

TL'ETINQOX GOVERNMENT
CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

**TL'etinqox Government
Consolidated Financial Statements
For the year ended March 31, 2021**

Consolidated Financial Statements

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TL ETINQOX GOVERNMENT

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CHIEF AND COUNCIL AND MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Tl'etinqox Government are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Tl'etinqox Government maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

Tl'etinqox Government is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through the Nation's Council.

Chief and Council review the Nation's consolidated financial statements and recommend their approval. Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report. Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. Chief and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited by FBB Chartered Professional Accountants LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. FBB Chartered Professional Accountants LLP has full access to Chief and Council.

Chief

D Bursey

Director of Finance



INDEPENDENT AUDITOR'S REPORT

To Chief and Council
Tl'etinqox Government

Opinion

We have audited the consolidated financial statements of the Tl'etinqox Government, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Tl'etinqox Government as at March 31, 2021, and its financial performance and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with ethical requirements that are relevant to our audit of the consolidated 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.

Comparative Information

The consolidated financial statements of the First Nation for the year ended March 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements dated February 8, 2021. Certain of the figures for the year ended March 31, 2020 were restated as disclosed in Note 20.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

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



INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 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 First Nation'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 First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



CHARTERED
PROFESSIONAL
ACCOUNTANTS LLP

Ryan Broughton, CPA, CA*

Partner

Quan Cheng, CPA, CA*

Partner

*Denotes incorporated professional

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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.

*FBB Chartered Professional
Accountants LLP*

February 8, 2022
Quesnel, British Columbia

FBB Chartered Professional Accountants LLP

TL'etinqox Government
Consolidated Statement of Financial Position
For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
		Restated
FINANCIAL ASSETS		
Cash (Note 2)	\$ 2,367,275	\$ -
Restricted cash (Note 3)	2,061,989	627,101
Accounts receivable (Note 4)	1,804,058	1,795,761
Investment in government business entities (Note 5)	463,182	971,112
Due from related parties (Note 6)	1,545,821	194,153
Inventory	<u>13,750</u>	<u>61,684</u>
	<u>8,256,075</u>	<u>3,649,811</u>
LIABILITIES		
Bank indebtedness (Note 2)	-	252,828
Accounts payable (Note 7)	1,783,368	1,448,879
Deferred revenue (Note 8)	1,511,632	1,382,446
Long-term debt (Note 9)	<u>1,347,188</u>	<u>1,501,751</u>
	<u>4,642,188</u>	<u>4,585,904</u>
NET FINANCIAL ASSETS (DEBT)	<u>3,613,887</u>	<u>(936,093)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	106,997	299,490
Tangible capital assets (Note 10)	<u>22,083,358</u>	<u>20,436,037</u>
	<u>22,190,355</u>	<u>20,735,527</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 25,804,242</u>	<u>\$ 19,799,434</u>

Approved on behalf of the First Nation:




TL'etinqox Government
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	<u>2021</u> Budget	<u>2021</u>	<u>2020</u> Restated
REVENUE (Note 8 and 16)			
Indigenous Services Canada	\$ 10,873,076	\$ 11,100,791	\$ 6,025,892
Gas Bar Sales	2,500,000	2,094,671	2,392,097
First Nations Health Authority	1,812,243	2,036,919	1,870,371
Other Revenue	1,132,975	1,727,463	1,404,867
Province of British Columbia	3,506,081	1,893,400	1,001,260
First Nations Education Steering Committee	456,934	657,233	540,209
Rental Revenue	319,569	245,679	240,671
Government of Canada	71,148	162,081	95,030
Cariboo Chilcotin Aboriginal Training Employment Centre	15,000	71,184	50,034
Administration	54,473	43,564	46,800
Interest	1,500	1,129	4,945
Income (Loss) Government Business Enterprises	-	301,574	(42,347)
Change in Deferred Revenue	<u>752,463</u>	<u>(129,186)</u>	<u>418,131</u>
	<u>21,495,462</u>	<u>20,206,502</u>	<u>14,047,960</u>
EXPENSES (Note 14 and 16)			
Administration	1,339,628	1,364,262	1,448,290
Operations and Maintenance	520,650	521,263	718,075
Education	3,301,041	2,533,275	2,347,746
Emergency Management	171,900	432,463	212,406
Health and Wellness	1,921,459	1,502,235	2,112,050
Housing	323,603	362,279	338,648
Forest Resource Opportunity	51,704	82,397	51,702
Own Source	166,128	209,709	203,754
Social Development	2,546,209	2,093,574	1,951,071
Capital	7,090,787	3,077,443	107,884
Gas Bar	<u>2,393,500</u>	<u>2,022,794</u>	<u>2,319,779</u>
	<u>19,826,609</u>	<u>14,201,694</u>	<u>11,811,405</u>
ANNUAL SURPLUS	<u>\$ 1,668,853</u>	<u>6,004,808</u>	<u>2,236,555</u>
ACCUMULATED SURPLUS, BEGINNING OF THE YEAR (Note 20)		<u>19,799,434</u>	<u>17,562,879</u>
ACCUMULATED SURPLUS, END OF THE YEAR		<u>\$ 25,804,242</u>	<u>\$ 19,799,434</u>

