ELEPHANT THOUGHTS EDUCATIONAL OUTREACH

OPERATING AS "ELEPHANT THOUGHTS"

AMENDED FINANCIAL STATEMENTS

JUNE 30, 2020

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OPERATING AS "ELEPHANT THOUGHTS"
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Elephant Thoughts Educational Outreach:

Qualified opinion

We have audited the financial statements of Elephant Thoughts Educational Outreach ("the Organization"), which comprise the balance sheet as at June 30, 2020, and the statement of operations and net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Elephant Thoughts Educational Outreach as at June 30, 2020 and its results of operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for qualified opinion

In common with many not-for-profit organizations, the Organization derives revenue from cash donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses for the year and cash flow for the years ended June 30, 2020 and June 30, 2019 and asset and net asset balances as at June 30, 2020 and June 30, 2019. Our opinion for both years was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian accounting standards for not-for-profit organizations. 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other matter

As described in Note 17, the financial statements of the Organization for the year ended June 30, 2020 have been amended to correct Government remittances payable and Office and other expense. The previous report, dated November 1, 2020, has been withdrawn.

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 relating 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.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
Originally issued November 1, 2020
Amended December 22, 2020 (Note 17)

ELEPHANT THOUGHTS EDUCATIONAL OUTREACH
OPERATING AS "ELEPHANT THOUGHTS"
BALANCE SHEET
AS AT JUNE 30

	2020 $ Amended (Note 17)	2019 $
Assets		
Current		
Cash	**251,059**	105,180
Accounts receivable	**210,786**	358,985
Government remittances receivable	**-**	3,911
Prepaid expenses	**20,215**	16,816
Inventories (Note 2)	**154,852**	204,333
	636,912	689,225
Tangible capital assets (Note 3)	**3,416,014**	1,394,517
Vehicles under capital lease (net of accumulated amortization of $24,569; 2019 - 15,524)	**21,107**	30,153
Intangibles - software (net of accumulated amortization of $71,682; 2019 - $57,768)	**55,656**	69,570
Collections	**25,200**	25,200
	4,154,889	2,208,665
Liabilities		
Current		
Accounts payable and accruals	**75,236**	145,472
Government remittances payable	**41,054**	-
Line of credit - construction (Note 5)	**401,288**	401,288
Due to related parties (Note 6)	**-**	117,399
Deferred revenue (Note 7)	**422,100**	429,755
Current portion of obligations under capital lease (Note 9)	**7,026**	7,969
Current portion of long-term (Note 8)	**92,000**	33,965
	1,038,704	1,135,848
Obligations under capital leases (Note 9)	**17,076**	26,207
Long-term (Note 8)	**1,671,666**	114,815
Canada Emergency Business Account (Note 15)	**40,000**	-
	1,728,742	141,022
	2,767,446	1,276,870
Deferred capital contributions (Note 10)	**164,036**	197,700
	2,931,482	1,474,570
Net assets		
Unrestricted	**1,223,407**	734,095
	4,154,889	2,208,665

Approved on behalf of the board:

________________________ Director ________________________ Director

See accompanying notes to the financial statements

ELEPHANT THOUGHTS EDUCATIONAL OUTREACH
OPERATING AS "ELEPHANT THOUGHTS"
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED JUNE 30

	2020 $ Amended (Note 17)	2019 $
Revenues		
Contributions and other	**60,670**	56,725
Program fees	**1,780,462**	1,460,192
Grants	**1,382,454**	1,292,648
Rental	**70,215**	35,949
Store sales	**21,482**	180,658
	3,315,283	3,026,172
Expenses		
Advertising and promotion	**16,513**	22,230
Bank charges	**13,443**	15,829
Consumables	**189,879**	204,396
Contract labour (Note 6)	**84,975**	436,862
Cost of sales - store and donations (Note 2)	**53,637**	129,350
Educational programs - hard costs	**810,279**	586,241
Insurance	**38,772**	29,372
Interest (Note 9)	**48,603**	57,154
International	**68,733**	7,397
Office and other	**32,647**	111,119
Professional fees	**14,800**	15,735
Rent (Note 13)	**54,167**	12,500
Repairs and maintenance	**64,270**	35,271
Telephone and utilities	**24,131**	19,942
Travel	**149,201**	296,127
Vehicle	**59,523**	4,977
Wages and benefits	**1,246,193**	897,746
	2,969,766	2,882,248
Excess of revenues over expenses from operations	**345,517**	143,924
Amortization of deferred capital contributions (Note 10)	**33,664**	82,020
Amortization of tangible capital assets and intangibles	**(239,301)**	(178,411)
Gain on sale of property	**28,963**	180,369
Canada Emergency Wage Subsidy (Note 14)	**320,469**	-
	143,795	83,978
Excess of revenues over expenses for the year	**489,312**	227,902
Net assets at beginning of year	**734,095**	506,193
Net assets at end of year	**1,223,407**	734,095

