Financial Statements of

THE ELLIOTT

Year ended December 31, 2019

THE ELLIOTT

Table of Contents

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Elliott

Opinion

We have audited the financial statements of The Elliott (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and changes in deficit for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Entity's financial reporting process.

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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

April 30, 2020

THE ELLIOTT

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	$ 1,845,650	$ 259,976
Accounts receivable (note 2)	178,788	85,376
Inventory	5,402	3,975
Prepaid expenses	65,306	44,958
Trust funds held for residents	4,970	5,212
	2,100,116	399,497
Fair value of interest rate swap contract (note 5)	-	7,324
Capital assets (note 3)	14,413,384	13,359,696
	$ 16,513,500	$ 13,766,517
Liabilities, Deferred Contributions and Deficit		
Current liabilities:		
Revolving lease line of credit (note 4)	$ 1,385,415	$ -
Accounts payable and accrued liabilities	2,166,825	1,304,110
Deferred revenue	111,433	11,026
Trust funds held for residents	4,970	5,212
Current portion of long-term debt (note 5)	877,221	852,727
Current portion of obligations under capital leases (note 6)	208,387	248,095
	4,754,251	2,421,170
Long-term liabilities:		
Long-term debt (note 5)	14,925,648	15,799,388
Obligations under capital leases (note 6)	37,225	245,612
	14,962,873	16,045,000
Fair value of interest rate swap contract (note 5)	2,311	-
Employee future benefits obligation (note 7)	475,589	426,733
Deferred capital contributions (note 8)	896,554	604,313
	1,374,454	1,031,046
	21,418,400	19,497,216
Deficit:		
Deficit	(4,575,767)	(5,738,023)
Accumulated remeasurement gains (losses)	(2,311)	7,324
	(4,578,078)	(5,730,699)
Subsequent event (note 14)		
	$ 16,513,500	$ 13,766,517

See accompanying notes to financial statements.

On behalf of the Board:

D. A. Kenny Director

Director

THE ELLIOTT

Statement of of Operations and Changes in Deficit

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Long-Term Care - Basic	$ 1,812,784	$ 1,770,865
Long-Term Care - Preferred	483,501	462,567
Retirement Suites	6,305,857	6,261,062
Life Lease Suites	621,319	602,714
Provincial Subsidy	4,622,016	4,563,752
City of Guelph - Long-Term Care Funding	1,341,634	1,302,896
Suite re-leasing (note 10)	178,775	194,800
Fees and recoveries	440,558	385,198
Amortization of deferred capital contributions	193,017	130,667
Community Centre	218,588	232,467
Other revenue	86,939	92,718
	16,304,988	15,999,706
Expenses:		
Wages and salaries	8,419,133	8,170,144
Employee benefits	1,968,642	1,888,017
Supplies	1,287,739	1,252,374
Facility costs	1,150,181	1,105,990
Minor equipment, repairs and maintenance	536,367	504,636
Amortization of capital assets	983,078	934,811
Interest and financing fees	578,167	601,824
Purchased services	319,566	330,602
Administrative and other	172,963	182,376
Accretion of deferred financing costs	3,481	3,481
	15,419,317	14,974,255
Excess of revenue and expenses before other revenue and expenses	885,671	1,025,451
Other revenue and expenses:		
Bequests	291,170	-
Fundraising revenue	62,311	64,420
Grant revenue	87,629	-
Enhanced living fundraising expenses	(76,896)	(26,767)
Grant expenses	(87,629)	-
	276,585	37,653
Annual surplus	1,162,256	1,063,104
Deficit, beginning of year	(5,738,023)	(6,801,127)
Deficit, end of year	$ (4,575,767)	$ (5,738,023)

See accompanying notes to financial statements.

THE ELLIOTT

Statement of Remeasurement Gains and Losses

Year ended December 31, 2019, with comparative information for 2018

		2019		2018
Accumulated remeasurement gains, beginning of the year	$	7,324	$	5,426
Remeasurement (loss) gain attributable to interest rate swap agreement		(9,635)		1,898
Accumulated remeasurement gains (losses), end of the year	$	(2,311)	$	7,324

See accompanying notes to financial statements.

