

**FURNITURE BANK**  
FINANCIAL STATEMENTS  
DECEMBER 31, 2019



# INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Furniture Bank

## *Qualified Opinion*

We have audited the financial statements of Furniture Bank ("the Organization"), which comprise the statement of financial position as at December 31, 2019, 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, except for the possible 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, 2019, 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 Qualified Opinion*

In common with many charitable organizations, the Organization derives part of its revenue from donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our examination of these revenues was limited to the amounts recorded in the records of the Organization. Therefore we were unable to determine whether, as at and for years ended December 31, 2019 and December 31, 2018, any adjustments that might be necessary to donation and event revenue, excess of revenue over expenditures reported in the statement of operations, excess of revenue over expenditures reported in the statements of cash flows and current assets and net assets reported in the statement of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended December 31, 2018.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 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 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 the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the the Organization's financial reporting process.



## INDEPENDENT AUDITORS' REPORT, CONTINUED

### *Auditors' 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.



Mississauga, Ontario  
May 20, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS



**FURNITURE BANK**

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

|  | 2019                | 2018                |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| <b>Current</b>                                       |                     |                     |
| Cash   | \$ 584,363          | \$ 332,573          |
| Accounts receivable (Note 3)                         | 117,036             | 199,734             |
| HST recoverable                                      | 38,687              | 68,256              |
| Inventory (Note 4)                                   | 8,482               | 17,444              |
| Prepaid expenses                                     | 39,477              | 33,851              |
|  | <u>788,045</u>      | <u>651,858</u>      |
| <b>Investment (Note 5)</b>                           | -                   | 26,274              |
| <b>Capital assets (Note 6)</b>                       | 417,574             | 574,120             |
|  | <u>\$ 1,205,619</u> | <u>\$ 1,252,252</u> |
| <b>LIABILITIES</b>                                   |                     |                     |
| <b>Current</b>                                       |                     |                     |
| Accounts payable and accrued liabilities             | \$ 192,975          | \$ 168,188          |
| Government remittances payable                       | 1,922               | 1,195               |
| Deferred revenue (Note 8)                            | 223,570             | 209,544             |
| Current portion of capital lease obligation (Note 9) | 64,556              | 44,029              |
| Current portion of long-term debt (Note 10)          | -                   | 20,266              |
|  | <u>483,023</u>      | <u>443,222</u>      |
| <b>Capital lease obligation (Note 9)</b>             | 45,076              | 109,996             |
| <b>Long-term debt (Note 10)</b>                      | -                   | 7,817               |
| <b>Deferred capital contributions (Note 11)</b>      | 272,001             | 370,354             |
|  | <u>800,100</u>      | <u>931,389</u>      |
| <b>COMMITMENTS (Note 15)</b>                         |                     |                     |
| <b>SUBSEQUENT EVENT (Note 16)</b>                    |                     |                     |
| <b>NET ASSETS</b>                                    |                     |                     |
| <b>Unrestricted</b>                                  | 359,009             | 274,353             |
| <b>Internally restricted (Note 12)</b>               | 46,510              | 46,510              |
|  | <u>405,519</u>      | <u>320,863</u>      |
|  | <u>\$ 1,205,619</u> | <u>\$ 1,252,252</u> |

