

Crohn's and Colitis Canada

Financial Statements

For the year ended December 31, 2021

Crohn's and Colitis Canada

Financial Statements

For the year ended December 31, 2021

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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, 2021, 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, 2021, 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 7, 2022

Crohn's and Colitis Canada Statement of Financial Position

December 31

2021

2020

Assets

Current

Cash (Note 3)	\$ 2,906,034	\$ 3,640,901
Externally restricted cash (Note 4)	108,138	86,005
Investments (Note 5)	10,515,603	9,375,796
Accounts receivable	294,506	622,539
Prepaid expenses	189,353	85,233

14,013,634 13,810,474

Investments (Note 5)

438,313 414,848

Property and equipment (Note 6)

163,313 54,861

\$ 14,615,260 \$ 14,280,183

Liabilities

Current

Accounts payable and accrued liabilities	\$ 802,571	\$ 1,212,688
Deferred revenue (Note 7)	2,790,261	3,444,992

3,592,832 4,657,680

Long term deferred revenue (Note 7)

478,423 450,562

4,071,255 5,108,242

Fund Balances (Note 9)

Endowment	656,724	640,339
Internally restricted research reserve	2,844,032	2,542,230
Internally restricted property and equipment	163,313	54,861
Internally restricted operating	1,500,000	1,500,000
Unrestricted	5,379,936	4,434,511

10,544,005 9,171,941

\$ 14,615,260 \$ 14,280,183

On behalf of the Board of Directors:



Adrianna Czornyj, Co-Chair



John Van de Pol, Treasurer

Crohn's and Colitis Canada Statement of Revenue and Expenses

For the year ended December 31	2021	2020
Revenue		
Gifts (Note 11)	\$ 8,347,675	\$ 9,275,156
Fundraising event proceeds	3,242,802	2,771,675
Investment income (Note 5)	1,118,718	414,694
	12,709,195	12,461,525
Expenses (Note 12)		
Program costs		
Research	4,744,175	4,698,692
Education/awareness/advocacy	1,795,703	1,226,729
Volunteer/chapter services	625,169	703,589
	7,165,047	6,629,010
Support costs		
Fundraising expenses	2,972,443	3,052,734
General and administrative	1,196,254	1,744,392
	4,168,697	4,797,126
Total expenses	11,333,744	11,426,136
Excess of revenue over expenses before undernoted	1,375,451	1,035,389
Foreign exchange loss	(19,772)	(11,628)
Excess of revenue over expenses for the year	\$ 1,355,679	\$ 1,023,761

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 Changes in Fund Balances

For the year ended December 31, 2020

	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)	2020 Total (Note 9)
Fund balances, beginning of year	\$ 600,104	\$ 3,084,020	\$ 87,254	\$ 1,500,000	\$ 2,836,567	\$ 8,107,945
Excess (deficiency) of revenue over expenses for the year	-	-	(50,907)	-	1,074,668	1,023,761
Contributions to externally restricted endowment fund	40,235	-	-	-	-	40,235
Internally restricted research reserve fund and unrestricted fund balances	-	(541,790)	-	-	541,790	-
Acquisition of property, plant and equipment	-	-	18,514	-	(18,514)	-
Fund balances, end of year	\$ 640,339	\$ 2,542,230	\$ 54,861	\$ 1,500,000	\$ 4,434,511	\$ 9,171,941

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	2021	2020
Cash (used in) provided by		
Operating activities		
Excess of revenue over expenses for the year	\$ 1,355,679	\$ 1,023,761
Adjustments to reconcile excess of revenue over expenses for the year to cash provided by operating activities		
Amortization	43,349	50,907
Unrealized gain on investments (Note 5)	(719,817)	(202,131)
Changes in non-cash working capital balances		
Accounts receivables	328,033	(296,797)
Prepaid expenses	(104,120)	(25,898)
Accounts payables and accrued liabilities	(410,117)	530,917
Deferred revenue	(626,870)	(512,608)
	(133,863)	568,151
Investing activities		
Investment activity (net)	(417,070)	(156,193)
Acquisition of property and equipment	(151,801)	(18,514)
	(568,871)	(174,707)
Financing activity		
Contribution to endowment fund	(10,000)	13,850
Increase (decrease) in cash during the year	(712,734)	407,294
Cash, beginning of year	3,726,906	3,319,612
Cash, end of year	\$ 3,014,172	\$ 3,726,906
Cash:		
Unrestricted	\$ 2,906,034	\$ 3,640,901
Externally restricted (Note 4)	108,138	86,005
Net cash	\$ 3,014,172	\$ 3,726,906
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, 2021