TL'etinqox Government
Consolidated Statement of Changes In Net Financial Assets
For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
		Restated
ANNUAL SURPLUS	<u>\$ 6,004,808</u>	<u>\$ 2,236,555</u>
TANGIBLE CAPITAL ASSETS		
Purchase of tangible capital assets	(2,855,267)	(2,456,693)
Loss on disposal of tangible capital assets	105,179	-
Amortization of tangible capital assets	<u>1,102,767</u>	<u>973,085</u>
	<u>(1,647,321)</u>	<u>(1,483,608)</u>
NON-FINANCIAL ASSETS		
Change in prepaid expense	<u>192,493</u>	<u>(224,120)</u>
INCREASE IN NET FINANCIAL ASSETS	<u>4,549,980</u>	<u>528,827</u>
NET FINANCIAL DEBT, BEGINNING OF THE YEAR	<u>(936,093)</u>	<u>(1,464,920)</u>
NET FINANCIAL ASSETS (DEBT), END OF THE YEAR	<u>\$ 3,613,887</u>	<u>\$ (936,093)</u>

Tl'etinqox Government
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
		Restated
OPERATING ACTIVITIES		
Annual surplus	\$ 6,004,808	\$ 2,236,555
Items not involving cash		
Trust income	(4,741)	(5,070)
Loss on disposal of tangible capital assets	105,179	-
Amortization of tangible capital assets	<u>1,102,767</u>	<u>973,085</u>
	<u>7,208,013</u>	<u>3,204,570</u>
Changes in non-cash working capital items		
Accounts receivable	(8,297)	(369,136)
Inventory	47,934	33,826
Prepaid expenses	192,493	(224,120)
Accounts payable	334,489	341,639
Deferred revenue	<u>129,186</u>	<u>(418,131)</u>
	<u>695,805</u>	<u>(635,922)</u>
Cash from operations	<u>7,903,818</u>	<u>2,568,648</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	<u>(2,790,032)</u>	<u>(2,456,693)</u>
INVESTING ACTIVITIES		
Restricted cash	(1,430,147)	(534,023)
Advances to related parties	(1,351,668)	(71,683)
Investment in government business entities	507,930	243,376
Investment property additions	<u>-</u>	<u>(100,569)</u>
	<u>(2,273,885)</u>	<u>(462,899)</u>
FINANCING ACTIVITIES		
Long-term debt repayment	<u>(219,798)</u>	<u>(211,093)</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	2,620,103	(562,037)
(BANK INDEBTEDNESS) CASH, BEGINNING OF THE YEAR	(252,828)	309,209
CASH (BANK INDEBTEDNESS), END OF THE YEAR	\$ 2,367,275	\$ (252,828)
NON-CASH CAPITAL AND FINANCING ACTIVITIES		
Tangible capital assets acquired with proceeds of long-term debt	\$ 65,235	

TL'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CPA Canada Public Sector Accounting Handbook which encompasses the following principles.

Reporting Entity and Principles of Financial Reporting - Consolidation

TL'etinqox Government (the “Nation”) reporting entity includes TL'etinqox Government and all related entities, which are accountable to TL'etinqox Government and are either owned or controlled by the TL'etinqox Government.

Investments in Government Business Entities

Business entities which are owned or controlled by the Nation, and which are not dependent on the Nation for their continuing operations, are included in the summary financial statements using the modified equity method. These include:

- TL'etinqox Government Economic Development Corporation
- TL'etinqox Government Economic Development Corporation Limited Liability Partnership (LLP)
- Dechen Ventures Ltd.
- Chilcotin River Trading Company Ltd.
- BCFN Gaming Revenue Sharing Limited Partnership

Financial Instruments

The Nation recognizes and measures financial assets and financial liabilities on the statement of financial position when it becomes a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade date or settlement date basis. All financial instruments are measured at fair value on the initial recognition. Financial instruments are subsequently measured at amortized cost as the Nation has not entered into any derivative contracts and it does not hold any investments in equity instruments quoted on the active market. Since no financial instruments are measured at fair value after the initial recognition, a Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is measured using the average weighted cost method.

Revenue Recognition

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. Gains are recognized when realized. Items not practically measurable until cash is received are accounted for at that time.

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability in which case are recognized as deferred revenue and recognized in the statement of operations as the stipulation liabilities are settled.

TI'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

All other revenue is recognized in the period in which the events that give rise to the revenue occurs.

Funding Recoveries and Reimbursements

Funding received from federal government sources in the form of conditional transfer payments are subject to recovery, by the Crown, of unexpended balances or unallowable expenses. The Crown may also reimburse over expenditures upon determining adherence to the terms and conditions of payment for a specified purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

Ottawa Trust Fund

TI'etinqox Government uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized in the revenue of the Nation upon withdrawal from the Ottawa Trust Fund.

Deferred Revenue

Funds which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Cash

Cash and cash equivalents consist of cash on hand, bank balances and bank overdrafts with maturities of three months or less.

