

**Cross-Country Ski de Fond Canada
o/a Nordiq Canada**

Financial Statements

March 31, 2021



Independent Auditors' Report

To: The Members of **Cross-Country Ski de Fond Canada o/a Nordiq Canada**

Opinion

We have audited the financial statements of Cross-Country Ski de Fond Canada o/a Nordiq Canada (the "Organization"), which comprise the statement of financial position as at March 31, 2021, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the 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 opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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 these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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.

Independent Auditors' Report (continued)

- 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 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 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.

June 18, 2021
Calgary, Alberta



Chartered Professional Accountants

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Financial Position

As at March 31,

2021

2020

Assets

Current assets

| | | |
|-------------------------------|------------------|------------------|
| Cash (Note 5) | \$ 623,788 | \$ 969,174 |
| Restricted cash (Note 9) | 1,058,802 | 121,080 |
| Accounts receivable | 264,717 | 300,891 |
| Prepaid expenses and deposits | 39,476 | 46,755 |
| Inventory | 31,898 | 36,753 |
| | <u>2,018,681</u> | <u>1,474,653</u> |

Restricted investments (Note 6)

673,597 608,403

Internally restricted cash (Note 6)

1,326,819 -

Equipment (Note 7)

61,183 92,847

\$ 4,080,280 \$ 2,175,903

Liabilities and Net Assets

Current liabilities

| | | |
|--|------------------|------------------|
| Accounts payable and accrued liabilities | \$ 932,102 | \$ 985,927 |
| Government assistance payable (note 3) | 27,778 | - |
| Deferred contributions (Note 9) | 1,058,802 | 121,080 |
| | <u>2,018,682</u> | <u>1,107,007</u> |

Deferred capital contributions (Note 8)

24,183 39,190

2,042,865 1,146,197

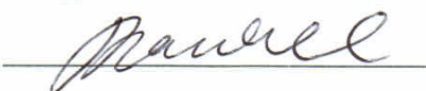
Net assets

| | | |
|--------------------------------------|------------------|------------------|
| Invested in equipment | 37,000 | 53,656 |
| Internally restricted funds (Note 6) | 2,000,415 | 608,403 |
| Unrestricted | - | 367,647 |
| | <u>2,037,415</u> | <u>1,029,706</u> |

\$ 4,080,280 \$ 2,175,903

Approved on behalf of the Board:

 Director

 Director

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Operations

| Year ended March 31, | 2021 | 2020 |
|---|---------------------|-------------------|
| Revenues | | |
| Government and OTP contributions | \$ 2,682,230 | \$ 2,581,226 |
| Membership, association and athlete fees | 1,129,873 | 1,099,351 |
| Division and training center directed donations | 713,663 | 344,126 |
| Commercial sponsors | 400,110 | 470,071 |
| Donations in kind (Note 10) | 257,000 | 289,900 |
| Fundraising projects | 53,899 | 178,725 |
| National Winter Sports Association | 50,000 | 150,020 |
| COC and CAC support | 39,161 | 204,103 |
| Sale of supplies | 24,368 | 37,473 |
| Miscellaneous | 15,017 | 27,100 |
| | <u>5,365,321</u> | <u>5,382,095</u> |
| Expenses | | |
| Able-bodied high performance program | 1,356,924 | 1,471,999 |
| Para-nordic high performance program | 862,463 | 1,367,309 |
| Administration | 739,324 | 761,811 |
| Division and training center directed donations | 708,895 | 340,059 |
| Coaching development | 303,632 | 215,824 |
| Promotion and marketing | 156,656 | 150,346 |
| Athlete development | 150,436 | 212,706 |
| High performance development | 131,330 | 120,510 |
| Events | 123,484 | 226,469 |
| Membership support | 83,409 | 78,190 |
| Media relations | 30,750 | 20,811 |
| World Cup expense | 5,004 | 9,177 |
| | <u>4,652,307</u> | <u>4,975,211</u> |
| Excess of revenues over expenses before other income | <u>713,014</u> | <u>406,884</u> |
| Other income (losses) | | |
| Government assistance (Note 3) | 230,598 | - |
| Gain (loss) on restricted investments | 42,375 | (31,508) |
| Interest income | 15,236 | 18,378 |
| Gain on sale of equipment | 6,486 | - |
| Excess of revenues over expenses | <u>\$ 1,007,709</u> | <u>\$ 393,754</u> |