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, 2021

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, 2021

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 12) 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, 2021

3. Cash

Included in cash are funds of \$1,131,472 (2020 - \$2,326,913) held in premium interest accounts with an effective interest rate of 0.3% (2020 - 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 \$478,423 (2020 - \$450,562).

	2021	2020
Cash included in investments accounts	\$ 300,533	\$ 202,162
Guaranteed investment certificates	1,178,178	1,181,954
Premium interest savings account	1,404,156	1,400,700
Corporate bond funds	1,246,617	2,187,151
Listed Equities		
Canadian	1,738,511	1,177,058
United States	2,576,003	1,864,300
International	2,071,605	1,362,471
Current investments	10,515,603	9,375,796
Fixed income (federal and provincial bonds)	93,543	96,463
Life insurance policy	344,770	318,385
Long term investments	438,313	414,848
	\$ 10,953,916	\$ 9,790,644

The Guaranteed investment certificates bear interest between 0.45% and 0.50% (2020 - 0.55% and 1.11%) and mature between March and July 2022 (2020 - March and July 2021). The premium interest savings account bears interest at 0.3% (2020 - 0.3%). Bonds have interest rates ranging from 1.5% to 3.5% (2020 - 1.5% to 3.5%) and mature between June 2022 and September 2031 (2020 - December 2021 and September 2029).

The Organization has assigned a \$1,000,000 guaranteed investment certificate, bearing interest at 0.45% (2020 - 1.11%) and maturing March 2022 (2020 - March 2021), 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% (2020 - 0.90%) per annum. As at December 31, 2021, the bank's prime rate was 2.45% (2020 - 2.45%).

As at December 31, 2021, the Organization has utilized \$Nil (2020 - \$Nil) of the available line of credit.

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2021

5. Investments - (Continued)

Investment income consists of the following:

	2021	2020
Dividend income	\$ 314,439	\$ 128,236
Interest income (including interest on cash balances)	2,484	75,419
Realized gain on sale of investments	81,978	8,908
Unrealized gain on investments	719,817	202,131
	\$ 1,118,718	\$ 414,694

6. Property and Equipment

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computers and software	\$ 748,518	\$ 728,167	\$ 739,679	\$ 701,586
Furniture and fixtures	130,931	130,931	130,931	126,009
Leasehold improvements	269,774	126,812	126,812	114,966
	1,149,223	985,910	997,422	942,561
		\$ 163,313		\$ 54,861

Included in leasehold improvements are assets with a cost of \$142,961 that are not being amortized. Amortization will begin in 2022 when the leased space is occupied.

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2021

7. Deferred Revenue

December 31, 2021

	Balance Beginning of Year (Transferred)	Received	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 the year, the Organization transferred \$95,301 from the scholarship program to the GoHere program.

December 31, 2020

	Balance Beginning of Year	Received	Revenue Recognized	Balance End of Year
Research Consortium	\$ 445,352	\$ 345,000	\$ (165,264)	\$ 625,088
Impact of IBD	45,000	-	(45,000)	-
Ross McMaster Memorial Donation	518,613	31,949	(100,000)	450,562
Scholarship Program	-	450,000	(200,000)	250,000
Mentoring and Camp	66,736	-	(35,288)	31,448
IBD - Sponsorships	45,994	530,000	(396,147)	179,847
GEM Project (Note 8b)	1,150,843	-	(667,285)	483,558
PACE Project	685,317	362,500	(791,495)	256,322
Advocacy & GoHere	697,130	491,200	(240,829)	947,501
Educational Programs	423,217	290,000	(444,766)	268,451
Other	329,960	349,154	(276,337)	402,777
	\$ 4,408,162	\$ 2,849,803	\$(3,362,411)	\$ 3,895,554
Current				\$ 3,444,992
Long term				450,562
				\$ 3,895,554