Approved on behalf of the board

Director



Director



**FURNITURE BANK**

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

|  | 2019             | 2018<br>(note 17) |
|--|------------------|-------------------|
| <b>Revenue</b>                                     |                  |                   |
| Social enterprise operations                       | \$ 1,915,633     | \$ 1,941,789      |
| Government grants                                  | 988,718          | 741,274           |
| Foundations  | 310,452          | 794,615           |
| Donations  | 178,297          | 232,428           |
| Employment subsidies                               | 67,093           | 41,072            |
| Events   | 15,000           | 310,979           |
| Amortization of deferred capital contributions     | 100,408          | 144,596           |
| Interest and other                                 | 3,982            | 2,150             |
|  | <u>3,579,583</u> | <u>4,208,903</u>  |
| <b>Expenditures</b>                                |                  |                   |
| Salaries and benefits                              | 2,331,023        | 2,521,617         |
| Office, general and warehouse                      | 360,335          | 439,022           |
| Rent   | 192,620          | 181,922           |
| Amortization                                       | 161,406          | 212,068           |
| Vehicle and travel                                 | 153,273          | 186,535           |
| Professional fees                                  | 112,141          | 186,814           |
| Insurance  | 60,282           | 48,591            |
| Bank and credit card processing fees               | 48,328           | 44,934            |
| Fundraising  | 32,976           | 276,496           |
| Utilities  | 32,669           | 35,288            |
| Interest on term debt and capital lease obligation | 9,127            | 13,503            |
| Bad debts (recovery)                               | 654              | (1,603)           |
| Loss on disposal of capital assets                 | 93               | -                 |
|  | <u>3,494,927</u> | <u>4,145,187</u>  |
| <b>Excess of revenue over expenditures</b>         | <u>\$ 84,656</u> | <u>\$ 63,716</u>  |



# FURNITURE BANK

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2019

|                                      | <i>Unrestricted</i> | <i>Internally<br/>restricted<br/>(note 12)</i> | <i>2019<br/>Total</i> | <i>2018<br/>Total</i> |
|--------------------------------------|---------------------|--|-----------------------|-----------------------|
| <b>Net assets, beginning of year</b> | \$ 274,353          | \$ 46,510                                      | \$ 320,863            | \$ 257,147            |
| Excess of revenue over expenditures  | 84,656              | -  | 84,656                | 63,716                |
| <b>Net assets, ending of year</b>    | <u>\$ 359,009</u>   | <u>\$ 46,510</u>                               | <u>\$ 405,519</u>     | <u>\$ 320,863</u>     |



See accompanying Notes to the financial statements

**FURNITURE BANK**

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

|  | 2019              | 2018              |
|--|-------------------|-------------------|
| <b>Cash flows from operating activities</b>    |                   |                   |
| Excess of revenue over expenditures            | \$ 84,656         | \$ 63,716         |
| Adjustments for items which do not affect cash |                   |                   |
| Amortization of capital assets                 | 161,406           | 212,068           |
| Amortization of deferred capital contributions | (100,408)         | (144,596)         |
| Loss on disposal of capital assets             | 93                | -                 |
|  | <u>145,747</u>    | <u>131,188</u>    |
| Change in non-cash working capital items       |                   |                   |
| Accounts receivable                            | 82,698            | (118,471)         |
| HST recoverable                                | 29,569            | (22,433)          |
| Inventory                                      | 8,962             | 18,132            |
| Prepaid expenses                               | (5,626)           | 11,866            |
| Accounts payable and accrued liabilities       | 24,787            | (11,281)          |
| Government remittances payable                 | 727               | (11,589)          |
| Deferred revenue                               | 14,026            | 112,102           |
|  | <u>300,890</u>    | <u>109,514</u>    |
| <b>Cash flows from investing activities</b>    |                   |                   |
| Purchase of capital assets                     | (4,953)           | (167,358)         |
| Purchase of investment                         | -                 | (299)             |
| Proceeds on maturity of investment             | 26,274            | -                 |
|  | <u>21,321</u>     | <u>(167,657)</u>  |
| <b>Cash flows from financing activities</b>    |                   |                   |
| Repayment of obligations under capital lease   | (44,393)          | (41,709)          |
| Repayment of long-term debt                    | (28,083)          | (21,419)          |
| Deferred capital contributions                 | 2,055             | 158,571           |
|  | <u>(70,421)</u>   | <u>95,443</u>     |
| <b>Increase in cash</b>                        | 251,790           | 37,300            |
| <b>Cash, beginning of year</b>                 | <u>332,573</u>    | <u>295,273</u>    |
| <b>Cash, end of year</b>                       | <u>\$ 584,363</u> | <u>\$ 332,573</u> |

See accompanying Notes to the financial statements



# FURNITURE BANK

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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### 1. DESCRIPTION

Furniture Bank (the "Organization") was incorporated without share capital under the Canada Corporations Act on January 28, 1988. The Organization is a registered charity and is exempt from income taxes.

