

**FINANCIAL STATEMENTS OF**

**FOOD ALLERGY CANADA /  
ALLERGIES ALIMENTAIRES  
CANADA**

**December 31, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Food Allergy Canada / Allergies Alimentaires Canada

### *Qualified Opinion*

We have audited the financial statements of Food Allergy Canada / Allergies Alimentaires Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statement of operations, statement of changes in net assets and 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Organization derives revenue from fundraising 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 Organization. Therefore, we were not able to determine whether any adjustment might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2023, current assets and net assets as at January 1, 2023 and December 31, 2023.

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 Organization 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 ASNPO, 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.

## **ASSURANCE • TAX • ADVISORY**

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## INDEPENDENT AUDITOR'S REPORT, continued

### *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 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 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.



Chartered Professional Accountants  
Licensed Public Accountants

Courtice, Ontario  
March 8, 2024



# FOOD ALLERGY CANADA / ALLERGIES ALIMENTAIRES CANADA

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	552,843	791,831
Short-term investments (Note 3)	2,024,490	1,719,765
Accounts receivable	26,232	69,133
Harmonized sales tax rebate	46,851	47,924
Prepaid expenses	8,943	8,350
	<u>2,659,359</u>	<u>2,637,003</u>
<b>Other assets</b>		
Tangible capital assets (Note 4)	44,394	36,066
	<u>2,703,753</u>	<u>2,673,069</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	47,249	112,518
Deferred revenue (Note 5)	855,010	1,144,557
	<u>902,259</u>	<u>1,257,075</u>
<b>NET ASSETS</b>		
Unrestricted	1,553,390	1,176,218
Invested in tangible capital assets	44,394	36,066
Internally restricted (Note 6)	203,710	203,710
	<u>1,801,494</u>	<u>1,415,994</u>
	<u>2,703,753</u>	<u>2,673,069</u>

Approved on behalf of the board



Director



Director

The accompanying notes are an integral part of these financial statements

# FOOD ALLERGY CANADA / ALLERGIES ALIMENTAIRES CANADA

## STATEMENT OF OPERATIONS

For the year ended December 31, 2023

	2023	2022
	\$	\$
<b>Revenue</b>		
<b>Support from the public</b>		
Corporate donations	495,650	411,283
Foundation donations	634,655	462,743
Individual giving and events	424,271	676,426
	<u>1,554,576</u>	<u>1,550,452</u>
Government funding (Note 7)	119,163	301,724
Other operating revenue	30,343	43,468
Investment income	58,283	17,150
Gain on disposal of capital assets	-	193
	<u>1,762,365</u>	<u>1,912,987</u>
<b>Expenses</b>		
Programs and Services		
Education and Support	359,928	311,168
Awareness & Stakeholder Engagement	745,237	695,162
	<u>1,105,165</u>	<u>1,006,330</u>
Research	38,643	291,879
Fundraising	129,969	312,162
Administration (Note 9)	103,088	114,856
	<u>1,376,865</u>	<u>1,725,227</u>
<b>Excess of revenues over expenditures</b>	<u>385,500</u>	<u>187,760</u>

The accompanying notes are an integral part of these financial statements

# FOOD ALLERGY CANADA / ALLERGIES ALIMENTAIRES CANADA

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended December 31, 2023

	Unrestricted 2023	Investment in tangible capital assets 2023	Internally Restricted 2023 (Note 6)	December 31 2023	December 31 2022
	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	1,176,218	36,066	203,710	1,415,994	1,228,234
Excess (deficiency) of revenues over expenditures	397,622	(12,122)	-	385,500	187,760
Tangible capital assets additions	(20,450)	20,450	-	-	-
<b>Balance, end of year</b>	<b>1,553,390</b>	<b>44,394</b>	<b>203,710</b>	<b>1,801,494</b>	<b>1,415,994</b>