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2021

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:

2022	\$ 190,720
2023	183,760
2024	183,760
2025	164,510
2026	162,760
Thereafter	<u>985,950</u>
	<u>\$ 1,871,460</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, 2021, the Organization has received a total of \$10,177,512 (2020 - \$10,177,512) from the Helmsley Charitable Trust for the GEM Project and has expended \$10,177,512 (2020 - \$9,693,954) with the remaining balance of \$nil (2020 - \$483,558) recognized as deferred revenue. The Organization is committed to a further \$100,000 (2020 - \$320,000) towards the GEM Project, all of which represents its commitment for the next 12 months (2020 - \$195,200) 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 \$16,385 (2020 - \$40,235) was contributed to the fund.

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.

Crohn's and Colitis Canada Notes to Financial Statements

December 31, 2021

9. Fund Balances - (Continued)

b) Internally Restricted Research Reserve Fund - (Continued)

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:

	2021	2020
Research grant commitments, beginning of year	\$ 4,801,467	\$ 6,659,440
Research grants approved during the year	6,383,578	2,370,787
Research grants withdrawn/reduced during the year	(162,456)	(45,000)
	11,022,589	8,985,227
Research grants paid during the year	(4,205,125)	(4,183,760)
Research grant commitments, end of year	6,817,464	4,801,467
Less: Research grant commitments beyond 12 months	(3,973,432)	(2,259,237)
Research grant commitments within 12 months	\$ 2,844,032	\$ 2,542,230

During the year, the board of directors approved the transfer of \$(301,802) (2020 - \$541,790) from the internally restricted to the unrestricted 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, 2021

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, 2021:

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 Organization is also subject to currency risk as a result of the Helmsley Charitable Trust Agreement (Note 8b). The Canadian dollar equivalent of balances denominated in United States dollars are as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 213,127	\$ 456,791
Investments	2,576,003	1,864,300

Crohn's and Colitis Canada

Notes to Financial Statements

December 31, 2021

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. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus, the "COVID-19" outbreak. On March 11 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. COVID-19 has had a significant effect on the financial markets. The Organization's investments (see Note 5) include a mix of equity and fixed income investments that are reported at their fair values on December 31, 2021. The Organization's investments recorded at fair value have seen fluctuations during the course of the year as a result of the uncertainty in the financial markets caused by COVID-19. Nevertheless, at year-end, the fair value of investments has increased as compared to its value in the prior year. The extent of any future impact on the Organization's investments or operations as a result of COVID-19 is unknown.

The Organization participated in the Canada Emergency Wage Subsidy ("CEWS") and the Canada Emergency Rent Subsidy ("CERS") and received \$338,013 (2020 - \$832,374) in wage subsidies, \$26,672 (2020 - \$nil) in rent subsidy and has also received COVID-19 funding of \$368,850 (2020 - \$678,421) from pharmaceutical companies, which have been included in gifts revenue in the statement of revenue and expenditures.

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

December 31, 2021

12. Expense Allocation

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

For the year ended December 31, 2020

	Research	Education/ Awareness/ Advocacy	Volunteer/ Chapter Services	Fundraising Expenses	General and Administrative	2020
Direct costs	\$ 4,417,182	\$ 603,050	\$ 13,273	\$ 1,114,864	\$ 77,628	\$ 6,225,997
Allocated costs						
Salaries and benefits	162,146	521,098	627,070	1,640,980	1,304,034	4,255,328
General office	90,541	59,548	39,647	191,930	277,025	658,691
Rent	28,823	43,033	23,599	87,089	67,835	250,379
Insurance	-	-	-	17,871	17,870	35,741
Total	\$ 4,698,692	\$ 1,226,729	\$ 703,589	\$ 3,052,734	\$ 1,744,392	\$ 11,426,136