THE ELLIOTT

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operation activities:		
Annual surplus	$ 1,162,256	$ 1,063,104
Items not involving cash:		
Amortization of capital assets	983,078	934,811
Amortization of deferred capital contributions	(193,017)	(130,667)
Accretion of deferred financing costs	3,481	3,481
Employee future benefits obligation	48,856	45,368
	2,004,654	1,916,097
Changes in non-cash operating working capital:		
Accounts receivable	(93,412)	225,711
Inventory	(1,427)	1,600
Prepaid expenses	(20,348)	(19,362)
Accounts payable and accrued liabilities	384,952	(79,004)
Deferred revenue	100,407	(64,517)
	2,374,826	1,980,525
Financing activities:		
Repayment of operating line of credit	-	(130,000)
Repayment of long-term debt	(852,727)	(827,861)
Principal repayments on capital leases	(248,095)	(240,622)
	(1,100,822)	(1,198,483)
Capital activities:		
Purchase of capital assets	(173,588)	(784,131)
Capital contributions received	485,258	251,352
	311,670	(532,779)
Increase in cash	1,585,674	249,263
Cash, beginning of year	259,976	10,713
Cash, end of year	$ 1,845,650	$ 259,976
Non-cash transactions:		
Capital assets under construction financed by revolving lease line of credit and accounts payable	$ 1,863,178	$ -

See accompanying notes to financial statements.

The Elliott is incorporated under the laws of the Province of Ontario and its principal business activity is the provision of sheltered care and services for seniors.

On January 31, 2015, The Elliott surrendered its long-term care license to the Ministry of Health and Long-Term Care (now the Ministry of Long-Term Care). Subsequently the Corporation of the City of Guelph ("City of Guelph") was approved to operate the same long-term care beds. As part of this transfer, The Elliott was designated as the City of Guelph's long-term care home.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with the Chartered Professional Accountants of Canada Handbook - Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

(a) Basis of presentation:

These financial statements include the operations of:

Long-term care residence - reflects the activities associated with the provision of care in the full nursing arrangements of the long-term care facility.

Life lease suites - reflects the activities associated with the operation of the life lease suites.

Retirement suites - reflects the activities associated with the operation of the retirement facility.

(b) Revenue recognition:

The Elliott follows the deferral method of accounting for contributions which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of buildings and equipment are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate of the related buildings and equipment.

Revenue from suite re-leasing, preferred accommodation, interest, as well as income from parking and other ancillary operations, is recognized when the goods are sold or the service is provided.

1. Significant accounting policies (continued):

(c) Cash and cash equivalents:

Cash and cash equivalents consist of cash, bank overdrafts and investments in money market or other short-term instruments or investments with a maturity of less than 90 days.

(d) Inventory:

Inventory is valued at the lower of cost on a first-in, first-out basis, and replacement cost.

(e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. Capital assets are recorded at cost and amortized as follows:

Asset	Method	Rate
Buildings	Straight-line	40 years
Building improvements	Straight-line	5-20 years
Machinery and equipment	Straight-line	5-15 years
Vehicles	Straight-line	10 years
Equipment under capital leases	Straight-line	over the lease term

The estimated useful lives of capital assets are reviewed by management and adjusted if necessary.

Capital assets under construction are not amortized until the project is complete and the capital asset is available for use.

(f) Employee future benefits:

The Elliott provides sick leave benefits for substantially all employees.

The Elliott accrues its obligations under the defined benefit plan as the employees render the services necessary to earn the compensated absences. The actuarial valuation of the benefit plan was performed as of December 31, 2019.

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees which is 15.8 years. Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

1. Significant accounting policies (continued):

(g) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported 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. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

Long-term debt is recorded at cost. The related interest rate swaps are recorded at fair value.

1. Significant accounting policies (continued):

(h) Financial instruments (continued):

Canadian Public Sector Accounting Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 Observable or corroborated inputs; other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(i) Multi-employer pension plan:

The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period.

(j) Use of estimates:

The preparation of the financial statements 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 expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, and obligations related to employee future benefits. Actual results could differ from those estimates.