The accompanying notes are an integral part of these financial statements

# FOOD ALLERGY CANADA / ALLERGIES ALIMENTAIRES CANADA

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	2023	2022
	\$	\$
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>Operating activities</b>		
Excess of revenues over expenditures	385,500	187,760
Adjustments for		
Amortization	12,122	10,837
Gain on disposal of tangible capital assets	-	(193)
	<u>397,622</u>	<u>198,404</u>
Change in non-cash working capital items		
Accounts receivable	42,901	17,777
Harmonized sales tax rebate	1,073	(22,737)
Prepaid expenses	(593)	32,975
Accounts payable and accrued liabilities	(65,269)	79,450
Deferred revenue	(289,547)	219,959
	<u>86,187</u>	<u>525,828</u>
<b>Investing activities</b>		
Purchase of tangible capital assets	(20,450)	(1,828)
Proceeds on disposal of tangible capital assets	-	1,930
GIC investments redeemed and repurchased	(304,725)	(517,150)
	<u>(325,175)</u>	<u>(517,048)</u>
<b>Increase (decrease) in cash</b>	<b>(238,988)</b>	<b>8,780</b>
<b>Cash, beginning of year</b>	<b>791,831</b>	<b>783,051</b>
<b>Cash, end of year</b>	<b>552,843</b>	<b>791,831</b>

The accompanying notes are an integral part of these financial statements



# FOOD ALLERGY CANADA / ALLERGIES ALIMENTAIRES CANADA

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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### 1. NATURE OF OPERATIONS

Food Allergy Canada / Allergies Alimentaires Canada (the "Organization") was incorporated under the Not-for-profit Corporations Act of Ontario on May 14, 1997. The Organization is a national charity and the country's leading patient organization committed to educating, supporting, and advocating for the more than 3 million Canadians impacted by food allergy. The Organization focuses on improving daily quality of life by providing education and support needed to effectively navigate this medical condition, building informed and supportive communities, and acting as the national voice on key patient issues.

The Organization is a registered charity in accordance with the Income Tax Act and is accordingly exempt from income taxes, provided certain requirements of the Income Tax Act are met.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

#### (a) *Financial instruments*

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenditures.

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

The Organization's financial assets measured at fair value include guaranteed investment certificates included in short-term investments. Fair value is determined by using the face amount with accrued interest.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

The Organization recognizes its transaction costs in net earnings 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.

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The accompanying notes are an integral part of these financial statements

# FOOD ALLERGY CANADA / ALLERGIES ALIMENTAIRES CANADA

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (b) *Tangible capital assets*

Tangible capital assets are recorded at cost. The Organization provides for amortization using the following methods at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Computer equipment	Declining balance	20%
Furniture and fixtures	Declining balance	20%
E-learning web portal	Straight-line	3 years
Leasehold improvements	Straight-line	10 years
System Software	Straight-line	3 years
Website development	Straight-line	3 years

Tangible capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

#### (c) *Revenue recognition*

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

Restricted contributions include government funding. Corporate donations, foundation donations, individual giving and events, investment income, and other operating revenue include contributions that are both restricted and unrestricted.

#### (d) *Contributed services*

The Organization receives items at no cost from various sources. Donations of these items are not recorded in these financial statements.

Volunteers contribute a substantial number of hours each year to assist the Organization in carrying out its fundraising activities; however, those services cannot be readily valued and are therefore not recognized in the financial statements.

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The accompanying notes are an integral part of these financial statements



# FOOD ALLERGY CANADA / ALLERGIES ALIMENTAIRES CANADA

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (e) Government funding

The Organization applied for and received government funding, outlined in Note 7. Funding from these government institutions are related to specific projects initiated by the Organization. The Organization's activities are recorded as revenue when eligible expenditures are made and there is reasonable assurance of realization.

#### (f) Measurement uncertainty

The preparation of the financial statements in conformity with 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Estimates are used when accounting for items and matters such as estimated useful life of tangible capital assets, deferred revenue, amortization, asset valuations, provisions and allocation of support expenses. Actual results could differ from these estimates.

### 3. SHORT-TERM INVESTMENTS

Short-term investments include both cashable and non-redeemable guaranteed investment certificates at interest rates ranging from 0.85% - 5.10% with maturities in January - October 2024.