The Organization's mission is to enable the effective transfer of gently used household furnishings from donors to families and individuals in need.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies adopted by the Organization are as follows:

#### (a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Contributions, including donations and grants from foundations are recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are initially recorded as deferred revenue and are recognized as revenue in the year in which the related expenses are incurred.

Government grants for non-specific uses are taken into revenue over the period to which they apply. Government grants pertaining to specific projects are recognized as revenue as related project expense are incurred. Grants received for the purchase of capital assets are reported on the statement of financial position as deferred capital contributions and are being amortized into income at a rate equal to the annual amortization of the related asset.

Social enterprise revenue, which includes pick-up and delivery fees, furniture sales, agency appointment fees and volunteer fees, as well as interest and other income are recognized on an accrual basis when the amount can be reasonably estimated and collection is reasonably assured.

#### (b) Inventory

Inventory is measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

#### (c) Capital assets

Capital assets are stated at cost. Amortization is provided on the following basis and rates:

|                              |                   |               |
|------------------------------|-------------------|---------------|
| Vehicles                     | Declining balance | 30%           |
| Computer equipment           | Declining balance | 55%           |
| Office equipment             | Declining balance | 20%           |
| Warehouse equipment          | Declining balance | 20%           |
| Leasehold improvements       | Straight-line     | term of lease |
| Computer software            | Declining balance | 100%          |
| Vehicles under capital lease | Straight-line     | term of lease |





# FURNITURE BANK

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets subsequently measured at amortized cost include cash, term deposits, and accounts receivable. The financial liabilities measured at amortized cost include the bank loan and accounts payable and accrued liabilities.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment.

#### (e) Allocation of general expenses

The Organization classifies expenses on the Statement of Operations by object. The Organization does not allocate expenses between object on the Statement of Operations.

#### (f) Donated materials, services and household items

The Organization receives donated materials, services and household items in the course of its operations. Due to the difficulty of determining their fair value, these items have not been recognized in the financial statements.

Other donated items, where the fair value is readily available, are recorded at estimated fair value of the goods received or services rendered.

#### (g) Impairment of long-lived assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability is assessed based on the carrying amount of a long-lived asset compared to the sum of the future undiscounted cash flows expected to result from the use and the eventual disposal of the asset. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

#### (h) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Actual results could differ from management's best estimates as additional information becomes available in the future, and adjustments, if any, are recorded as that information becomes known. Accounts specifically affected by estimates in these financial statements are accounts receivable, capital assets and accounts payable and accrued liabilities.



## FURNITURE BANK

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

#### 3. ACCOUNTS RECEIVABLE

Accounts receivable is presented net of the allowance for doubtful accounts of \$1,329 (2018 - \$1,390).

#### 4. INVENTORY

|            | 2019            | 2018             |
|------------|-----------------|------------------|
| Mattresses | <u>\$ 8,482</u> | <u>\$ 17,444</u> |

The Organization offers mattresses for purchase as part of an initiative to increase the availability of affordable mattresses in the Greater Toronto area. Inventories recognized as expense during the year amounted to \$8,962 (2018 - \$18,132).

#### 5. INVESTMENT

In the prior year the Organization was required, under the terms of the credit facility with their lender at the time, to hold a guaranteed investment certificate as security for the operating line of credit. During the year the Organization changed lenders and the security is no longer required. The guaranteed investment certificate was not renewed upon maturity in September 2019.