2. Accounts receivable:

	2019	2018
HST receivable	$ 119,599	$ 41,509
Residents	48,314	22,100
Other	10,875	21,767
Less allowance for doubtful accounts	-	-
	$ 178,788	$ 85,376

3. Capital assets:

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Buildings	$ 34,691,626	$ 23,454,002	$ 11,237,624	$ 11,900,754
Building improvements	877,880	61,740	816,140	-
Machinery and equipment	3,544,343	3,163,970	380,373	403,074
Vehicles	77,847	48,654	29,193	39,977
Construction in progress	1,715,376	-	1,715,376	537,943
	40,907,072	26,728,366	14,178,706	12,881,748
Equipment under capital lease	1,064,134	829,456	234,678	477,948
	$ 41,971,206	$ 27,557,822	$ 14,413,384	$ 13,359,696

Included in construction in progress is $1,715,376 (2018 - $nil) that will be refinanced in 2020 under a long-term capital lease, within the revolving lease line of credit limit of $2,000,000, upon completion of the capital project.

The above buildings and equipment do not include those assets related to the life lease suites building and equipment other than the cost of the security system and common area renovations. The terms and conditions of suite-leasing transfer the responsibility and stewardship of the individual suites to the residents occupying the suites.

4. Revolving lease line of credit:

The Elliott has a revolving lease line of credit available of up to $2,000,000 to fund the leasing of capital assets, of which $1,385,415 is drawn at year end (2018 - $nil). Advances under the line of credit bear interest at bank prime rate, in the period before a capital project is complete and a long-term capital lease is entered into.

In 2018, the City of Guelph Council approved the additional financing for the revolving lease line of credit of $2,000,000.

5. Long-term debt:

	2019	2018
Mortgage held by the City of Guelph bearing interest at 3.119%, payable in monthly installments of $93,000 for principal and interest, maturing December 25, 2036	$ 14,661,045	$ 15,308,772
Banker's acceptance, with interest of 2.07% per annum fixed through a swap transaction, plus a stamping fee of 0.8% for a total of 2.87%, payable in varying installments of principal and interest, maturing June 25, 2025	1,201,000	1,406,000
	15,862,045	16,714,772
Less current portion of long-term debt	877,221	852,727
	14,984,824	15,862,045
Less transaction costs	59,176	62,657
	$ 14,925,648	$ 15,799,388

The repayment terms of the mortgage held with the City of Guelph have payments due 30 days from the invoice date, being the payment due date under the mortgage agreement. The mortgage is secured by a general security agreement over assets and property of The Elliott.

The Elliott is a party to an interest rate swap agreement to manage the volatility of interest rates. The maturity date of the interest rate swap is the same as the maturity date of the banker's acceptance, being June 25, 2025.

The fair value of the interest rate swap at December 31, 2019 is in a net unfavourable position of $2,311 (2018 - $7,324 net favourable) which is recorded on the statement of financial position. The current year impact of the change in fair value of the interest rate swap is a decrease of the accumulated remeasurement gains in the statement of remeasurement gains and losses of $9,635 (2018 - $1,898 in losses decrease).

The fair value of the interest rate swap has been determined using Level 3 of the fair value hierarchy. The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

5. Long-term debt (continued):

Principal repayments on the long-term debt are due as follows:

2020	$	877,221
2021		901,363
2022		929,174
2023		954,676
2024		982,889
Thereafter		11,216,722
	$	15,862,045

Interest expense on long-term debt for the year ended December 31, 2019 amounted to $505,911 (2018 - $531,551).

6. Obligations under capital leases:

The Elliott has financed various equipment purchases by entering into capital lease arrangements. Capital lease repayments are due as follows:

		2019		2018
2019	$	-	$	257,733
2020		213,492		213,492
2021		38,448		38,448
Total minimum lease payments		251,940		509,673
Less amount representing interest at 3.16% and 3.04%		6,328		15,966
Present value of net minimum capital lease payments		245,612		493,707
Current portion of obligations under capital leases		208,387		248,095
Long-term portion of obligations under capital leases	$	37,225	$	245,612

Interest for the year ended December 31, 2019 of $11,576 (2018 - $18,951) relating to capital lease obligations has been included in interest expense.