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Changes in Net Assets

Year ended March 31,

| | 2021 | | | |
|---|--------------|-----------------------------------|--------------------------|---------------------|
| | Unrestricted | Internally restricted funds | Invested in equipment | Total |
| Balance, beginning of year | \$ 367,647 | \$ 608,403 | \$ 53,656 | \$ 1,029,706 |
| Excess (deficiency) of revenues over expenses | 952,997 | 55,354 | (642) | 1,007,709 |
| Invested in equipment | 16,014 | - | (16,014) | - |
| Transfers | (1,336,658) | 1,336,658 | - | - |
| Balance, end of year | \$ - | \$ 2,000,415 | \$ 37,000 | \$ 2,037,415 |

| | 2020 | | | |
|---|-------------------|-----------------------------------|--------------------------|---------------------|
| | Unrestricted | Internally restricted funds | Invested in equipment | Total |
| Balance, beginning of year | \$ 320,784 | \$ 247,591 | \$ 67,577 | \$ 635,952 |
| Excess (deficiency) of revenues over expenses | 419,433 | (11,758) | (13,921) | 393,754 |
| Transfers | (372,570) | 372,570 | - | - |
| Balance, end of year | \$ 367,647 | \$ 608,403 | \$ 53,656 | \$ 1,029,706 |

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Cash Flows

| Year ended March 31, | 2021 | 2020 |
|--|---------------------|---------------------|
| Operating activities: | | |
| Excess of revenues over expenses | \$ 1,007,709 | \$ 393,754 |
| Items not affecting cash: | | |
| Amortization | 15,651 | 24,568 |
| (Gain) loss on restricted investments | (42,375) | 31,508 |
| Gain on sale of equipment | (6,486) | - |
| Reinvested restricted income | (12,978) | (14,750) |
| Amortization of deferred capital contributions | (15,007) | (10,647) |
| | <u>946,514</u> | <u>424,433</u> |
| | | |
| Changes in non-cash working capital items | | |
| Accounts receivable | 36,172 | 228,917 |
| Prepaid expenses and deposits | 7,279 | 40,452 |
| Inventory | 4,855 | (6,931) |
| Accounts payable and accrued liabilities | (53,825) | 200,864 |
| Deferred contributions | 937,722 | (17,361) |
| | <u>1,878,717</u> | <u>870,374</u> |
| | | |
| Investing activities | | |
| Purchase of investments | (9,840) | (377,570) |
| Proceeds from sale of vehicle | 22,500 | - |
| | <u>12,660</u> | <u>(377,570)</u> |
| | | |
| Increase in cash | 1,891,377 | 492,804 |
| | | |
| Cash, beginning of year | 1,090,254 | 597,450 |
| Cash, end of year | <u>\$ 2,981,631</u> | <u>\$ 1,090,254</u> |

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2021

1. Nature of operations

Cross-Country Ski de Fond Canada o/a Nordiq Canada (the “Organization”) is incorporated under the Not-for-Profit Corporations Act, continuing the operations of the Canadian Ski Organization – Cross Country Discipline. It serves as the governing body of Cross Country Skiing in Canada and is a registered Canadian amateur athletic Organization under the Income Tax Act which is exempt from corporate tax. The Organization’s operations are dependent on funding received from government grants, corporate sponsors, and members.

The accompanying financial statements reflect the assets, liabilities, and operating results of the Organization. These statements do not reflect the assets, liabilities, or operating results of any of the affiliated entities of the Organization.

2. Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepting accounting principles, specifically Canadian accounting standards for not-for-profit organizations.

3. Novel coronavirus (“COVID-19”)

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19” was declared a global pandemic by the World Health Organization on March 11, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requiring periodic closures of non-essential businesses, requesting the public to stay home as much as possible, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

As a result of the pandemic and government measures the Organization cancelled cross country skiing events through out the current year. The Organization has received government assistance of \$258,376 in the form of the Canada Emergency Wage Subsidies. These amounts have been recorded in other income. There are no additional amounts accrued or to be received related to this program. Any liability to repay government assistance is recognized in the period in which conditions of repayment arise. Amounts payable at year are included in government assistance payable.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2021

4. Significant accounting policies

(a) Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair market value, except for certain non-arm's length transactions. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost, except for restricted marketable securities, which are measured at fair market value. Changes in fair market value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents, restricted cash, internally restricted cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 net income.

(b) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. Other assets, liabilities and items affecting earnings are translated into Canadian dollars at rates of exchange in effect at the date of the transaction. Gains or losses arising from these foreign currency transactions are included in the determination of income.

(c) Cash and cash equivalents

The Organization considers all bank accounts and bank loans that are utilized periodically for day to day operations, and all investments with maturities of three months or less or guaranteed investment certificates that are redeemable to be cash equivalents.

