged in the practice of allergy and clinical immunology and others of the medical profession. The Society is a not-for-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

*Basis of accounting*

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

*Revenue recognition*

The Society 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.

Annual dues are recognized over the period of membership. Annual meeting, WAI and NAPAAC revenues are recognized when the events occur. Rhinitis guideline sponsorship revenue is recognized when the corresponding expense is incurred. Investment income and other revenues are recognized as revenue when earned.

*Cash and cash equivalents*

Cash and cash equivalents include cash on deposit with financial institutions and short term investments with maturities of less than three months at acquisition.

*Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Management makes estimates when determining the Society's net realizable value of accounts receivable and in the determination of significant accrued liabilities. 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.

*Measurement of financial instruments*

Cash and investments quoted in an active market are measured at fair value at the date of the financial statements. Other financial instruments are initially recognized at fair value and are subsequently measured at cost or amortized cost.

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2022

3. **FINANCIAL INSTRUMENTS**

The Society's financial instruments consist of cash, investments, amounts receivable, accounts payable and accrued liabilities. The Society is exposed to risks through its ownership of financial instruments.

*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 Society's maximum exposure to credit risk is represented by the carrying value of its cash, accounts receivable, government remittances recoverable and investments.

The Society's cash and investments are on deposit with a Canadian chartered bank and therefore it is management's opinion that the Society is not subject to significant credit risk with respect to these instruments.

The Society manages its credit risk by reviewing accounts receivable on a continuous basis and follows up on outstanding amounts. Management has established an allowance for doubtful accounts of \$2,500 (2021 - \$2,500).

The Society's remittances recoverable are from the government for refundable sales tax and, as a result, management believes the risk of loss to be remote.

*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 Society transacts primarily in Canadian dollars, and as a result, the Society is not subject to significant currency risk.

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 Society is exposed to interest rate risk on its investments as detailed in note 4.

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 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 Society is not exposed to other price risk.

*Liquidity risk*

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with its financial liabilities. The Society 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 Society's risk exposures from the prior year.



**CANADIAN SOCIETY OF ALLERGY AND CLINICAL IMMUNOLOGY  
LA SOCIÉTÉ CANADIENNE D'ALLERGIE ET D'IMMUNOLOGIE CLINIQUE**

**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED DECEMBER 31, 2022**

**4. INVESTMENTS**

The Society holds investments in guaranteed investment certificates, bearing interest at rates ranging from 4.10% to 4.45%, maturing between August 8, 2023 to July 29, 2025.

**5. DEFERRED REVENUE**

Deferred revenue represents funds received in advance to cover expenses in a subsequent year. The variations in the balance of deferred revenue is as follows:

	<u>2022</u>	<u>2021</u>
Balance - beginning of the year	\$ 103,907	\$ 112,429
Less: amounts recognized as revenue in the year	(74,240)	(11,512)
Add: amounts received for the subsequent year	<u>675</u>	<u>2,990</u>
Balance - end of the year	<u>\$ 30,342</u>	<u>\$ 103,907</u>

**6. CREDIT FACILITY**

The Society has a corporate account with a credit limit of \$150,000, of which \$15,374 was in use as at December 31, 2022 (2021 - \$7,554) and is included in accounts payable and accrued liabilities on the statement of financial position.

**7. COMMITMENTS**

The Society has entered into a management agreement ending December 31, 2023 with an annual base fee of \$245,000 exclusive of HST.

The Society has entered into contracts for hotel rooms, conference room rental and catering services related to its upcoming conferences and meetings. The Society's minimum commitments as per the contracts are as follows:

	<u>Total commitment</u>	<u>Cancellation fee as at Dec. 31, 2022</u>
2023 - Shaw Centre Ottawa	\$ 95,189	\$ 56,986
2023 - The Westin Ottawa Hotel	126,945	94,483
2024 - Fairmont Banff Springs	422,025	211,013

**8. COMPARATIVE FIGURES**

Comparative figures have been audited by another auditor and have been reclassified where necessary to conform to the presentation adopted in the current year.