See accompanying notes to the financial statements

ELEPHANT THOUGHTS EDUCATIONAL OUTREACH
OPERATING AS "ELEPHANT THOUGHTS"
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30

	2020 $ Amended (Note 17)	2019 $
Cash flows from (for):		
Operating activities		
Excess of revenues over expenses for the year	**489,312**	227,902
Items not involving cash		
Amortization of tangible capital assets and intangibles	**239,301**	178,411
Amortization of deferred capital contributions	**(33,664)**	(82,020)
Gain on sale of property	**(28,963)**	(180,369)
	665,986	143,924
Changes in		
Accounts receivable	**148,199**	(243,859)
Prepaid expenses	**(3,399)**	39,583
Inventories	**49,481**	3,974
Accounts payable and accruals	**(70,236)**	(24,583)
Government remittances receivable/payable	**44,965**	4,263
Deferred revenue	**(7,655)**	101,123
	827,341	24,425
Financing activities		
Proceeds from long-term liabilities and CEBA	**1,707,917**	195,214
Due to related parties	**(117,399)**	(22,601)
Repayment of long-term liabilities	**(53,034)**	(606,769)
Repayment of obligations under capital lease	**(10,074)**	(8,422)
	1,527,410	(442,578)
Investing activities		
Purchase of tangible capital assets	**(2,279,430)**	(367,940)
Purchase of intangibles	**-**	(1,099)
Proceeds on sale of property	**70,559**	933,115
	(2,208,871)	564,076
Change in cash and cash equivalents	**145,880**	145,923
Cash and cash equivalents at beginning of year	**105,179**	(40,744)
Cash and cash equivalents at end of year	**251,059**	105,179
Comprised of:		
Unrestricted	**(171,041)**	(324,575)
Externally restricted (Note 7)	**422,100**	429,755
	251,059	105,180

See accompanying notes to the financial statements

Nature of the Organization

Elephant Thoughts Educational Outreach is a registered charity incorporated under the Canada Corporations Act on April 26, 2002. The Organization's mandate is to help promote high standards of education worldwide despite economic or geographic barriers while supporting initiatives which propagate cultural understanding and sharing among school aged children. The Organization is exempt from income taxes pursuant to Section 149(1)(l) of the Income Tax Act.

1. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (referred to as ASNFPO) and are in accordance with Canadian generally accepted accounting principles (GAAP).

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements:

(a) Revenue recognition

The Organization derives its operating revenue from contributions, program fees, government grants and retail store sales which are accounted for under the deferral method of accounting.

Contributions include proposals to third parties who are not the direct beneficiaries of the proposed programs. Unrestricted contributions are recognized as revenue when earned and collection is reasonably assured. Restricted contributions for operating expenditures are deferred and recognized as revenue in the year in which the related expenses are incurred. Contributions relating to depreciable tangible capital assets are deferred and amortized over the useful life of the depreciable tangible capital assets acquired. In-kind contributions are recognized at fair market value.

Program fees include contracted services performed by the Organization and are recognized as revenue when earned and collection is reasonably assured.

Government grants are recognized as revenue when receivable and performance of any external restrictions has occurred.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash held at year end and investments (if any) with maturity dates less than three months from the date of purchase.

(c) Collections

The Organization's collections consist of fossils and cast replicas. The collections are recorded at cost and are not amortized as they have an unlimited useful life. Any expenditures on collections during the year were recorded as additions to tangible capital assets. There were no collection items sold during the year. These assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired.

1. Summary of significant accounting policies continued

(d) Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes the purchase price and other acquisition costs such as wages directly related to construction, installation costs, legal fees, survey costs, freight charges, transportation, insurance costs, and duties. The cost incurred to enhance the service potential of an item of tangible capital assets (betterment) is also included in the cost of an asset.

Amortization is provided to allocate the cost of assets over their estimated useful lives, beginning with half the amortization amount being taken in the first year of service. Capital work in progress is not amortized until in use. Provision is made for amortization as follows:

Buildings	5%	declining balance
Computers	50%	declining balance
Equipment	20%	declining balance
Signs	20%	declining balance
Trailers	20%	declining balance
Vehicles	30%	declining balance

Tangible capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired.