Impairment of Long-lived Assets

In the event that facts and circumstances indicate that the Nation's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The Nation considers that no circumstances exist that would require such an evaluation.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates included in these financial statements include the valuation of accounts receivable, accuracy of accounts payable, the useful life of tangible capital assets and the calculation of deferred revenue.

Tangible Capital Assets

Tangible capital assets are initially recorded at acquisition cost or cost of construction. Contributed tangible capital assets are recorded at their fair value at date of contribution.

TI'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure.

Amortization

Tangible capital assets are amortized annually with a corresponding reduction in equity in tangible capital assets. Tangible capital assets are amortized over their expected useful lives on a declining balance basis at the following rates:

Automotive	30%
Buildings	4%
Computers and software	100%
Infrastructure	4%
Office and furnishings	20-30%

Assets under construction are not amortized until fully in use.

2. CASH (BANK INDEBTEDNESS)

Cash is held in Canadian Chartered Banks and earns interest at the current prevailing rates for business operating accounts.

Bank indebtedness includes overdraft of \$1,000,000 (2020 - \$1,000,000), at a variable rate of prime plus 0.5%. Bank indebtedness is secured by general security agreement.

3. RESTRICTED CASH

	2021	2020
BCFN Gaming revenue sharing	\$ 1,063,125	\$ 534,023
Capital Funds – internally restricted	901,045	-
Ottawa Trust revenue fund	69,814	69,814
Ottawa Trust capital fund	<u>28,005</u>	<u>23,264</u>
	<u>\$ 2,061,989</u>	<u>\$ 627,101</u>

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. These funds are restricted in their use. The Nation is permitted to use revenue for any purpose that will promote the general progress and welfare of the Nation and Nation members. The expenditures of capital funds require the consent of Indigenous Services Canada and must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended

TI'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

4. ACCOUNTS RECEIVABLE

Accounts receivable by program area is summarized as follows:

	<u>2021</u>	2020
		Restated
Account receivable - Government	\$ 590,198	\$ 771,991
Account receivable - Other	712,171	483,877
Accrued receivable - Wildfire	<u>501,689</u>	<u>539,893</u>
	<u><u>\$ 1,804,058</u></u>	<u><u>\$ 1,795,761</u></u>

During the summer of 2017, the community of the TI'etinqox Government was impacted by wildfires.

As a result, the Nation recorded the following:

	<u>2021</u>	2020
Accrued wildfire receivables	\$ 813,504	\$ 813,504
Less allowance for doubtful accounts	<u>(311,815)</u>	<u>(273,611)</u>
Net accrued wildfire receivables	<u><u>\$ 501,689</u></u>	<u><u>\$ 539,893</u></u>

It is the Nation's policy to record management's best estimate of the amount of expenses related to the wildfire that will be recoverable. Actual amounts received could be different. On August 17, 2020, TI'etinqox Government filed application and entered into litigation with the Government of Canada on the basis that the decision by Indigenous Services Canada to deny reimbursement of the majority of these wildfire expenditures was unreasonable. The results of these proceedings are unknown at March 31, 2021.

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES

The Nation has investments in the following entities:

	<u>2021</u>	2020
TI'etinqox Government Economic Development LLP - 99%	\$ 318,121	\$ (7,467)
TI'etinqox Government Economic Development Corporation - 100%	141,658	141,100
Dechen Ventures Ltd. – 100%	4,641	4,624
Dechen Ventures LLP	-	811,004
Chilcotin River Trading Company Ltd. – 100%	(1,348)	-
BC Gaming LP	<u>110</u>	<u>21,851</u>
	<u><u>\$ 463,182</u></u>	<u><u>\$ 971,112</u></u>

TL'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

TL'etinqox Government Economic Development Corporation LLP

TL'etinqox Government Economic Development Corporation LLP, a partnership between TL'etinqox Government and TL'etinqox Government Economic Development Corporation, is registered under the Companies Act of the Province of BC. The partnership operates equipment rental operations.

A summary of the financial results for the year then ended is presented as follows:

BALANCE SHEET
March 31, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets	\$ 331,324	\$ 265,282
INVESTMENT IN PARTNERSHIPS	1,186,100	-
PROPERTY AND EQUIPMENT	257,282	94,388
	<u>\$ 1,774,706</u>	<u>\$ 359,670</u>
LIABILITIES		
Current liabilities	\$ 99,121	\$ 55,910
LONG TERM LIABILITIES	1,357,214	311,303
PARTNERSHIP EQUITY (DEFICIENCY), END OF THE YEAR	318,371	(7,543)
	<u>\$ 1,774,706</u>	<u>\$ 359,670</u>

TL'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

TL'etinqox Government Economic Development Corporation LLP, continued

INCOME STATEMENTS
For the Year Ended March 31, 2021

	2021	2020
REVENUE	\$ 712,694	\$ 365,760
EXPENSES	387,780	431,852
NET INCOME (LOSS)	324,914	(66,092)
PARTNERSHIP (DEFICIENCY) EQUITY, BEGINNING OF THE YEAR	(7,543)	58,549
PARTNERSHIP EQUITY (DEFICIENCY), END OF THE YEAR	\$ 317,371	\$ (7,543)

