

Crohn's and Colitis Canada

Financial Statements

For the year ended December 31, 2022

Crohn's and Colitis Canada

Financial Statements

For the year ended December 31, 2022

Contents

Independent Auditor's Report	2-3
Financial Statements	
Statement of Financial Position	4
Statement of Revenue and Expenses	5
Statement of Changes in Fund Balances	6-7
Statement of Cash Flows	8
Notes to Financial Statements	9-19



Tel: 416 865 0200
Fax: 416 865 0887
www.bdo.ca

BDO Canada LLP
222 Bay Street
Suite 2200, PO Box 131
Toronto, ON M5K 1H1 Canada

Independent Auditor's Report

To the Members of Crohn's and Colitis Canada

Opinion

We have audited the financial statements of Crohn's and Colitis Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2022, and the statements of revenue and expenses, changes in fund balances 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 presents fairly, in all material respects, the financial position of the Organization as at December 31, 2022, 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.

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 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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.

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 our 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
April 13, 2023

Crohn's and Colitis Canada Statement of Financial Position

December 31

2022

2021

Assets

Current

Cash (Note 3)	\$ 2,146,640	\$ 2,906,034
Externally restricted cash (Note 4)	99,839	108,138
Investments (Note 5)	9,987,511	10,515,603
Accounts receivable	524,708	294,506
Prepaid expenses	379,299	189,353

13,137,997 14,013,634

Investments (Note 5)

469,330 438,313

Property and equipment (Note 6)

410,944 163,313

\$ 14,018,271 \$ 14,615,260

Liabilities

Current

Accounts payable and accrued liabilities	\$ 881,309	\$ 802,571
Deferred revenue (Note 7)	2,814,904	2,790,261

3,696,213 3,592,832

Long term deferred revenue (Note 7)

393,666 478,423

4,089,879 4,071,255

Fund Balances (Note 9)

Endowment	683,108	656,724
Internally restricted research reserve	4,082,595	2,844,032
Internally restricted property and equipment	410,944	163,313
Internally restricted operating	1,500,000	1,500,000
Unrestricted	3,251,745	5,379,936

9,928,392 10,544,005

\$ 14,018,271 \$ 14,615,260

On behalf of the Board of Directors:



Ron Dunn, Co-Chair



John Van de Pol, Treasurer

The accompanying notes are an integral part of these financial statements.

Crohn's and Colitis Canada Statement of Revenue and Expenses

For the year ended December 31	2022	2021
Revenue		
Gifts	\$ 9,564,317	\$ 8,347,675
Fundraising event proceeds	3,561,056	3,242,802
Investment income (Note 5)	460,886	398,901
	13,586,259	11,989,378
Expenses (Note 11)		
Program costs		
Research	5,335,810	4,744,175
Education/awareness/advocacy	1,902,130	1,795,703
Volunteer/chapter services	807,244	625,169
	8,045,184	7,165,047
Support costs		
Fundraising expenses	3,603,808	2,972,443
General and administrative	1,586,571	1,196,254
	5,190,379	4,168,697
Total expenses	13,235,563	11,333,744
Excess of revenue over expenses before undernoted	350,696	655,634
Other income (expense)		
Foreign exchange gain (loss)	15,784	(19,772)
Unrealized gain (loss) on investments	(1,008,477)	719,817
	(992,693)	700,045
Excess (deficiency) of revenue over expenses for the year	\$ (641,997)	\$ 1,355,679

The accompanying notes are an integral part of these financial statements.

Crohn's and Colitis Canada Statement of Changes in Fund Balances

For the year ended December 31, 2022

	Endowment fund	Internally restricted research reserve fund (Note 9)	Internally restricted property and equipment (Note 9)	Internally restricted operating fund (Note 9)	Unrestricted (Note 9)	2022 Total (Note 9)
Fund balances, beginning of year	\$ 656,724	\$ 2,844,032	\$ 163,313	\$ 1,500,000	\$ 5,379,936	\$ 10,544,005
Excess (deficiency) of revenue over expenses for the year	-	-	(48,289)	-	(593,708)	(641,997)
Contributions to externally restricted endowment fund	26,384	-	-	-	-	26,384
Internally restricted research reserve fund and unrestricted fund balances	-	1,238,563	-	-	(1,238,563)	-
Acquisition of property, plant and equipment	-	-	295,920	-	(295,920)	-
Fund balances, end of year	\$ 683,108	\$ 4,082,595	\$ 410,944	\$ 1,500,000	\$ 3,251,745	\$ 9,928,392

The accompanying notes are an integral part of these financial statements.

