

**Canadian Celiac Association /
L'Association canadienne de la maladie coeliaque**
Financial Statements
December 31, 2022

Canadian Celiac Association / L'Association canadienne de la maladie coeliaque

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For the year ended December 31, 2022

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To the Members of Canadian Celiac Association / L'Association canadienne de la maladie coeliaque:

Opinion

We have audited the financial statements of Canadian Celiac Association / L'Association canadienne de la maladie coeliaque (the "Association"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, 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 Association 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 Association 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Mississauga, Ontario

May 12, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Canadian Celiac Association / L'Association canadienne de la maladie coeliaque

Statement of Financial Position

As at December 31, 2022

	General Fund	Reserve Fund	J.A. Campbell Research Fund	2022	2021
Assets					
Current					
Cash	343,269	-	87,243	430,512	590,046
Investments (Note 3)	-	136,492	319,679	456,171	314,202
Accounts receivable	38,579	-	-	38,579	31,007
Prepaid expenses	16,153	-	-	16,153	5,455
Interfund receivable (payable) (Note 4)	78,293	-	(78,293)	-	-
	476,294	136,492	328,629	941,415	940,710
Capital assets (Note 5)	11,554	-	-	11,554	5,130
	487,848	136,492	328,629	952,969	945,840
Liabilities					
Current					
Accounts payable and accrued liabilities (Note 6)	130,924	-	6,920	137,844	98,213
Deferred revenue	4,721	-	-	4,721	24,205
Bank loan (Note 7)	60,000	-	-	60,000	-
	195,645	-	6,920	202,565	122,418
Bank loan (Note 7)	-	-	-	-	60,000
	195,645	-	6,920	202,565	182,418
Commitments (Note 10)					
Net Assets					
J.A. Campbell Research Fund	-	-	321,709	321,709	350,668
Reserve Fund	-	136,492	-	136,492	135,000
General Fund	292,203	-	-	292,203	277,754
	292,203	136,492	321,709	750,404	763,422
	487,848	136,492	328,629	952,969	945,840

Approved on behalf of the Board

e-Signed by Jennifer Stebbing
2023-05-12 09:26:21:21 MDT

Director

e-Signed by Andrew Kotys
2023-05-12 08:18:22:22 MDT

Director

The accompanying notes are an integral part of these financial statements

Canadian Celiac Association / L'Association canadienne de la maladie coeliaque

Statement of Operations

For the year ended December 31, 2022

	<i>General Fund</i>	<i>Reserve Fund</i>	<i>J.A. Campbell Research Fund</i>	2022	2021
Revenue					
Donations	572,906	-	12,099	585,005	541,723
Sponsorship	170,036	-	-	170,036	106,292
Royalties	49,112	-	-	49,112	44,078
Other revenue	5,840	1,492	5,477	12,809	10,665
Government assistance <i>(Note 9)</i>	-	-	-	-	55,013
	797,894	1,492	17,576	816,962	757,771
Expenses <i>(Note 8)</i>					
Financial sustainability	242,874	-	-	242,874	161,045
Administrative	175,548	-	42,770	218,318	237,562
Education and awareness	178,031	-	-	178,031	149,623
Promote evidence based solutions	105,269	-	-	105,269	84,688
Strengthening standards	56,672	-	-	56,672	59,297
Unrecovered sales taxes	12,656	-	-	12,656	9,783
J.A. Campbell research award	-	-	11,165	11,165	25,203
Diagnosis	4,995	-	-	4,995	-
	776,045	-	53,935	829,980	727,201
Excess (deficiency) of revenue over expenses	21,849	1,492	(36,359)	(13,018)	30,570

The accompanying notes are an integral part of these financial statements

**Canadian Celiac Association / L'Association canadienne de la maladie
coeliaque**

Statement of Changes in Net Assets

For the year ended December 31, 2022

	<i>General Fund</i>	<i>Reserve Fund</i>	<i>J.A. Campbell Research Fund</i>	2022	<i>2021</i>
Net assets, beginning of year	277,754	135,000	350,668	763,422	732,852
Interfund transfers (Note 4)	(7,400)	-	7,400	-	-
Excess (deficiency) of revenue over expenses	21,849	1,492	(36,359)	(13,018)	30,570
Net assets, end of year	292,203	136,492	321,709	750,404	763,422

The accompanying notes are an integral part of these financial statements

**Canadian Celiac Association / L'Association canadienne de la maladie
coeliaque**

Statement of Cash Flows

For the year ended December 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
(Deficiency)excess of revenue over expenses	(13,018)	30,570
Amortization	4,202	2,712
	(8,816)	33,282
Changes in working capital accounts		
Accounts receivable	(7,572)	24,056
Prepaid expenses	(10,698)	20,525
Accounts payable and accrued liabilities	39,631	(8,813)
Deferred revenue	(19,484)	18,941
	(6,939)	87,991
Financing		
Advance of bank loan	-	20,000
Investing		
Purchase of capital assets	(10,626)	(2,236)
Purchase of investments	(449,853)	(118,712)
Proceeds on disposal of investments	307,884	114,502
	(152,595)	(6,446)
Increase (decrease) in cash	(159,534)	101,545
Cash, beginning of year	590,046	488,501
Cash, end of year	430,512	590,046

The accompanying notes are an integral part of these financial statements

Canadian Celiac Association / L'Association canadienne de la maladie coeliaque

Notes to the Financial Statements

For the year ended December 31, 2022

1. Nature of operations

Canadian Celiac Association / L'Association canadienne de la maladie coeliaque (the "Association") is incorporated under the laws of Canada through letters of patent without share of capital. It is a registered charitable organization and, as such, is exempt from taxes under the Income Tax Act. The Association is dedicated to improving diagnosis and quality of life for all Canadians adversely affected by gluten.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Fund accounting

The Association follows the restricted fund method of accounting for contributions, and reports using fund accounting.