STATEMENT OF PARTNERS' EQUITY
For the Year Ended March 31, 2021

	2021	2020
EQUITY, TL'ETINQOX GOVERNMENT		
Balance, beginning of year	\$ (7,467)	\$ 57,964
Income for the year	<u>324,589</u>	<u>(65,431)</u>
	317,122	(7,467)
EQUITY, TL'ETINQOX GOVERNMENT ECONOMIC DEVELOPMENT CORP.		
Balance, beginning of the year	(76)	585
Income for the year	<u>325</u>	<u>(661)</u>
	249	(76)
BALANCE, END OF THE YEAR	\$ 317,371	\$ (7,543)

TI'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

TI'etinqox Government Economic Development Corporation

TI'etinqox Government Economic Development Corporation is a wholly owned subsidiary of TI'etinqox Government, incorporated under the Business Corporations Act of British Columbia. The company was established to act as the general partner of TI'etinqox Government Economic Development LLP.

A summary of the financial results for the year then ended is presented as follows:

	BALANCE SHEET March 31, 2021	2021	2020
ASSETS		\$ -	\$ 348
PARTNERSHIP INTEREST (DEFICIENCY)		249	(76)
DUE FROM RELATED PARTY		142,859	142,278
		<u>\$ 143,108</u>	<u>\$ 142,550</u>
LIABILITIES			
Current liabilities		\$ 1,450	\$ 1,450
SHAREHOLDER'S EQUITY			
Share capital		100	1
Retained earnings		141,558	141,099
		<u>141,658</u>	<u>141,100</u>
		<u>\$ 143,108</u>	<u>\$ 142,550</u>

TL'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

TL'etinqox Government Economic Development Corporation, continued

INCOME STATEMENT
For the Year Ended March 31, 2021

	<u>2021</u>	<u>2020</u>
REVENUE	\$ 459	\$ (661)
EXPENSES	-	2,267
NET INCOME	459	(2,928)
INCOME TAXES (RECOVERY)	-	(348)
NET INCOME (LOSS)	459	(2,580)
RETAINED EARNINGS, BEGINNING OF THE YEAR	141,099	143,679
RETAINED EARNINGS, END OF THE YEAR	\$ 141,558	\$ 141,099

Chilcotin River Trading Company Ltd.

Chilcotin River Trading Company Ltd. is a wholly owned subsidiary of TL'etinqox Government, incorporated under the Business Corporations Act of British Columbia. The company was established to act as the general partner of Chilcotin River Trading Company LLP.

A summary of the financial results for the year then ended is presented as follows:

Balance Sheet
March 31, 2021

ASSETS	\$ 102	\$ -
CURRENT LIABILITY	\$ 1,450	\$ -
SHAREHOLDER'S DEFICIENCY		
Share Capital	100	-
Deficit	(1,448)	-
	(1,348)	-
	\$ 102	\$ -

TL'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Chilcotin River Trading Company Ltd., continued

Income Statement
For the Period Ended March 31, 2021

REVENUE	\$ 2	\$ -
EXPENSES	<u>1,450</u>	-
NET LOSS	<u>\$ (1,448)</u>	\$ -

Dechen Ventures Ltd.

Dechen Ventures Ltd. is a wholly owned subsidiary of TL'etinqox Government, incorporated under the Business Corporations Act of British Columbia. The company was established to act as the general partner of Dechen Ventures Limited Liability Partnership.

A summary of the financial results for the year then ended is presented as follows:

Balance Sheet March 31, 2021			
CURRENT ASSET	\$ -	\$ 235	
INVESTMENT IN PARTNERSHIP	<u>6,341</u>	5,739	
DUE FROM RELATED PARTY	<u>100</u>	100	
	<u>\$ 6,441</u>	<u>\$ 6,074</u>	
CURRENT LIABILITY	<u>\$ 1,800</u>	<u>\$ 1,450</u>	
SHAREHOLDER'S EQUITY			
Share Capital	100	100	
Retained Earnings	<u>4,541</u>	<u>4,524</u>	
	<u>4,641</u>	<u>4,624</u>	
	<u>\$ 6,441</u>	<u>\$ 6,074</u>	

TL'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Dechen Ventures Ltd., continued

Income Statement
For the Year Ended March 31, 2021

REVENUE	\$ 373	\$ 57
EXPENSES	<u>356</u>	<u>2,132</u>
NET INCOME (LOSS)	17	(2,075)
INCOME TAXES (RECOVERY)	<u>-</u>	<u>(238)</u>
NET INCOME (LOSS)	17	(1,837)
RETAINED EARNINGS, BEGINNING OF YEAR	<u>4,524</u>	<u>6,361</u>
RETAINED EARNINGS, END OF YEAR	<u><u>\$ 4,541</u></u>	<u><u>\$ 4,524</u></u>

BCFN Gaming Revenue Sharing Limited Partnership

A summary of the financial results for the year then ended is presented as follows:

	2021	2020
PARTNERSHIP INTEREST		
Partnership units	\$ 110	\$ 110
Partnership equity	<u>-</u>	<u>21,741</u>
	<u>110</u>	<u>21,851</u>
	<u><u>\$ 110</u></u>	<u><u>\$ 21,851</u></u>

Tl'etinqox Government
Notes to the Consolidated Financial Statements
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6. DUE (TO) FROM RELATED PARTIES

	<u>2021</u>	<u>2020</u>
Dechen Ventures Limited Partnership	\$ 125,308	\$ 29,744
Dechen Ventures Ltd.	(100)	-
Chilcotin River Trading Company Ltd.	(100)	-
Chilcotin River Trading Company LLP	444,397	-
Tl'etinqox Government Economic Development Corp.	(100)	-
Tl'etinqox Government Economic Development LLP	<u>976,416</u>	<u>164,409</u>
	<u><u>\$ 1,545,821</u></u>	<u><u>\$ 194,153</u></u>

7. ACCOUNTS PAYABLE

	<u>2021</u>	<u>2020</u>
		Restated
Operating	\$ 1,606,350	\$ 1,274,832
Funding recoverable	96,046	124,746
Government remittances payable	<u>80,972</u>	<u>49,301</u>
	<u><u>\$ 1,783,368</u></u>	<u><u>\$ 1,448,879</u></u>

8. DEFERRED REVENUE

	2020	Additions	Releases	2021
Indigenous Services Canada	\$ 1,312,446	\$ 944,294	\$ (1,312,446)	\$ 944,294
Province of British Columbia	<u>70,000</u>	<u>567,338</u>	<u>(70,000)</u>	<u>567,338</u>
	<u><u>\$ 1,382,446</u></u>	<u><u>\$ 1,511,632</u></u>	<u><u>\$ (1,382,446)</u></u>	<u><u>\$ 1,511,632</u></u>

TI'etinqox Government
Notes to the Consolidated Financial Statements
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8. DEFERRED REVENUE, continued

Revenue Reconciliation

	2021	2020
		Restated
Indigenous Services Canada		
Revenue per Funding Agreement	\$ 11,100,791	\$ 6,025,892
Deferred previous year	1,312,446	1,705,577
Deferred current year	<u>(944,294)</u>	<u>(1,312,446)</u>
	<u>\$ 11,468,943</u>	<u>\$ 6,419,023</u>
Government of Canada		
Revenue per Funding Agreement	\$ -	\$ 95,030
Deferred previous year	<u>-</u>	<u>25,000</u>
	<u>\$ -</u>	<u>\$ 120,030</u>
Province of British Columbia		
Revenue per Funding Agreement	\$ 1,893,400	\$ 1,001,260
Deferred Previous Year	70,000	70,000
Deferred Current Year	<u>(567,338)</u>	<u>(70,000)</u>
	<u>\$ 1,396,062</u>	<u>\$ 1,001,260</u>

TI'etinqox Government
Notes to the Consolidated Financial Statements
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9. LONG-TERM DEBT

	2021	2020
Mortgage term loan, Bank of Montreal, repayable in monthly instalments of \$2,566, including interest at 3.95% per annum, secured by a Government of Canada ministerial guarantee, maturing November 11, 2026	\$ 250,794	\$ 284,889
Mortgage term loan, Peace Hills, repayable in monthly instalments of \$3,575, including interest at 4.25% per annum, secured by a Government of Canada ministerial guarantee, maturing December 2024	149,036	179,920
Demand loan, Bank of Montreal repayable in monthly instalments of \$2,451, including interest at prime plus 0.5% per annum (2.45% March 31, 2021) secured by a general security agreement	191,830	215,222
Fixed term loan, Bank of Montreal, repayable in monthly installments of \$4,181, including interest at 3.14% per annum, secured by a general security agreement, maturing February 28, 2022	589,784	620,954
First Truck Centre Vancouver, loan repayable in monthly installments of \$1,278, including interest at 5.9% per annum, secured by specific equipment	7,529	21,960
Inland Kenworth, loan repayable in monthly installments of \$4,309, including interest at 5.69% per annum, secured by specific equipment	70,211	116,480
Ford Credit, non-interest-bearing loan repayable in bi-weekly installments of \$438, maturing June 22, 2022	14,003	25,381
Ford Credit, non-interest-bearing loan repayable in bi-weekly installments of \$637, maturing June 22, 2022	20,383	36,945
Ford Credit, conditional sales contract repayable in monthly installments of \$1,256 including interest at 5.84% per annum, maturing March 20025	53,618	-
Less loan on demand	1,347,188	1,501,751
Less current portion	191,830	215,222
	<u>221,745</u>	<u>211,349</u>
	<u><u>\$ 933,613</u></u>	<u><u>\$ 1,075,180</u></u>

TL'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. LONG-TERM DEBT, continued

Under the terms of the Bank of Montreal loan agreements, compliance is required with certain financial covenants.