**Crohn's and Colitis Canada
Statement of Changes in Fund Balances**

For the year ended December 31, 2021

	Endowment fund	Internally restricted research reserve fund (Note 9)	Internally restricted property and equipment (Note 9)	Internally restricted operating fund (Note 9)	Unrestricted (Note 9)	2021 Total (Note 9)
Fund balances, beginning of year	\$ 640,339	\$ 2,542,230	\$ 54,861	\$ 1,500,000	\$ 4,434,511	\$ 9,171,941
Excess (deficiency) of revenue over expenses for the year	-	-	(43,349)	-	1,399,028	1,355,679
Contributions to externally restricted endowment fund	16,385	-	-	-	-	16,385
Internally restricted research reserve fund and unrestricted fund balances	-	301,802	-	-	(301,802)	-
Acquisition of property, plant and equipment	-	-	151,801	-	(151,801)	-
Fund balances, end of year	\$ 656,724	\$ 2,844,032	\$ 163,313	\$ 1,500,000	\$ 5,379,936	\$ 10,544,005

The accompanying notes are an integral part of these financial statements.

Crohn's and Colitis Canada Statement of Cash Flows

For the year ended December 31	2022	2021
Cash (used in) provided by		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (641,997)	\$ 1,355,679
Adjustments to reconcile excess (deficiency) of revenue over expenses for the year to cash provided by operating activities		
Amortization	48,289	43,349
Unrealized gain on investments (Note 5)	1,008,477	(719,817)
Changes in non-cash working capital balances		
Accounts receivables	(230,202)	328,033
Prepaid expenses	(189,946)	(104,120)
Accounts payables and accrued liabilities	78,738	(410,117)
Deferred revenue	(60,114)	(626,870)
	13,245	(133,863)
Investing activities		
Investment activity (net)	(485,018)	(417,070)
Acquisition of property and equipment	(295,920)	(151,801)
	(780,938)	(568,871)
Financing activity		
Contribution to endowment fund	-	(10,000)
	(767,693)	(712,734)
Decrease in cash during the year		
	(767,693)	(712,734)
Cash, beginning of year	3,014,172	3,726,906
Cash, end of year	\$ 2,246,479	\$ 3,014,172
Cash:		
Unrestricted	\$ 2,146,640	\$ 2,906,034
Externally restricted (Note 4)	99,839	108,138
	\$ 2,246,479	\$ 3,014,172
Net cash	\$ 2,246,479	\$ 3,014,172
Non-cash transaction:		
Life insurance policy (Note 5)	\$ 26,385	\$ 26,385

The accompanying notes are an integral part of these financial statements.

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2022

1. Purpose of the Organization

Crohn's and Colitis Canada (the "Organization") is a national not-for-profit organization. The Organization's promise is to cure Crohn's disease and ulcerative colitis and improve the lives of children and adults affected by these chronic diseases. The Organization was established under the Canada Corporations Act as a not-for-profit organization without share capital and continued under the Canada Not-for-profit Corporations Act in October 2014.

Crohn's and Colitis Canada is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

National and Regional Operations Including Chapters

The financial statements include all of the national and regional operations of Crohn's and Colitis Canada and its 46 chapters, and the Calgary and Edmonton Societies.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions are recorded as revenue when the amount is measurable and ultimate collection is reasonably assured.

Restricted contributions, other than endowment contributions, are deferred until the period in which the related expenses are incurred. Endowment contributions are recognized as direct increases in fund balances.

Amounts received related to a future period are deferred until the period in which the event occurs.

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2022

2. Summary of Significant Accounting Policies - (Continued)

Financial Instruments

The Organization considers any contract creating a financial asset for one entity and a financial liability or equity instrument of another entity as a financial instrument, except in certain limited circumstances.

Initial Measurement

The Organization's financial instruments are measured at fair value when issued or acquired.

Subsequent Measurement

Investments are recorded at fair value based on the closing bid price at year end. Realized and unrealized gains and losses on investments are recognized as investment income in the statement of revenue and expenses.

Foreign currency forward contracts are recorded at fair value at year end with any changes in fair value recorded in the statement of revenue and expenses as part of the foreign exchange gain (loss).

