

**The Dr. Bob Kemp Hospice Foundation Inc.**

**Financial Statements**

**March 31, 2020**



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June 2, 2020

## **Independent Auditor's Report**

To the Board of Directors of The Dr. Bob Kemp Hospice Foundation Inc.

### ***Qualified Opinion***

We have audited the financial statements of The Dr. Bob Kemp Hospice Foundation Inc. (the "Foundation"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and 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 and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2020, 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 not-for-profit organizations, the Foundation derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to the current assets reported in the statement of financial position as at March 31, 2020 and the donations and fundraising revenues, excess of revenues over expenses and net assets reported in the statement of operations and changes in net assets and the excess of revenues over expenses reported in the statement of cash flows for the year ended March 31, 2020.

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 Foundation 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.

### ***Other Matter***

The financial statements of the Foundation for the year ended March 31, 2019 were audited by another firm of licensed public accountants who expressed a qualified opinion on those financial statements in their report dated June 4, 2019. The basis for qualification was consistent with that of the current year.

### ***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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

## Independent Auditor's Report, continued

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Foundation 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.

*Pettinelli Mastrolucchi LLP*

Chartered Accountants  
Licensed Public Accountants

Hamilton, Ontario



# The Dr. Bob Kemp Hospice Foundation Inc.

## Statement of Financial Position

March 31, 2020, with comparative information for 2019

|  | 2020                | 2019                |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| Current assets   |                     |                     |
| Cash   | \$ 899,425          | \$ 670,213          |
| Accounts receivable (Note 2)   | 38,583              | 52,432              |
| Prepaid expenses   | 54,543              | 62,029              |
| Cash - Internally designated funds - Camp Keaton and children bereavement (Note 3) | 106,445             | 66,871              |
| Investments - Internal contingency reserve (Note 4)                                | 986,703             | 1,063,341           |
|  | 2,085,699           | 1,914,886           |
| Property and equipment (Note 5)  | 4,115,737           | 3,880,110           |
|  | <u>\$ 6,201,436</u> | <u>\$ 5,794,996</u> |
| <b>Liabilities</b>   |                     |                     |
| Current liabilities  |                     |                     |
| Accounts payable and accrued liabilities (Note 6)                                  | \$ 140,948          | \$ 111,675          |
| Deferred revenue (Note 7)  | 246,540             | 289,765             |
|  | 387,488             | 401,440             |
| Deferred revenue - Camp Keaton and children bereavement (Note 8)                   | 108,055             | 69,922              |
| Deferred capital contributions (Note 9)  | 1,052,897           | 1,000,161           |
|  | <u>1,548,440</u>    | <u>1,471,523</u>    |
| <b>Net Assets</b>  |                     |                     |
| Unrestricted   | 603,453             | 380,183             |
| Internally restricted - contingency reserve (Note 10)                              | 986,703             | 1,063,341           |
| Invested in property and equipment (Note 11)                                       | 3,062,840           | 2,879,949           |
|  | <u>4,652,996</u>    | <u>4,323,473</u>    |
|  | <u>\$ 6,201,436</u> | <u>\$ 5,794,996</u> |
| Commitments (Note 12)  |                     |                     |

See accompanying notes to the financial statements.

APPROVED BY THE BOARD:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# The Dr. Bob Kemp Hospice Foundation Inc.

## Statement of Operations and Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

|  | 2020                | 2019                |
|--|---------------------|---------------------|
| Revenues   |                     |                     |
| Grants   | \$ 1,575,337        | \$ 1,540,853        |
| Donations  | 837,701             | 892,817             |
| Special events   | 438,973             | 469,504             |
| Other  | 47,231              | 87,063              |
|  | <u>2,899,242</u>    | <u>2,990,237</u>    |
| Expenses   |                     |                     |
| Wages and benefits   | 2,049,047           | 1,960,120           |
| Special events   | 157,058             | 205,128             |
| Programs and services  | 104,684             | 114,137             |
| Professional fees  | 85,081              | 107,218             |
| Repairs and maintenance                                      | 80,001              | 55,986              |
| Advertising and promotion                                    | 65,374              | 91,405              |
| Office and general   | 51,664              | 34,103              |
| Utilities  | 50,605              | 48,771              |
| Interest and bank charges                                    | 29,029              | 27,031              |
| Professional development                                     | 20,169              | 5,798               |
| Insurance  | 15,547              | 18,634              |
| Travel   | 8,921               | 8,081               |
|  | <u>2,717,180</u>    | <u>2,676,412</u>    |
| Excess of revenues over expenses before the undernoted items | <u>182,062</u>      | <u>313,825</u>      |
| Other income (expenses)                                      |                     |                     |
| Amortization of deferred capital contributions               | 94,000              | 92,410              |
| Interest income  | 32,950              | 25,295              |
| Realized loss on investments                                 | -                   | (257)               |
| Unrealized (loss) gain on investments                        | (99,054)            | 19,283              |
| Amortization   | (165,435)           | (170,486)           |
|  | <u>(137,539)</u>    | <u>(33,755)</u>     |
| Excess of revenues over expenses for the year                | 44,523              | 280,070             |
| Net assets, beginning of year                                | 4,323,473           | 4,043,403           |
| Donation of land (Note 11)                                   | <u>285,000</u>      | <u>-</u>            |
| Net assets, end of year                                      | <u>\$ 4,652,996</u> | <u>\$ 4,323,473</u> |