#### 6. CAPITAL ASSETS

|                              | <i>Cost</i>         | <i>Accumulated<br/>amortization</i> | <i>2019<br/>Net book value</i> | <i>2018<br/>Net book value</i> |
|------------------------------|---------------------|-------------------------------------|--------------------------------|--------------------------------|
| Vehicles                     | \$ 489,512          | \$ 371,457                          | \$ 118,055                     | \$ 166,153                     |
| Computer equipment           | 142,042             | 132,440                             | 9,602                          | 16,876                         |
| Office equipment             | 91,775              | 56,578                              | 35,197                         | 43,997                         |
| Warehouse equipment          | 142,735             | 82,460                              | 60,275                         | 75,344                         |
| Leasehold improvements       | 273,252             | 186,539                             | 86,713                         | 122,594                        |
| Computer software            | 103,211             | 103,211                             | -                              | -                              |
| Vehicles under capital lease | 276,120             | 168,388                             | 107,732                        | 149,156                        |
|                              | <u>\$ 1,518,647</u> | <u>\$ 1,101,073</u>                 | <u>\$ 417,574</u>              | <u>\$ 574,120</u>              |

#### 7. CREDIT FACILITY

The Organization has access to an operating line of credit with a facility limit of \$100,000 which is available for cash flow requirements. No amounts were drawn under this facility in 2019. Any outstanding amount is due on demand and bears interest at the Royal Bank of Canada's prime rate plus 1.5%. The Organization has pledged a general security agreement over all assets as collateral for this facility.



# FURNITURE BANK

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

### 8. DEFERRED REVENUE

Deferred revenue reported in the Statement of Financial Position represents restricted operating funding received in the current period that is related to subsequent periods.

|  | <i>December 31,<br/>2018</i> | <i>Contributions<br/>received</i> | <i>Contributions<br/>expended</i> | <i>December 31,<br/>2019</i> |
|--|------------------------------|-----------------------------------|-----------------------------------|------------------------------|
| Contributions externally restricted for use toward leasehold improvements          | \$ 22,186                    | \$ -                              | \$ -                              | \$ 22,186                    |
| Contributions externally restricted toward certain programs and operating expenses | <u>187,358</u>               | <u>1,209,246</u>                  | <u>1,195,220</u>                  | <u>201,384</u>               |
|  | <u>\$ 209,544</u>            | <u>\$ 1,209,246</u>               | <u>\$ 1,195,220</u>               | <u>\$ 223,570</u>            |

### 9. CAPITAL LEASE OBLIGATION

Capital lease contracts for vehicles bearing implicit interest rates between 6.3% and 6.5% with maturity dates ranging from 2020 to 2021 and cumulative guaranteed residual value of \$69,003 at maturity. All vehicle obligations are unsecured.

|                                   | 2019             |
|-----------------------------------|------------------|
| 2020                              | \$ 69,454        |
| 2021                              | <u>47,577</u>    |
| Total minimum lease payments      | 117,031          |
| Less amount representing interest | <u>(7,399)</u>   |
|                                   | 109,632          |
| Less current portion              | <u>(64,556)</u>  |
|                                   | <u>\$ 45,076</u> |



## FURNITURE BANK

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

#### 10. LONG-TERM DEBT

The Organization had entered into term loans to finance the purchase of trucks. The loans were secured by the underlying trucks in addition to a general security agreement over the Organization's assets.

|   | 2019        | 2018                      |
|---|-------------|---------------------------|
| Truck loan, bore interest at prime plus 3% with monthly blended payments of \$1,510 until early repayment in June 2019. | \$ -        | \$ 15,112                 |
| Truck loan, bore interest at prime plus 3% with monthly blended payments of \$480 until early repayment in June 2019.   | <u>-</u>    | <u>12,971</u>             |
| Less current portion  | <u>-</u>    | <u>28,083</u><br>(20,266) |
| Due beyond one year   | <u>\$ -</u> | <u>\$ 7,817</u>           |

During the year interest expense on the above-noted debt amounted to \$739 (2018 - \$2,349).