All other financial assets and liabilities are recorded at amortized cost, less any impairment allowance in the case of financial assets. Any impairment loss is recognized in the statement of revenue and expenses.

Property and Equipment

Purchased property and equipment over \$1,000 is recorded at cost and is amortized over its estimated useful life on a straight-line basis. The annual amortization rates are as follows:

Computers and software	3 - 5 years
Furniture and fixtures	5 - 10 years

Leasehold improvements are amortized straight-line over the period of the lease.

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2022

2. Summary of Significant Accounting Policies - (Continued)

Research Grants and Awards

Research grants and awards are recorded in the financial statements at the earlier of when a legal obligation exists and when the grants and awards are paid.

Donated Goods and Services

A number of individuals and business organizations have volunteered their time to the Organization's fundraising efforts. Due to the difficulty in determining their fair value, these are not recognized or disclosed in the financial statements.

Expense Allocation

Expenses are allocated (Note 13) using the following allocation method:

Salaries and benefits

Allocated based on staff estimates of time spent on each functional area.

General office

Includes board of director expenses, staff travel, general and administrative costs, publications, amortization and professional services and are allocated based on their applicability to the relevant programs.

Rent

Allocated based on square footage and related departmental salary allocations.

Insurance

Allocated based on an even split between fundraising and administration as the Organization's coverage is based partially on the type and number of fundraising events held and partially on general factors of an administrative nature.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The estimates are reviewed periodically and as adjustments become necessary they are reported in the year in which they become known. Actual results could differ from those estimates.

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2022

3. Cash

Included in cash are funds of \$13,815 (2021 - \$1,131,472) held in premium interest accounts with an effective interest rate of 2.25% (2021 - 0.3%).

4. Externally Restricted Cash

Externally restricted cash comprises gaming revenues earned by the Organization. Use of gaming revenues is restricted for use in the region where the gaming revenues were earned.

5. Investments

Investments are stated at fair value and include the investments of the Ross McMaster memorial donation in the amount of \$443,666 (2021 - \$478,423).

	2022	2021
Cash included in investments accounts	\$ 438,954	\$ 300,533
Guaranteed investment certificates	1,179,052	1,178,178
Premium interest savings account	1,428,733	1,404,156
Corporate bond funds	1,414,247	1,246,617
Listed Equities		
Canadian	1,627,400	1,738,511
United States	2,330,610	2,576,003
International	1,568,515	2,071,605
Current investments	9,987,511	10,515,603
Fixed income (federal and provincial bonds)	98,176	93,543
Life insurance policy	371,154	344,770
Long term investments	469,330	438,313
	\$ 10,456,841	\$ 10,953,916

The Guaranteed investment certificates bear interest between 2.00% and 4.45% (2021 - 0.45% and 0.50%) and mature between March and July 2023 (2021 - March and July 2022). The premium interest savings account bears interest at 0.4% (2021 - 0.3%) . Bonds have interest rates ranging from 2.66% to 4.33% (2021 - 1.5% to 3.5%) and mature between June 2024 and June 2032 (2021 - June 2022 and September 2031).

The Organization has assigned a \$1,000,000 guaranteed investment certificate, bearing interest at 4.45% (2021 - 0.45%) and maturing March 2023 (2021 - March 2022), as security for a \$1,000,000 line of credit with the Bank. This is a revolving line of credit which bears interest at the bank's prime plus 0.90% (2021 - 0.90%) per annum. As at December 31, 2022, the bank's prime rate was 6.45% (2021 - 2.45%).

As at December 31, 2022, the Organization has utilized \$Nil (2021 - \$Nil) of the available line of credit.

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2022

5. Investments - (Continued)

Investment income consists of the following:

	2022	2021
Dividend income	\$ 396,973	\$ 314,439
Interest income (including interest on cash balances)	40,002	2,484
Realized gain on sale of investments	23,911	81,978
	\$ 460,886	\$ 398,901

6. Property and Equipment

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computers and software	\$ 815,430	\$ 749,518	\$ 748,518	\$ 728,167
Furniture and fixtures	248,058	139,913	130,931	130,931
Leasehold improvements	381,655	144,768	269,774	126,812
	1,445,143	1,034,199	1,149,223	985,910
		\$ 410,944		\$ 163,313