See accompanying notes to the financial statements.

# The Dr. Bob Kemp Hospice Foundation Inc.

## Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

|   | 2020                | 2019              |
|---|---------------------|-------------------|
| Cash flows from (used in) operating activities                            |                     |                   |
| Excess of revenues over expenses for the year                             | \$ 44,523           | \$ 280,070        |
| Items not involving cash  |                     |                   |
| Amortization of property and equipment                                    | 165,435             | 170,486           |
| Amortization of deferred capital contributions                            | (94,000)            | (92,410)          |
| Unrealized loss (gain) on investments                                     | 99,054              | (19,283)          |
|   | <u>215,012</u>      | <u>338,863</u>    |
| Net change in non-cash working capital balances relating to operations    |                     |                   |
| Decrease (increase) in accounts receivable                                | 13,849              | (13,484)          |
| Decrease in prepaid expenses  | 7,486               | 15,475            |
| Increase (decrease) in accounts payable and accrued liabilities           | 29,273              | (45,717)          |
| Decrease in deferred revenue  | (5,092)             | (73,701)          |
|   | <u>45,516</u>       | <u>(117,427)</u>  |
|   | <u>260,528</u>      | <u>221,436</u>    |
| Cash flows from (used in) investing activities                            |                     |                   |
| Purchase of property and equipment  | (16,062)            | (122,319)         |
| Purchases of investments, net   | (128,939)           | (181,640)         |
|   | <u>(145,001)</u>    | <u>(303,959)</u>  |
| Cash flows from (used in) financing activity                              |                     |                   |
| Contributions received for property and equipment                         | 46,736              | 109,081           |
| Net increase in cash during the year                                      | 162,263             | 26,558            |
| Cash at beginning of the year   | 848,891             | 822,333           |
| Cash at end of the year   | <u>\$ 1,011,154</u> | <u>\$ 848,891</u> |
| Cash consists of:   |                     |                   |
| Cash  | \$ 899,425          | \$ 670,213        |
| Cash - Internally designated funds - Camp Keaton and children bereavement | 106,445             | 66,871            |
| Investments - Internal contingency reserve                                | 5,284               | 111,807           |
|   | <u>\$ 1,011,154</u> | <u>\$ 848,891</u> |

See accompanying notes to the financial statements.

# The Dr. Bob Kemp Hospice Foundation Inc.

## Notes to Financial Statements

Year ended March 31, 2020

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### Nature of operations

The Dr. Bob Kemp Hospice Foundation Inc. (the "Foundation") is a not-for-profit organization operating as a registered charity within the meaning assigned in Section 149 of the Income Tax Act, and as a result, is exempt from income tax. The Foundation's purpose is to provide palliative care in a free standing hospice located in the Hamilton region.

### 1. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations as found in Part III of the CPA Handbook. The Foundation's significant accounting policies are as follows:

#### Revenue recognition

The Foundation follows the deferral method of accounting for contributions which includes donations, grants and special events.

Contributions from donations and special events that are unrestricted are recorded as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Grants approved but not received at the end of an accounting period are accrued.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized. Contributions restricted for the purchase of property and equipment are deferred and amortized into revenue at a rate consistent with the amortization rate of the related property and equipment. Restricted contributions for the purchase of land or donations of land and other non-depreciable capital property are reported as direct increases to the Foundation's net assets.

Net investment income is recognized as earned.

#### Property and equipment

Property and equipment are recorded at cost, less accumulated amortization. Property and equipment are amortized over the estimated useful lives of the related assets. Amortization is provided using the declining balance method and following annual rates:

|                        |     |
|------------------------|-----|
| Buildings              | 4%  |
| Furniture and fixtures | 20% |
| Computer equipment     | 30% |

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



# The Dr. Bob Kemp Hospice Foundation Inc.

## Notes to Financial Statements

Year ended March 31, 2020

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### 1. Significant accounting policies, continued

#### Cash

Cash includes cash on hand and held with financial institutions, net of outstanding cheques and deposits. Cash also includes cash equivalent investments with original maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk of change in their fair value.