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2022	\$ 221,745
2023	168,557
2024	145,106
2025	138,560
2026 and thereafter	673,220

10. TANGIBLE CAPITAL ASSETS

	2021		2020 Restated	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automotive equipment	\$ 1,787,491	\$ 1,408,565	\$ 1,599,878	\$ 1,290,040
Buildings	18,801,159	6,958,132	19,039,945	6,612,610
Computers and software	77,315	50,082	77,315	38,411
Infrastructure	13,501,351	4,851,817	11,153,759	4,478,602
Office and furnishings	1,145,220	751,767	1,146,830	814,836
Assets under construction	<u>791,185</u>	<u>-</u>	<u>652,809</u>	<u>-</u>
	<u>\$ 36,103,721</u>	<u>\$ 14,020,363</u>	<u>\$ 33,670,536</u>	<u>\$ 13,234,499</u>
Net book value		<u>\$ 22,083,358</u>		<u>\$ 20,436,037</u>

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Notes to the Consolidated Financial Statements
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10. TANGIBLE CAPITAL ASSETS, continued

							2021
	Automotive	Buildings	Computer and software	Infrastructure	Office Furnishings	Assets Under Construction	Total
Cost							
Opening balance	\$ 1,599,878	\$ 19,039,945	\$ 77,315	\$ 11,153,759	\$ 1,146,830	\$ 652,809	\$ 33,670,536
Additions	187,613	-	-	2,347,592	181,686	138,376	2,855,267
Disposals	-	(238,786)	-	-	(183,296)	-	(422,082)
Closing balance	1,787,491	18,801,159	77,315	13,501,351	1,145,220	791,185	36,103,721
Accumulated amortization							
Opening balance	1,290,040	6,612,610	38,411	4,478,602	814,836	-	13,234,499
Amortization	118,525	493,459	11,671	373,215	105,897	-	1,102,767
Disposals	-	(147,937)	-	-	(168,966)	-	(316,903)
Closing balance	1,408,565	6,958,132	50,082	4,851,817	751,767	-	14,020,363
Net book value	\$ 378,926	\$ 11,843,027	\$ 27,233	\$ 8,649,534	\$ 393,453	\$ 791,185	\$ 22,083,358
							2020
	Automotive	Buildings	Computer and software	Infrastructure	Office Furnishings	Assets Under Construction	Restated Total
Cost							
Opening balance	\$ 1,599,878	\$ 17,497,906	\$ 77,315	\$ 10,986,082	\$ 1,052,662	\$ -	\$ 31,213,843
Additions	-	1,542,039	-	167,677	94,168	652,809	2,456,693
Closing balance	1,599,878	19,039,945	77,315	11,153,759	1,146,830	652,809	33,670,536
Accumulated amortization							
Opening balance	1,160,519	6,143,237	21,738	4,204,590	731,330	-	12,261,414
Amortization	129,521	469,373	16,673	274,012	83,506	-	973,085
Closing balance	1,290,040	6,612,610	38,411	4,478,602	814,836	-	13,234,499
Net book value	\$ 309,838	\$ 12,427,335	\$ 38,904	\$ 6,675,157	\$ 331,994	\$ 652,809	\$ 20,436,037

Tl'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

11. ACCUMULATED SURPLUS

	<u>2021</u>	<u>2020</u>
		Restated
Operating	\$ 5,214,933	\$ 1,027,601
Equity in Tangible Capital Assets	<u>20,491,490</u>	18,678,755
Equity in Government Trust	<u>97,819</u>	93,078
	<u><u>\$ 25,804,242</u></u>	<u><u>\$ 19,799,434</u></u>

12. COMMITMENTS

Tl'etinqox Government is required to make the following future minimum lease payments on operating lease obligations over the next five years:

2022	\$ 21,295
2023	6,642
2024	5,241
2025	<u>874</u>
	<u><u>\$ 34,052</u></u>

13. EMPLOYEE BENEFITS

The Nation has a defined contribution plan providing pension benefits to eligible employees. Contributions payable by the Nation at year end were \$ 9,094 (2020 - \$26,554).

TL'etinqox Government
Notes to the Consolidated Financial Statements
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14. EXPENSE BY OBJECT