(e) Intangibles

Intangibles consists of software programs and are stated at cost. Amortization is provided on a declining balance basis of 20%. These assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired.

(f) Vehicles under capital lease

Vehicle leases that effectively transfer all of the risks and rewards of ownership to the Organization as lessee are capitalized at the present value of the minimum lease payments under the lease with a corresponding liability for the related lease obligations. Charges to expenses are made for interest on the lease obligations and amortization (at a rate of 30% declining balance).

(g) Inventories

The Organization's store inventory is recorded at the lower of cost and net realizable value and consumables inventory is recorded at the lower of cost and replacement cost. The store inventory is valued using the average cost method while the consumables inventory is valued using the first-in, first-out method. Store inventory consists of retail merchandise and consumables inventory consists of handouts and other materials used in the delivery of programs. See Note 2.

(h) Deferred capital contributions

Deferred capital contributions reported on the balance sheet include the estimated fair value of the contributed tangible capital assets at the time they were donated. Deferred capital contributions are amortized on the same basis as the donated asset.

1. Summary of significant accounting policies continued

(i) Contributed services

The Organization receives volunteer services from many individuals. Since these services are not normally purchased by the Organization and because of the difficulty in estimating their fair market value, these services are not recorded in these financial statements.

(j) Financial instruments

The Organization considers any contract that creates a financial asset, a financial liability or equity instrument as a financial instrument, except in limited items such as leases and loan commitments.

Initial recognition and measurement

A financial asset or a financial liability is recognized when the Organization becomes a party to the contractual provisions of the financial instrument.

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction, are initially measured at their fair value.

Subsequent measurement

Changes in fair value of investments in equity instruments, as quoted in an active market, are recognized in operations in the period incurred. All other financial assets and financial liabilities are measured at amortized cost.

Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired.

(k) Use of estimates

The preparation of financial statements 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 year. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Significant estimates include the useful lives of tangible capital assets, vehicles under capital lease, intangible assets and deferred capital contributions. Actual results could differ from those estimates.

2. Inventories

Inventories consists of:

	2020 **$**	2019 $
Consumables	**154,852**	137,132
Store	**-**	67,201
	154,852	204,333

The retail store was closed in fall 2019. Store inventory on hand at the time of closure was donated or brought into consumables inventory.

3. Tangible capital assets

Tangible capital assets are comprised of:

	2020	2019
	$	$
Cost		
Land	**1,276,507**	374,211
Buildings	**1,765,640**	612,200
Computers	**83,880**	43,279
Equipment	**789,758**	753,072
Signs	**8,996**	8,996
Trailers	**39,376**	39,376
Vehicles	**411,101**	347,084
Capital work in progress	**44,934**	13,521
	4,420,192	2,191,739
Accumulated amortization		
Buildings	**110,478**	47,210
Computers	**73,455**	42,455
Equipment	**520,059**	458,812
Signs	**6,769**	6,213
Trailers	**24,196**	20,401
Vehicles	**269,221**	222,131
	1,004,178	797,222
	3,416,014	1,394,517

4. Operating line of credit

The Organization has an operating line of credit available in the amount of $200,000 with an interest rate of Prime plus 1%. At year end there were drawings of $NIL (2019 - $NIL) against the line of credit.

5. Line of credit - construction

This amount represents a 4.75% line of credit construction facility payable to PACE Savings and Credit Union Limited (PACE), which is secured by the property in The Municipality of Grey Highlands with a net book value of $912,774 (2019 - $901,702). The facility will convert to a commercial term loan upon completion of renovations. The term loan will be paid in monthly blended payments amortized over a twenty year period. As a condition of the Organization's loan with PACE, certain covenants must be met or PACE would be able to call the loan prior to its maturity date. All such covenants were met at year end.

6. Related party transactions

Included in contract labour is $NIL (2019 - $4,500) paid to a former director for financial consulting services. All services were performed in the normal course of operations. These transactions were recorded using the exchange value of the services performed.

During the year, the Organization paid off outstanding loans to a director that were used to cover short-term cash needs. $117,399 was outstanding in 2019 comprised of two separate loans due to the same director.