#### Investments

Investments are recorded at fair market value.

#### Contributed goods and services

The Foundation records the fair value of donated materials and services, determined based on arm's length market values, which they would normally have incurred as operating expenses with the exception of volunteer time.

#### Financial Instruments

##### (i) Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Changes in fair value are recognized in the excess of revenues over expenses in the period incurred. The Foundation has not elected to carry any such financial instrument at fair value.

##### (ii) Impairment

For financial assets and measured at cost or amortized cost, the Foundation determines whether there are indications of possible impairment. When there is an indication of impairment, and the Foundation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in the excess of revenues over expenses. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of revenues over expenses.

##### (iii) Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the excess of revenues over expenses in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the liability and recognized in the excess of revenues over expense over the life of the instrument using the straight-line method.



# The Dr. Bob Kemp Hospice Foundation Inc.

## Notes to Financial Statements

Year ended March 31, 2020

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### 1. Significant accounting policies, continued

#### Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

### 2. Accounts receivable

|                                 | 2020             | 2019             |
|---------------------------------|------------------|------------------|
| HST rebate receivable           | \$ 26,024        | \$ 36,968        |
| Other receivable - grant income | 12,559           | 15,128           |
| Interest income receivable      | -                | 336              |
|                                 | <u>\$ 38,583</u> | <u>\$ 52,432</u> |

### 3. Cash - Internally designated funds - Camp Keaton and children bereavement

Internally designated funds - Camp Keaton and children bereavement are to be used in the operations of Camp Keaton and children bereavement and are comprised of:

|      | 2020              | 2019             |
|------|-------------------|------------------|
| Cash | <u>\$ 106,445</u> | <u>\$ 66,871</u> |

### 4. Investments - Internal contingency reserve

|                           | 2020                |                   | 2019                |                     |
|---------------------------|---------------------|-------------------|---------------------|---------------------|
|                           | Book Value          | Market Value      | Book Value          | Market Value        |
| Cash and cash equivalents | \$ 5,284            | \$ 5,284          | \$ 111,807          | \$ 111,807          |
| Fixed income              | 136,559             | 136,559           | 18,253              | 18,253              |
| Mutual funds              | 369,225             | 369,225           | 424,088             | 424,088             |
| Equities                  | <u>539,171</u>      | <u>475,635</u>    | <u>528,476</u>      | <u>509,193</u>      |
|                           | <u>\$ 1,050,239</u> | <u>\$ 986,703</u> | <u>\$ 1,082,624</u> | <u>\$ 1,063,341</u> |

# The Dr. Bob Kemp Hospice Foundation Inc.

## Notes to Financial Statements

Year ended March 31, 2020

### 5. Property and equipment

|                        | Cost                | Accumulated<br>Amortization | 2020<br>Net Book<br>Value | 2019<br>Net Book<br>Value |
|------------------------|---------------------|-----------------------------|---------------------------|---------------------------|
| Land                   | \$ 775,000          | \$ -                        | \$ 775,000                | \$ 490,000                |
| Buildings              | 5,153,955           | 1,952,440                   | 3,201,515                 | 3,232,828                 |
| Furniture and fixtures | 866,157             | 736,156                     | 130,001                   | 148,533                   |
| Computer equipment     | 81,908              | 72,687                      | 9,221                     | 8,749                     |
|                        | <u>\$ 6,877,020</u> | <u>\$ 2,761,283</u>         | <u>\$ 4,115,737</u>       | <u>\$ 3,880,110</u>       |

### 6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$23,259 (2019 - \$22,047), which includes amounts payable for payroll related taxes.

### 7. Deferred revenue

Deferred revenue relates to expenses of future periods and is comprised of unspent externally restricted grants and donations for specific programs. The change in the deferred revenue balance is as follows:

|  | 2020              | 2019              |
|--|-------------------|-------------------|
| Balance, beginning of year   | \$ 289,765        | \$ 375,903        |
| Add: Grants and donations raised                                     | 297,971           | 384,114           |
| Less: Funds used for operations                                      | (318,281)         | (470,252)         |
| Less: Amounts transferred to deferred capital contributions (Note 9) | <u>(22,915)</u>   | <u>-</u>          |
| Balance, end of year   | <u>\$ 246,540</u> | <u>\$ 289,765</u> |

### 8. Deferred revenue - Camp Keaton and children bereavement

Deferred revenue relates to expenses of future periods for Camp Keaton and children bereavement and is comprised of unspent externally restricted donations. The change in the deferred revenue balance related to Camp Keaton and children bereavement is as follows:

|                                 | 2020              | 2019             |
|---------------------------------|-------------------|------------------|
| Balance, beginning of year      | \$ 69,922         | \$ 57,485        |
| Add: Donations raised           | 61,312            | 121,046          |
| Less: Funds used for operations | <u>(23,179)</u>   | <u>(108,609)</u> |
| Balance, end of year            | <u>\$ 108,055</u> | <u>\$ 69,922</u> |