	2021 Budget	2021	2020 Restated
Activities	\$ 71,600	\$ 1,130	\$ 98,852
Advertising	38,000	3,363	24,650
Allowances	452,671	558,373	409,090
Amortization	15,000	1,102,767	973,085
Bad debts	-	95,979	(17,498)
Band member assistance	18,500	10,950	9,927
Bank charges	14,250	17,395	12,870
Capital purchases	509,800	-	-
Cash short	-	-	196
Catering	244,500	124,889	188,173
Computer maintenance	86,000	104,184	53,059
Consulting fees	1,423,074	737,583	328,791
Contracts	5,367,519	1,473,803	(305,720)
Cost of goods sold - gas bar	2,000,000	1,703,466	1,990,531
Curriculum development	63,875	30,110	-
Donations	30,500	79,677	15,961
Equipment maintenance	5,000	-	3,765
Equipment rental	91,100	98,924	88,502
Facility rental	155,469	155,403	168,339
Fees and dues	23,150	16,569	25,569
Freight	20,000	2,759	4,070
Fuel	161,968	65,389	147,209
Honoraria	255,250	205,065	212,666
Horse care	20,000	16,609	9,326
Incentives	25,000	3,633	13,958
Income assistance	1,345,960	1,430,303	948,236
Insurance	185,377	189,276	153,361
Interest on long-term debt	51,595	82,199	60,981
Loss on disposal of tangible capital assets	-	105,179	-
Patient travel	116,355	94,403	131,367
Postage	2,500	2,589	2,763
Principal repayment	211,347	-	-
Professional fees	229,920	368,103	204,641
Property taxes	600	571	607
Reimbursement (recovery)	(258,129)	(17,972)	(90,892)
Repair and maintenance	349,748	161,129	289,154
Room and board	84,000	66,513	92,375
Security	35,000	30,000	32,500
Supplies	794,350	622,592	544,319
Telephone	90,210	91,544	84,296
Travel and accommodation	278,434	83,327	354,551
Tuition	243,250	270,822	244,391
Utilities	203,700	207,764	201,223
Wages and benefits	4,637,358	3,783,263	4,051,364
Workshops and training	<u>132,808</u>	<u>22,069</u>	<u>50,797</u>
	<u>\$ 19,826,609</u>	<u>\$ 14,201,694</u>	<u>\$ 11,811,405</u>

TL'etinqox Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

15. ECONOMIC DEPENDENCE

The Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada 55% (2020 – 44%) and First Nations Health Authority 10% (2020 – 14%) for the year ended March 31, 2021.

16. SEGMENT DISCLOSURE

TL'etinqox Government is a diversified First Nation organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Administration

This service area relates to the revenues and expenses associated with the operations of TL'etinqox Government itself and cannot be directly attributed to a specific segment.

Education

This service area relates to educational services provided through the operations of an on-reserve school, post-secondary education support and the operations of various other educational programs.

Social Development

This service area provides services to Members by providing a variety of programs, community services and assistance.

Health and Wellness

This service area provides for health and wellness-related services and programs to the Members.

Own Source

This segment represents revenue and expenses from non-funded band activities and investments in government business entities

TL'etinqox Gas Bar

This service area represents a community owned gas and grocery retail facility; in February 2021, this facility was demolished and replaced with a new facility owned and operated by Chilcotin River Trading Company LLP.

Emergency Management

This service area represents results from ongoing operations of TL'etinqox Government Emergency Management Services.

Forest Resource Opportunities

This service area accounts for benefits obtained from the natural resource sector.

Housing

This service area provides for housing to Members.

Operations and Maintenance

This service area provides services required for the development and maintenance of TL'etinqox Government's assets, infrastructure, and common property.

Capital

This service area represents the results of ongoing capital projects. Capital contributions are net of capital expenditures for financial statement purposes.

TL'etinqox Government
Notes to the Consolidated Financial Statements
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16. SEGMENT DISCLOSURE, continued

2021

	Administration	Education	Social Development	Health and Wellness	Own Source	Gas Bar	Emergency Management	Forest Resource Opportunities	Housing	Operations and Maintenance	Capital	Total
Revenue												
Indigenous Services Canada	\$ 935,148	\$ 3,103,716	\$ 2,403,457	\$ -	\$ -	\$ -	\$ 516,596	\$ -	\$ 112,040	\$ 677,525	\$ 3,352,309	\$ 11,100,791
Change in deferred revenue	-	-	-	-	-	-	142,243	-	31,927	-	193,982	368,152
	935.148	3,103,716	2,403,457	-	-	-	658,839	-	143,967	677,525	3,546,291	11,468,943
First Nations Health Authority	-	-	-	2,017,175	-	-	19,744	-	-	-	-	2,036,919
Other Equity earnings	700,815	687,045	504,498	505,425	894,139	2,094,671	75,084	544,138	365,428	17,135	1,215,124	7,603,502
Change in deferred revenue	-	-	-	-	301,574	-	-	-	-	-	-	301,574
	700,815	687,045	574,498	505,425	1,195,713	2,094,671	75,084	544,138	365,428	17,135	647,786	7,407,738
Eliminated on consolidation	1,635,963 (507,098)	3,790,761	2,977,955	2,522,600 (200,000)	1,195,713	2,094,671	753,667	544,138	509,395	694,660	4,194,077	20,913,600 (707,098)
	1,128,865	3,790,761	2,977,955	2,322,600	1,195,713	2,094,671	753,667	544,138	509,395	694,660	4,194,077	20,206,502
Expenses												
Wages and benefits	548,169	1,087,224	449,447	785,872	76,321	247,163	90,997	-	35,329	391,039	35,701	3,783,262
Travel	18,689	25,275	436	127,419	1,252	964	120	844	1,121	55	1,556	177,731
Other	775,563	1,547,582	1,686,782	700,994	139,316	1,792,667	379,029	308,760	325,829	130,169	3,161,108	10,947,799
	1,378,421	2,660,081	2,136,665	1,614,285	216,889	2,040,794	470,146	309,604	362,279	521,263	3,198,365	14,908,792
Eliminated on consolidation	(14,159)	(126,806)	(43,091)	(112,050)	(7,180)	(18,000)	(37,683)	(227,207)	-	-	(120,922)	(707,098)
	1,364,262	2,533,275	2,093,574	1,502,235	209,709	2,022,794	432,463	82,397	362,279	521,263	3,077,443	14,201,694
Operating surplus (deficit)	\$ (235,397)	\$ 1,257,486	\$ 884,381	\$ 820,365	\$ 986,004	\$ 71,877	\$ 321,204	\$ 461,741	\$ 147,116	\$ 173,397	\$ 1,116,634	\$ 6,004,808