7. Employee future benefits obligation:

Full time employees are provided with sick leave of 7.5 hours per month which, if unused, can accumulate to a maximum of 450 hours for use in future periods. Continuous part-time employees receive 3.75 hours per month and can accumulate at most 225 hours. Part-time employees receive 1.88 hours per month and can accumulate at most 225 hours. Flexible part-time employees do not receive sick leave.

Hourly paid employees are compensated at 75% for the first two days of illness and 100% for subsequent days. Salaried employees receive 100% reimbursement.

Accumulated credits may be used in future years if the employee's illness or injury exceeds the annual allocation of credits.

The main actuarial assumptions employed for the valuations are as follows:

	2019	2018
Discount rate	3.00%	3.00%
Rate of compensation increase	2.00%	2.00%

Information about The Elliott's sick leave benefit plan is as follows:

	2019	2018
Balance, beginning of year	$ 468,322	$ 425,386
Current benefit cost	68,390	66,398
Interest	14,530	13,208
Benefits paid	(36,362)	(36,670)
Actuarial loss	(30,080)	-
Balance, end of year	484,800	468,322
Unamortized actuarial loss	(9,211)	(41,589)
Accrued benefit obligation related to accumulated sick leave benefits	$ 475,589	$ 426,733

8. Deferred capital contributions:

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

		2019		2018
Balance, beginning of year	$	604,313	$	483,628
Add City of Guelph - Long-Term Care funding - Capital		212,000		212,000
Add other capital contributions received during the year		273,258		39,352
Less amounts amortized to revenue during the year		(193,017)		(130,667)
Balance, end of year	$	896,554	$	604,313

Deferred capital contributions include unspent restricted capital contributions from the City of Guelph of $nil (2018 - $3,513).

9. Multiemployer defined benefit pension plan:

The Elliott makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of full-time members of staff and eligible part-time staff. The plan is a defined benefit pension plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2019 was $594,628 (2018 - $552,784) for current service.

The latest available report for the OMERS plan was as at December 31, 2019. At that time the plan reported a $3.4 billion actuarial deficit, based on actuarial liabilities of $106.4 billion and actuarial net assets of $103.0 billion. Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

10. Suite re-leasing fees:

The Elliott provides a service coordinating the re-leasing of the life lease suites.

	2019	2018
Suite re-leasing revenue	$ 1,940,500	$ 2,063,000
Suite re-leasing costs	(1,761,725)	(1,868,200)
	$ 178,775	$ 194,800

11. The Elliott Endowment Fund:

The Elliott has a permanent endowment fund established under an agreement with the Guelph Community Foundation. Under the terms of this agreement, the invested capital cannot be withdrawn and only the related income can be paid to The Elliott.

The estimated market value of The Elliott Endowment Fund and the income earned during the year from the endowment fund are as follows:

	2019	2018
Market value	$ 11,493	$ 10,688
Income (loss)	804	390

12. Financial risks

(a) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

Financial assets and financial liabilities with variable interest rates expose The Elliott to cash flow interest rate risk. The Elliott is exposed to this risk through its interest bearing long-term debt, which is mitigated through its interest rate swap and its revolving lease line of credit.

12. Financial risks (continued):

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Elliott is exposed to credit risk with respect to the accounts receivable and cash.

The Elliott assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of The Elliott at December 31, 2019 is the carrying value of these assets. The amount of any related impairment loss is recognized in the income statement. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations.

(c) Liquidity risk:

Liquidity risk is the risk that The Elliott will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Elliott manages its liquidity risk by monitoring its operating requirements. The Elliott prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

The contractual maturities of long-term debt, capital leases and interest rate swaps are disclosed in notes 5 and 6.

13. Comparative information:

Certain comparative information has been reclassified from those previously presented to conform to the presentation of the December 31, 2019 financial statements.

14. Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, The Elliott has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- The Great Escape annual fund raising event scheduled for April 5, 2020 has been postponed until September 13, 2020; and
- Closure of facilities to the public from March 14, 2020 to the date of the auditors' report based on public health recommendations.

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.