(d) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Previous write-downs to net realizable value are reversed to the extent there is a subsequent increase in the net realizable value of the inventories.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2021

4. Significant accounting policies (continued)

(e) Equipment

Equipment is recorded at cost. The Organization provides for amortization using the declining balance method at rates designed to amortize the cost of the equipment over their estimated useful lives. A half year of amortization is recorded in the year of acquisition and no amortization is recorded in the year of disposal. The annual amortization rates are as follows:

| | |
|-----------------------------|------|
| Wax truck | 20% |
| National Ski Team equipment | 20% |
| Computer equipment | 30% |
| Vehicles | 30% |
| Ski Grinder | 20% |
| Computer software | 100% |
| Generator | 20% |
| Office equipment | 20% |

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable and exceeds fair value. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value. In assessing fair value, discounted cash flow calculations are considered.

(f) Net assets invested in equipment

Net assets invested in equipment comprise the net book value of equipment less the unamortized balance of deferred capital contributions and loans payable used to purchase the equipment.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2021

4. Significant accounting policies (continued)

(g) Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions, membership fees and amounts from fundraising projects are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are initially deferred and recognized as revenue in the year in which the related expenses are incurred.

Operating reserve contributions are reported as direct increases of net assets. Net investment incomes earned on internally restricted investments which are held in the operating reserve are recognized in the statement of operations.

Revenue from sales of inventory is recognized when title passes to customers, which is generally at the time goods are shipped if the amount to be received can be reasonably estimated and collection is reasonably assured.

(h) Contributed materials and services

The Organization and its athletes receive materials and services that are donated free of charge by manufacturers and suppliers. In addition, other marketing services, and training resources are donated to the Organization. The donated materials and services that would have otherwise been purchased by the Organization are recorded at fair market value when such value can be reasonably estimated. The fair market value of these resources is reported in revenue as donations in kind and as expenses in the programs to which they relate.

The amounts recorded for donations in kind and donated materials and services are based on management estimates of fair market value. By their nature, these estimates are subject to measurement uncertainty.

5. Overdraft lending agreement

An overdraft lending agreement has been authorized to a maximum of \$190,000 and bears interest at the Bank of Montreal's prime lending rate plus 2.875%. The loan is repayable on demand. No amount is outstanding on the loan at year end.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2021

6. Internally restricted funds

The board of directors has internally restricted funds to sustain future financial operations and to fund management initiatives not otherwise funded for within the operating budget. Restricted investments were invested in the Canadian Olympic Fund during 2021 and 2020. Internally restricted reserves are related to:

| | 2020 | | | 2021 | |
|-----------------------------------|---------------------------------|--|--------------------------------|----------------------------|--|
| | Balance beginning of year | Excess of revenue over expenses | Board approved transfers | Balance, end of year | |
| Operating reserve | \$ 483,482 | \$ 46,801 | \$ (20,000) | \$ 510,283 | |
| Safety in sport reserve | 20,000 | - | 20,000 | 40,000 | |
| Total operating reserve | 503,482 | 46,801 | - | 550,283 | |
| Nordiq Canada development fund | 104,921 | 8,553 | 9,840 | 123,314 | |
| Strategic priorities fund | - | - | 1,326,818 | 1,326,818 | |
| | <u>\$ 608,403</u> | <u>\$ 55,354</u> | <u>\$ 1,336,658</u> | <u>\$ 2,000,415</u> | |

Operating and safety in sport reserve

The operating and safety in sport reserve was established as part of Nordiq Canada's risk management strategy. The reserve is to ensure financial sustainability upon any potential unforeseen financial need.

Nordiq Canada development fund

The Nordiq Canada development fund is a reserve for the purpose of developing high performance athletes. Funds within the reserve earn interest income and annual disbursements are made to support approved projects.

Strategic priorities fund

The strategic priorities fund was established in the current year as a result of unanticipated membership growth and budget impacts, both related to the COVID-19 pandemic. This fund has been established to fund planned management initiatives that are not otherwise funded through standard operations.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2021

7. Equipment

| | | | 2021 | | 2020 | |
|-----------------------------|-------------------|---------------------------------|-----------------------|-----------------------|-------------|--|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value | | |
| Wax truck | \$ 227,794 | \$ 184,798 | \$ 42,996 | \$ 53,743 | | |
| National Ski Team equipment | - | - | - | 11,286 | | |
| Computer equipment | 62,011 | 60,015 | 1,996 | 2,851 | | |
| Vehicles | - | - | - | 4,729 | | |
| Ski Grinder | 43,104 | 27,214 | 15,890 | 19,862 | | |
| Computer software | 18,600 | 18,600 | - | - | | |
| Generator | 7,981 | 7,960 | 21 | 26 | | |
| Office equipment | 2,485 | 2,205 | 280 | 350 | | |
| | \$ 361,975 | \$ 300,792 | \$ 61,183 | \$ 92,847 | | |