TL'etinqox Government
Notes to the Consolidated Financial Statements
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16. SEGMENT DISCLOSURE, continued

2020

	Administration	Education	Social Development	Health and Wellness	Own Source	Gas Bar	Emergency Management	Forest Resource Opportunities	Housing	Operations and Maintenance	Capital	Total
Revenue												
Indigenous Services Canada	\$ 848,324	\$ 2,269,662	\$ 1,436,484	\$ -	\$ -	\$ -	\$ 161,066	\$ -	\$ 77,621	\$ 279,324	\$ 953,411	\$ 6,025,892
Change in deferred revenue	-	-	-	-	-	-	44,668	-	(31,927)	-	380,390	393,131
	848,324	2,269,662	1,436,484	-	-	-	205,734	-	45,694	279,324	1,333,801	6,419,023
First Nations Health Authority	-	-	-	1,870,371	-	-	-	-	-	-	-	1,870,371
Other Equity earnings	600,913	600,749	623,203	668,924	728,296	2,392,098	156,520	544,138	13,989	-	23,882	6,352,712
Change in deferred revenue	-	-	-	-	(42,347)	-	-	-	-	-	-	(42,347)
	600,913	600,749	623,203	693,924	685,949	2,392,098	156,520	544,138	13,989	-	23,882	6,335,365
Eliminated on consolidation	1,449,237 (376,799)	2,870,411	2,059,687	2,564,295 (200,000)	685,949	2,392,098	362,254	544,138	59,683	279,324	1,357,683	14,624,759 (576,799)
	1,072,438	2,870,411	2,059,687	2,364,295	685,949	2,392,098	362,254	544,138	59,683	279,324	1,357,683	14,047,960
Expenses												
Wages and benefits	710,952	892,410	624,790	935,560	66,350	275,381	588	-	1,793	543,540	-	4,051,364
Travel	36,268	66,168	70,290	302,519	311	2,991	1,468	-	-	5,903	-	485,918
Other	719,332	1,486,781	1,317,892	985,361	138,236	2,059,407	228,462	278,909	336,855	168,632	131,055	7,850,922
	1,466,552	2,4445,359	2,012,972	2,223,440	204,897	2,337,779	230,518	278,909	338,648	718,075	131,055	12,388,204
Eliminated on consolidation	(18,262)	(97,613)	(61,901)	(111,390)	(1,143)	(18,000)	(18,112)	(227,207)	-	-	(23,171)	(576,799)
	1,448,290	2,347,746	1,951,071	2,112,050	203,754	2,319,779	212,406	51,702	338,648	718,075	107,884	11,811,405
Surplus (deficit)	\$ (375,852)	\$ 522,665	\$ 108,616	\$ 252,245	\$ 482,195	\$ 72,319	\$ 149,848	\$ 492,436	\$ (278,965)	\$ (438,751)	\$ 1,249,799	\$ 2,236,555

Tl'etinqox Government
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17. BUDGET FIGURES

Budget figures have been provided for comparison purposes and were derived from estimates approved by the Tl'etinqox Government Band Council Resolution dated July 12, 2020.

18. COVID-19

The Coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization and has had a significant global financial and economic impact. For the reporting date March 31, 2021, COVID-19 is considered by management as a non-adjusting event. Consequently, there is no impact on the recognition and measurement of assets and liabilities. The Nation understands this health and economic crisis presents uncertainty over future cash flows and for future periods this may cause significant changes to the assets and liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practical at this time.

19. COMPARATIVE FIGURES

Comparative figures included in these financial statements have been restated to conform with the current year presentation.

20. PRIOR PERIOD ADJUSTMENT

During the year, it was determined that certain of the deferred revenue from the year ended March 31, 2020 did not meet the restriction criteria to record it as deferred revenue and instead should have been recorded as revenue. Management has elected to retroactively restate this revenue, accounts receivable and deferred revenue accordingly. It was also determined that accounts payable and tangible capital assets were not recorded when they met the recognition criteria.

The changes as a result of this adjustment are as follows:

	2021	2020
Accumulated surplus, beginning of year as originally reported	\$ 18,827,345	\$ 15,920,260
Prior period adjustment	<u>972,089</u>	<u>1,642,619</u>
Accumulated surplus, beginning of year as restated	<u>19,799,434</u>	<u>17,562,879</u>
Reduction in annual surplus	-	670,530
Decrease to deferred revenue	-	972,935
Decrease to accounts receivable	-	109,066
Increase to accounts payable	-	566,501
Increase to tangible capital assets	\$ -	\$ 674,721