# The Dr. Bob Kemp Hospice Foundation Inc.

## Notes to Financial Statements

Year ended March 31, 2020

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### 9. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of grants and donations received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations. The change in the balance of deferred capital contributions is as follows:

|   | 2020                | 2019                |
|---|---------------------|---------------------|
| Balance, beginning of year                              | \$ 1,000,161        | \$ 983,490          |
| Add: Capital contributions received in the year         | 23,821              | 109,081             |
| Add: Donated assets (Note 11)                           | 100,000             | -                   |
| Add: Amounts transferred from deferred revenue (Note 7) | 22,915              | -                   |
| Less: Amortization of deferred capital contributions    | (94,000)            | (92,410)            |
| Balance, end of year                                    | <u>\$ 1,052,897</u> | <u>\$ 1,000,161</u> |

During the 2007 fiscal year the Foundation received a \$1.5 million interest free loan from the City of Hamilton. The proceeds of this loan were used on the construction of the Foundation's facility. In March 2011 the City of Hamilton forgave the loan. The capital contribution will be amortized over a 20 year period which is the term outlined by the City of Hamilton. The amortization of this contribution in the year amounted to \$75,000 (2019 - \$75,000).

In accordance with the forgiven loan agreement with the City of Hamilton, if the operation of the Foundation ceases due to bankruptcy, wind up or dissolution, a writ of execution becomes binding against the building, the building is disposed of without the City of Hamilton's approval or the building is used for other than hospice services, the entire amount of the initial grant will become repayable.

The capital contribution is secured by a lien on the land and building.

### 10. Internally restricted - contingency reserve

In 2015 the Foundation established an internally restricted contingency reserve for use for specific capital initiatives and other provisions as established in the policies of the Board of Directors. During the year the Foundation transferred \$Nil (2019 - \$275,203) to the contingency reserve. Interest and dividends were earned on the investments during the year totaling \$32,950 (2019 - \$25,295). The reserve is not available for other purposes without the approval of the Board of Directors.



# The Dr. Bob Kemp Hospice Foundation Inc.

## Notes to Financial Statements

Year ended March 31, 2020

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### 11. Invested in property and equipment

Net assets invested in property and equipment is calculated as follows:

|   | 2020                | 2019                |
|---|---------------------|---------------------|
| Property and equipment (Note 5)                             | \$ 4,115,737        | \$ 3,880,110        |
| Amounts financed by deferred capital contributions (Note 9) | <u>(1,052,897)</u>  | <u>(1,000,161)</u>  |
|   | <u>\$ 3,062,840</u> | <u>\$ 2,879,949</u> |

During the year, the Foundation received donated land and building with an appraised fair value of \$385,000 which has been included in property and equipment. The estimated value attributed to the building of \$100,000 has been added to deferred capital contributions as at March 31, 2020 and will be amortized into revenue over the estimated useful life of the asset. The estimated value attributed to the land of \$285,000 has been included as a direct increase in the Foundation's net assets.

### 12. Commitments

The Foundation leases various equipment pursuant to operating lease agreements. Annual lease commitments for the related equipment are as follows:

|      |                 |
|------|-----------------|
| 2021 | \$ 1,323        |
| 2022 | <u>708</u>      |
|      | <u>\$ 2,031</u> |

### 13. Credit facilities

The Foundation's credit facilities include a line of credit in the amount of \$200,000, bearing interest at prime plus 0.75% per annum. As at the year-end date, this credit facility was unused (2019 - \$Nil).

These facilities are secured by a general security agreement constituting a first ranking security interest in all property of the Foundation.

### 14. Donations in-kind

These financial statements include donations in-kind of \$9,795 (2019 - \$27,201) recorded as expenses in special events and programs and services at their fair value. The offsetting contributions have been recorded in donations and special events revenue.

# The Dr. Bob Kemp Hospice Foundation Inc.

## Notes to Financial Statements

Year ended March 31, 2020

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### 15. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

#### (a) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held. The Foundation is exposed to price risk through its investments quoted in active markets. There has been no change to the risk exposures from 2019.

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk primarily through its floating interest rate credit facilities. There has been no change to the risk exposure from 2019.

#### (c) Liquidity risk

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from 2019.

### 16. Subsequent events

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus ("COVID-19"), a pandemic resulting in economic uncertainties potentially affecting the Foundation's cash flows, financial condition and results of operations. It is not possible to reliably estimate the length or effect of these developments due to uncertainties including the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and actions that may be taken by government authorities to contain COVID-19 or to treat its impact.

### 17. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year results.