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2022

7. Deferred Revenue

December 31, 2022

	Balance Beginning of Year	Received (Transferred)	Revenue Recognized	Balance End of Year
Research Consortium	\$ 717,716	\$ 1,200,000	\$ (1,185,146)	\$ 732,570
Impact of IBD	30,000	185,000	(46,380)	168,620
Ross McMaster Memorial Donation	478,423	(50,000)	(34,757)	393,666
Scholarship Program	-	400,000	(200,000)	200,000
Mentoring and Camp	-	140,000	(140,000)	-
IBD - Sponsorships	349,672	959,552	(954,068)	355,156
PACE Project	315,602	2,095,904	(1,729,235)	682,271
Advocacy & GoHere	827,085	301,050	(684,940)	443,195
Educational Programs	239,943	251,000	(333,449)	157,494
Other	310,243	-	(234,645)	75,598
	\$ 3,268,684	\$ 5,482,506	\$ (5,542,620)	\$ 3,208,570
Current				\$ 2,814,904
Long term				393,666
				\$ 3,208,570

During the year, the Organization withdrew \$50,000 from the Ross McMaster Memorial Donation Investment Fund.

December 31, 2021

	Balance Beginning of Year	Received (Transferred)	Revenue Recognized	Balance End of Year
Research Consortium	\$ 625,088	\$ 345,000	\$ (252,372)	\$ 717,716
Impact of IBD	-	30,000	-	30,000
Ross McMaster Memorial Donation	450,562	46,696	(18,835)	478,423
Scholarship Program	250,000	(95,301)	(154,699)	-
Mentoring and Camp	31,448	7,200	(38,648)	-
IBD - Sponsorships	179,847	728,670	(558,845)	349,672
GEM Project (Note 8b)	483,558	10,726	(494,284)	-
PACE Project	256,322	954,625	(895,345)	315,602
Advocacy & GoHere	947,501	312,301	(432,717)	827,085
Educational Programs	268,451	364,517	(393,025)	239,943
Other	402,777	424,257	(516,791)	310,243
	\$ 3,895,554	\$ 3,128,691	\$ (3,755,561)	\$ 3,268,684
Current				\$ 2,790,261
Long term				478,423
				\$ 3,268,684

During 2021, the Organization transferred \$95,301 from the scholarship program to the GoHere program.

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2022

8. Commitments and Guarantees

a) Premises and Office Equipment

The Organization has entered into agreements to lease premises and office equipment for various periods until January 2032 for the National and Regional Offices. The Organization is committed to the following rental payments for premises and office equipment:

2023	\$ 183,760
2024	183,760
2025	164,510
2026	162,760
2027	187,800
Thereafter	<u>798,150</u>
	<u>\$ 1,680,740</u>

b) Helmsley Charitable Trust

In 2014, the Organization announced a five year funding commitment to Crohn's disease research in Canada, which included a lead gift from Helmsley Charitable Trust, and in 2018 announced an additional one year commitment. During 2020, the funding commitments were extended to June 30, 2021 for this project. This funding will support the Genetics, Environmental, Microbial (GEM) Project at Mount Sinai Hospital.

As of December 31, 2022, the Organization has concluded its contract Helmsley Charitable Trust for the GEM Project. In 2021, they received a total of \$10,177,512 from the Helmsley Charitable Trust for the GEM Project and expended \$10,177,512 with the remaining balance of \$nil recognized as deferred revenue. The Organization is committed to a further \$100,000 (2021 - \$100,000) towards the GEM Project, all of which represents its commitment for the next 12 months and is included in internally restricted research reserve fund (Note 9b).

9. Fund Balances

a) Endowment Fund

Endowment fund is The Jaclyn Fisher Endowment Fund which was established to carry out designated activities to support the Organization's Montreal education symposia, youth activities of the Organization and any program used to sensitize teachers and students to the disease and its effect. The capital is to be held in perpetuity. During the year \$26,384 (2021 - \$16,385) was contributed to the fund.

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2022

9. Fund Balances - (Continued)

b) Internally Restricted Research Reserve Fund

Internally restricted research reserve fund is an internally restricted fund representing the amount estimated for the Organization to honour future research grant commitments within twelve months.