8. Deferred capital contributions

Deferred capital contributions represent donations directed for the purchase of specific capital equipment. These donations are amortized into revenues on the same basis as the cost of the associated capital equipment is amortized into expenses. The changes in the deferred capital contributions balance for the year are as follows:

| | 2021 | | 2020 | |
|--------------------------------|-------------|----------|-------------|----------|
| Balance, beginning of the year | \$ | 39,190 | \$ | 49,837 |
| Amount to amortize to revenue | | (15,007) | | (10,647) |
| Balance, end of the year | \$ | 24,183 | \$ | 39,190 |

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2021

9. Deferred contributions

Deferred contributions represent grants from the Canadian Olympic Committee and Sport Canada to subsidize programs to be undertaken by the Organization. Such grants are offset against expenses of the relevant programs as expenses are incurred.

| | <u>2021</u> | <u>2020</u> |
|-----------------------------------|---------------------|-------------------|
| Balance, beginning of the year | \$ 121,080 | \$ 138,441 |
| Restricted contributions received | 1,058,802 | 121,080 |
| Utilized, during the year | <u>(121,080)</u> | <u>(138,441)</u> |
| Balance, end of the year | <u>\$ 1,058,802</u> | <u>\$ 121,080</u> |

Of the restricted contributions received, \$731,669 are allocated surplus funds related to Sport Canada funding. As a result of COVID-19, the timeframe in which funds were to be used was extended. These funds will be used toward the same objectives in the following year.

10. Donated materials and services

During the year, \$257,000 (2020 - \$289,900) in materials and services were received as donations in kind from various sponsors and contributors. Of this amount, \$257,000 (2020 - \$285,900) is included in the high-performance programs expense and \$nil (2020 - \$4,000) is included in administration expenses.

11. 2020 World Cup events

These financial statements do not include the assets, liabilities, revenues or expenditures related to the 2020 Quebec City and Canmore FIS Cross Country Ski World Cup events (the "Events") for which the Organization acted as an agent. The Events were scheduled to take place from March 14 -16, 2020, and March 20-22, 2020, respectively, however, due to the outbreak of the COVID-19 pandemic, the events were cancelled. The revenues and expenses for the Events were primarily the responsibility of Quebec Winter Events Corporation, Gestev and the Alberta World Cup Society, however, due to the event cancellations, the Organization has refunded certain amounts received, but no longer required in the current year. The cash contributions for the year that the Organization refunded on behalf of the organizing committee are as follows:

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2021

| 11. 2020 World Cup events (continued) | 2021 | 2020 |
|--|-------------|-------------|
| Cash balance, beginning of year | \$ - | \$ 537,471 |
| Refunds/ contributions received | 12,333 | 552,989 |
| Refunds/ Expenditures paid | (12,333) | (1,090,460) |
| Cash balance, end of the year | \$ - | \$ - |

The Organization also has \$nil (2020 - \$160,000) in receivables and \$nil (2020 - \$160,000) in payables related to the Events which are not included in these financial statements.

12. Trust funds

These financial statements do not include trust funds of \$2,092,850 (2020 - \$1,700,384) held on behalf of athletes at year end. The investment of these funds is at the direction of the athletes to outside investment advisors retained by the athletes. The trust funds are quoted at fair market value and have not been audited as part of these financial statements.

13. Expenses incurred for fundraising

Expenses incurred for soliciting donations and commercial sponsorship were \$47,455 (2020 - \$99,654) including \$15,099 (2020 - \$54,595) paid to employees involved in fundraising.

14. Financial instruments

The Organization's use of financial instruments and its exposure to risks associated with such instruments arises out of its normal course of operations and investing activities. Operations are located in both western and eastern Canada.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Organization does not use derivative instruments to reduce its exposure to foreign currency risk.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from contributors; however, the Organization's contributors are primarily government organizations and corporate sponsors, which minimize credit risk. Credit risk is managed by the Organization through monitoring procedures.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2021

14. Financial instruments (continued)

Financial assets

The carrying amounts of financial assets recognized in the financial statements consist of:

| | <u>2021</u> | <u>2020</u> |
|-------------------------------|---------------------|---------------------|
| Measured at amortized cost | \$ 3,274,126 | \$ 1,391,145 |
| Measured at fair market value | <u>673,596</u> | <u>608,403</u> |
| | <u>\$ 3,947,722</u> | <u>\$ 1,999,548</u> |

15. Comparative figures

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