### 4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
	\$	\$	\$	\$
Computer equipment	61,534	50,945	10,589	11,638
Furniture and fixtures	38,238	35,674	2,564	3,205
E-learning web portal	41,470	41,470	-	-
Leasehold improvements	59,580	44,315	15,265	21,223
System Software	19,171	3,195	15,976	-
Website development	25,150	25,150	-	-
	245,143	200,749	44,394	36,066

The accompanying notes are an integral part of these financial statements

# FOOD ALLERGY CANADA / ALLERGIES ALIMENTAIRES CANADA

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### 5. DEFERRED REVENUE

	2023	2022
	\$	\$
<b>Portion of proceeds from the Annual Sean Delaney Legacy Fund, previously noted as the Sean Delaney Memorial Golf Tournament deferred until expended</b>		
Balance, beginning of year	276,584	44,853
Funds received	50,280	759,676
Funds earned in year	(304,006)	(527,945)
<b>Balance, end of year</b>	<b>22,858</b>	<b>276,584</b>
<b>Funding received from other sources deferred until expended</b>		
Balance, beginning of year	867,973	879,745
Funds received	1,242,790	1,298,946
Funds earned in year	(1,278,611)	(1,310,718)
	832,152	867,973
<b>Balance, end of year</b>	<b>855,010</b>	<b>1,144,557</b>

### 6. INTERNAL RESTRICTION ON NET ASSETS

The Board of Directors has internally restricted a portion of net assets to cover anticipated future expenses. The balance at December 31, 2023 represents a reserve of \$203,710 (2022 - \$203,710) to ensure that there are funds available to cover fixed operating costs for a period of at least six months in the event that the Organization can no longer operate as a going concern.

The accompanying notes are an integral part of these financial statements

# FOOD ALLERGY CANADA / ALLERGIES ALIMENTAIRES CANADA

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### 7. GOVERNMENT FUNDING

In fiscal 2023, the Organization obtained the final amounts of government funding from the Ministry of Agriculture and Agri-Food as well as Ontario Trillium Fund. These funds were granted based on stipulations that the Organization perform specific operational activities.

The funding contracts with the Ministry of Agriculture and Agri-Food and the Ontario Trillium Fund specified annual performance goals and spending criteria which have been met and therefore all funding received has been recognized as revenue at December 31, 2023.

	2023	2022
	\$	\$
Ontario Trillium Fund	94,509	52,891
Ministry of Agriculture and Agri-Food	24,654	248,833
	119,163	301,724

### 8. ALLOCATION OF EXPENSES

The Organization allocates common expenses consisting of salaries, occupancy costs, and other administrative expenses based on the estimated time spent on each program/service. These allocations are reviewed regularly by management. These common costs are essential for the operations of the various programs and services and have been allocated as follows:

	2023	2022
	\$	\$
Awareness and Stakeholder Engagement	426,771	347,507
Education and Support	226,713	219,294
Fundraising	57,500	66,443
Administration	35,786	47,096
	746,770	680,340

The accompanying notes are an integral part of these financial statements



# FOOD ALLERGY CANADA / ALLERGIES ALIMENTAIRES CANADA

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

### 9. ADMINISTRATION

	2023	2022
	\$	\$
Common expenses allocated to administration	35,786	47,096
Harmonized sales taxes non-recoverable portion	21,431	22,592
Professional fees	20,750	21,291
Insurance	12,999	13,040
Amortization	12,122	10,837
	103,088	114,856

### 10. LEASE COMMITMENTS

The Organization's lease commitment is under a long term lease that expires on August 31, 2026. The lease provides for payment of utilities, property taxes and maintenance costs at an additional cost to the Organization. Future minimum lease payments over the remaining term of the lease are as follows:

	\$
2024	19,800
2025	19,800
2026	13,200
	52,800

### 11. FINANCIAL INSTRUMENTS

The Organization is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Organization's exposure to these risks.

#### (a) 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. Financial instruments that potentially subject the Organization to credit risk consist principally of cash and short-term investments. As the cash balance and short-term investments are held with a major Canadian financial institution there is a concentration of credit risk with one bank in Canada. The risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The carrying amount of cash and short-term investments included on the statement of financial position represent the maximum credit exposure.

The accompanying notes are an integral part of these financial statements

**FOOD ALLERGY CANADA / ALLERGIES ALIMENTAIRES CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2023

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11. **FINANCIAL INSTRUMENTS, continued**

(b) *Market risk*

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Organization manages its risk by investing only in low risk guaranteed investment certificates.

(c) *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 guaranteed investment certificates included in short-term investments bear interest at a fixed rate of interest and as such are subject to interest rate price risk. The exposure to this risk fluctuates as the value of the investment changes from year to year.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

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The accompanying notes are an integral part of these financial statements