The General Fund reports the Association's revenue and expenses related to program delivery and administrative activities.

The Reserve fund was established by the Board to provide protection from the financial impact of unexpected events and expenditures or interruption of operations.

The J.A. Campbell Research Fund was established in honour of Dr. J. Alexander Campbell from all research funds received since 1987, to report the Association's fund restricted contributions and research expenditures.

Revenue recognition

The Association uses the restricted fund method of accounting for contributions. Restricted contributions related to research are recognized as revenue of the J.A. Campbell Research Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the General Fund because there is not an appropriate restricted fund using the deferral method.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Sponsorship revenues is recognized as the earned through delivery of the service.

Royalties and other revenue are recognized as earned.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased.

The Association receives the contribution of time and services provided by volunteers. Due to the difficulty in estimating a fair value, these contributions are not recognized in the financial statements.

Allocation of expenses

The Association engages in raising awareness to increase diagnosis rates and access to safe gluten-free food, invests in research to improve standard of care, provides programming and services to improve quality of life for people with celiac disease and gluten disorders. The Association engages in fundraising activities and collaborative partnerships to support its charitable purposes. The costs of each activity include salaries and benefits, supplies and other expenses directly related to the activity. The Association also incur a number of general and administrative expenses that are common to the administration of the Association and each of the functions.

The Association records salaries and benefits expenses to programs and administration based on its best estimate of time directed by staff during the year. Other administrative and general support expenses are not allocated to programs.

Canadian Celiac Association / L'Association canadienne de la maladie coeliaque

Notes to the Financial Statements

For the year ended December 31, 2022

2. Significant accounting policies (Continued from previous page)

Capital assets

Capital assets are recorded at cost. Amortization is calculated using the methods set out below applied to the cost of the assets, at annual rates based on their estimated useful lives as follows:

	Method	Years
Computer equipment	straight-line	3 years
Furniture and fixtures	straight-line	8 years

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

Canadian Celiac Association / L'Association canadienne de la maladie coeliaque

Notes to the Financial Statements

For the year ended December 31, 2022

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian ASNPO 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

3. Investments

	2022	2021
GIC, 1.50%, matures April 7, 2023	136,492	-
GIC, 1.50%, matures April 7, 2023	101,105	-
GIC, 2.35%, matures April 7, 2023	218,574	-
GIC, 0.20%, matured March 2, 2022	-	114,693
GIC, 1.89%, matured March 2, 2022	-	199,509
	456,171	314,202

4. Interfund transfers

During the year, the Association transferred \$7,400 (2021 - \$22,000) from General Fund to the J. A. Campbell Research Fund.

Interfund balances receivable (payable) are unsecured, non-interest bearing, and have no set terms of repayment.

5. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	59,790	49,534	10,256	3,514
Furniture and fixtures	8,168	6,870	1,298	1,616
	67,958	56,404	11,554	5,130

6. Accounts payable and accrued liabilities

	2022	2021
Trade payables and accrued liabilities	94,713	82,682
Government remittances due	36,211	6,111
J.A. Campbell research fund holdback	6,920	9,420
	137,844	98,213

The Association holds a corporate credit card with a maximum limit of \$5,000. Included in trade payables is a balance due on the credit card of \$1,996 (2021 - \$2,691).

Canadian Celiac Association / L'Association canadienne de la maladie coeliaque

Notes to the Financial Statements

For the year ended December 31, 2022

7. Bank loan

Bank loan in the amount of \$60,000, non-interest bearing, received under the Canada Emergency Business Account (CEBA) program. The loan shall be considered repaid in full if the Association repays at least \$40,000 of the principal amount on or before the termination date of December 31, 2023 ("Forgiveness Benefit"). If this loan amount is not repaid before the termination date, the Forgiveness Benefit will not be available to the Association, the lender will automatically extend the term of the loan for two years until December 31, 2025, bearing interest at 5% per annum.

8. Salaries and benefits

Salaries and benefits expenses have been included in programs and administration as follows:

	2022	2021
Promote evidence based solutions	88,697	45,688
Administration	36,641	46,768
Education and awareness	61,116	82,081
J.A. Campbell research administration	35,094	26,261
Financial sustainability	126,739	69,372
Strengthening standards	56,035	56,070
	404,322	326,240

9. Government assistance

The Association received \$Nil (2021 - \$53,013) in government assistance under the Canada Emergency Wage Subsidy (CEWS), a program launched in response to the pandemic. Qualifying organizations received funds to assist with payroll costs. The amount of staff compensation and the decline experienced in revenue factored into the amount of the subsidy.

10. Commitments

The Association has entered into various lease agreements with estimated minimum annual payments as follows:

2023	18,776
2024	10,253
	29,029

Canadian Celiac Association / L'Association canadienne de la maladie coeliaque

Notes to the Financial Statements

For the year ended December 31, 2022

11. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is subject to credit risk with respect to its accounts receivable, cash and term deposits. There has been no history of significant impairments and management considers there to be a low exposure to the credit risk.

There is a concentration of the credit risk, whereby five debtors represents 72% (2021 - four represent 63%) of the total accounts receivable balance at year end. Additionally, cash and investments primarily represent amounts on deposit with one financial institution. This concentration of credit risk is managed by depositing with a national federally-regulated bank.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization invests in fixed rate term deposits and carries them at amortized cost to minimize the exposure to interest rate risk.

12. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.