The Organization expenses research grants when paid. Approved research grant commitments are not accrued in the financial statements as these grants are subject to continuous review and can be withdrawn if stipulated conditions are not met. A continuity of future research grant commitments is as follows:

	2022	2021
Research grant commitments, beginning of year	\$ 6,817,464	\$ 4,801,467
Research grants approved during the year	3,830,455	6,383,578
Research grants withdrawn/reduced during the year	-	(162,456)
	10,647,919	11,022,589
Research grants paid during the year	(2,341,656)	(4,205,125)
	8,306,263	6,817,464
Research grant commitments, end of year	8,306,263	6,817,464
Less: Research grant commitments beyond 12 months	(4,223,668)	(3,973,432)
	Research grant commitments within 12 months	\$ 2,844,032
	\$ 4,082,595	\$ 2,844,032

During the year, the board of directors approved the transfer of \$1,238,563 (2021 - \$301,802) from the unrestricted fund to the internally restricted research reserve fund to match commitments within the next 12 months as at year end.

c) Internally Restricted Property and Equipment

Internally restricted property and equipment is an internally restricted fund representing the carrying amount of property and equipment, less any indebtedness thereon.

d) Internally Restricted Operating Fund

Internally restricted operating fund is an internally restricted fund representing approximately three months of operating expenses excluding mission spending.

e) Unrestricted Fund

Unrestricted fund balance represents the excess of revenue over expenses accumulated by the Organization that is not internally restricted.

Crohn's and Colitis Canada

Notes to Financial Statements

December 31, 2022

10. Financial Instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures at December 31, 2022:

Credit Risk

Credit risk arises as a result of the potential non-performance by counterparties of contract obligations which could lead to a financial loss to the Organization. The Organization's credit risk relates to cash, investments and accounts receivables.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations. The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Market Risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk, and other price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of market changes in interest rates. The Organization is subject to interest rate risk on its fixed income investments, as disclosed in Note 5.

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 Organization is subject to currency risk to the extent that investments are held in foreign currencies, as disclosed in Note 5. The Canadian dollar equivalent of balances denominated in United States dollars are as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 924,056	\$ 213,127
Investments	2,330,610	2,576,003

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2022

10. Financial Instruments - (Continued)

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 Organization is subject to price risk through its investments in listed equities. The Organization manages other price risk through asset allocation and maintaining a portfolio that is well diversified on both a geographic and industry sector basis.

11. Government Assistance

During 2021, the Organization participated in the Canada Emergency Wage Subsidy ("CEWS") and the Canada Emergency Rent Subsidy ("CERS") and received \$338,013 in wage subsidies, \$26,672 in rent subsidy and has also received COVID-19 funding of \$368,850 from pharmaceutical companies, which have been included in gifts revenue in the statement of revenue and expenditures.

12. Comparative Amounts

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

**Crohn's and Colitis Canada
Notes to Financial Statements**

December 31, 2022

13. Expense Allocation

For the year ended December 31, 2022

	Research	Education/ Awareness/ Advocacy	Volunteer/ Chapter Services	Fundraising Expenses	General and Administrative	2022
Direct costs	\$ 5,075,239	\$ 1,245,274	\$ 68,930	\$ 1,606,839	\$ 239,884	\$ 8,236,166
Allocated costs						
Salaries and benefits	167,074	536,936	646,129	1,690,854	1,064,019	4,105,012
General office	53,117	57,838	54,359	151,842	177,096	494,252
Rent	40,380	62,082	37,826	132,430	83,729	356,447
Insurance	-	-	-	21,843	21,843	43,686
Total	\$ 5,335,810	\$ 1,902,130	\$ 807,244	\$ 3,603,808	\$ 1,586,571	\$ 13,235,563

For the year ended December 31, 2021

	Research	Education/ Awareness/ Advocacy	Volunteer/ Chapter Services	Fundraising Expenses	General and Administrative	2021
Direct costs	\$ 4,530,987	\$ 1,246,773	\$ 26,750	\$ 1,184,482	\$ 109,843	\$ 7,098,835
Allocated costs						
Salaries and benefits	137,660	442,407	532,376	1,393,175	876,696	3,382,314
General office	47,320	63,883	40,153	293,761	137,664	582,781
Rent	28,208	42,640	25,890	87,906	58,932	243,576
Insurance	-	-	-	13,119	13,119	26,238
Total	\$ 4,744,175	\$ 1,795,703	\$ 625,169	\$ 2,972,443	\$ 1,196,254	\$ 11,333,744