#### 11. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions are represented as follows:

|  | <i>Grant</i>      | <i>Amortized<br/>Amount</i> | 2019              | 2018              |
|--|-------------------|-----------------------------|-------------------|-------------------|
| Trucks   | \$ 259,359        | \$ (165,899)                | \$ 93,460         | \$ 131,018        |
| Equipment  | 345,142           | (250,527)                   | 94,615            | 120,683           |
| Leasehold improvements   | 267,002           | (183,076)                   | 83,926            | 118,653           |
| Computer software  | <u>103,198</u>    | <u>(103,198)</u>            | <u>-</u>          | <u>-</u>          |
|  | <u>\$ 974,701</u> | <u>\$ (702,700)</u>         | <u>\$ 272,001</u> | <u>\$ 370,354</u> |
|  |                   |                             | 2019              | 2018              |
| Balance, beginning of year                                       |                   |                             | \$ 370,354        | \$ 356,379        |
| Additions to deferred contributions during the year              |                   |                             | 2,055             | 158,571           |
| Amortization of deferred contributions related to capital assets |                   |                             | <u>(100,408)</u>  | <u>(144,596)</u>  |
| Balance, end of year   |                   |                             | <u>\$ 272,001</u> | <u>\$ 370,354</u> |



## FURNITURE BANK

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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#### 12. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets represents amounts generated by the Organization in a capital building campaign in a prior year. These assets have been internally restricted for use toward the purchase or construction of a building. These assets may not be used for any other purpose without approval from the Board of Directors.

#### 13. DONATED HOUSEHOLD FURNISHINGS

During the year, the Organization received donations of household furnishings of approximately \$5,239,000 (2018 - \$5,406,000). The value of these items have not been included in revenues or expenditures in the statement of operations.

#### 14. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at the reporting date.

##### (a) Credit risk

The Organization is exposed to credit risk with respect to accounts receivable. The Organization assesses, on a continuous basis, trade and other receivables on the basis of amounts it is virtually certain to receive.

##### (b) Interest rate risk

The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed rate instruments subject the Organization to risk of changes in fair value while the floating rate instruments subject it to a cash flow risk. During the year debt with a floating interest rate was repaid.

##### (c) Liquidity risk

Liquidity risk is defined as the risk that the Organization may not be able to settle or meet its obligations as they become due. The Organization manages its liquidity risk by constantly monitoring forecasted and actual cash flows.

Management believes the exposure to the above risks has not changed from the prior year.



## FURNITURE BANK

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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### 15. COMMITMENTS

The Organization is committed to minimum annual lease payments under various operating leases for office and warehouse premises, vehicles, office equipment and services. Premises lease costs include basic rent and a proportionate share of operating costs related to the leased premises. The future minimum payments under the various lease arrangements are as follows:

|            |                   |
|------------|-------------------|
| 2020       | \$ 305,000        |
| 2021       | 274,000           |
| 2022       | 153,000           |
| 2023       | 3,000             |
| 2024       | 3,000             |
| Thereafter | <u>1,000</u>      |
|            | <u>\$ 739,000</u> |

### 16. SUBSEQUENT EVENT

Subsequent to year-end the global spread of COVID-19 has created material uncertainty for business continuity across a broad range of industries and organizations. The economic impact of the virus could be severe and long lasting as unprecedented measures are being taken to mitigate the consequences of the pandemic. Management and the Board of Directors are carefully monitoring and evaluating the impact. The pandemic could impact future operations through reduced revenues, inability to collect receivables or the availability of government funding. At this time it is not practicable to determine the precise impact on the Organization. No adjustments have been made to these financial statements as a result of this uncertainty.

### 17. COMPARATIVE FIGURES

Revenue in the statement of operations has been reclassified, where applicable, to conform to the presentation used in the current year.