7. Deferred revenue

Deferred revenue consists of the following:

	2020	2019
	$	$
First Nation summer camps	**50,110**	134,061
Local summer camps	**-**	27,767
NSERC grant	**60,000**	-
Riverstone wedding deposits	**6,033**	6,583
Trillium grants	**147,300**	-
Cree School Board	**-**	157,637
Accessibility grant	**76,557**	76,557
Other grants	**32,100**	27,150
RBC Foundation grant	**50,000**	**-**
	422,100	429,755

8. Long-term liabilities

Long-term liabilities consists of the following:

		2020 $	2019 $
(a)	Mortgage payable to Ernie Martin at a fixed rate of 2% per annum calculated semi-annually, for a fixed term of 10 years and an amortization period of 25 years. Repayable in monthly blended payments of principal and interest in the amount of $6,775, due January 2030. Secured by the land and buildings referred to as Riverstone Retreat.	**1,579,334**	-
(b)	3.99% loan payable to TD Financial Services. Repayable in blended bi-monthly payments of $342, due July 2019.	**-**	207
(c)	4.00% loan payable to Kubota Canada. Repayable in blended monthly payments of $595, due April 2021. Secured by a vehicle with a net book value of $5,676 (2019 - $9,537).	**5,512**	11,854
(d)	3.99% loan payable to Chrysler Capital. Repayable in blended bi-weekly payments of $428, due August 2026. Secured by a vehicle with a net book value of $54,414.	**60,939**	-
(e)	6.48% loan payable to Chrysler Capital. Repayable in blended monthly payments of $379, due January 2026. Secured by vehicle with a net book value of $25,571 (2019 - $36,530).	**45,917**	51,414
(f)	5.90% loan payable to Chrysler Capital. Repayable in blended monthly payments of $602, due May 2025. Secured by vehicle with a net book value of $22,037 (2019 - $31,482).	**34,681**	41,828
(g)	5.90% loan payable to Chrysler Capital. Repayable in blended monthly payments of $626, due May 2025. Secured by vehicle with a net book value of $22,905 (2019 - $32,722).	**37,283**	43,477
		1,763,666	148,780
Less: current portion		**(92,000)**	(33,965)
		1,671,666	114,815

Principal retirement requirements for subsequent years are:

	Principal $	Interest $	Total $
2021	92,000	39,525	131,525
2022	80,166	36,861	117,027
2023	82,799	34,198	116,997
2024	85,545	31,478	117,023
2025	87,605	28,713	116,318
Thereafter	1,335,551	162,225	1,497,776

9. Obligations under capital lease

Obligations under capital lease consist of the following:

	2020	2019
	$	$
8.99% capital lease to Chrysler Financial. Repayable in blended monthly payments of $706, due February 2023.	**17,396**	25,104
0.00% capital lease payable to Kubota Canada LTD. Repayable in monthly principal payments of $174, due July 2023.	**6,706**	9,072
	24,102	34,176
Less: current portion	**(7,026)**	(7,969)
	17,076	26,207

Included in interest expense is $2,017 (2019 - $2,544) of interest related to capital leases.

Principal retirement requirements for subsequent years are:

	$
2021	7,026
2022	9,764
2023	7,138
2024	174

10. Deferred capital contributions

Deferred capital contributions represent contributions restricted by the donors for the purchase of tangible capital assets. The changes in deferred capital contributions for the year are as follows:

	2020	2019
	$	$
Balance at beginning of year	**197,700**	279,719
Amortization of deferred capital contributions	**(33,664)**	(82,019)
Balance at end of year	**164,036**	197,700

11. Financial instruments

The Organization's financial instruments consist of cash, accounts receivable, bank overdraft, accounts payable, line of credit, due to related parties, obligations under capital lease and long-term liabilities.

The Organization is not exposed to significant market risk, currency risk nor other price risk.

Financial risks

(a) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognized at the balance sheet date whereby a future change in interest rates will affect future cash flows or the fair value of fixed financial instruments.

At June 30, 2020, the Organization had several vehicle loans and leases with fixed interest rates and a construction line of credit with a floating rate. Management uses a mix of floating and fixed rates in order to mitigate interest rate risk.

(b) Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Organization's cash requirements. Additional cash requirements are met with the use of the available overdraft function of the bank. The available bank overdraft, operating line of credit, and periodic loans from the board of directors and management provide flexibility in the short-term to meet operational needs.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to accounts receivable. The Organization has significant concentration of credit risk with one counterparty. The Cree School Board accounts for 34.5% (2019 - 23.7%) of overall revenue. The Organization provides credit to its funders in the normal course of operations and mitigates credit risk by restricting access to programs and/or future programs in cases where accounts receivable remain outstanding.

12. Comparative figures

Certain comparative figures on the statement of operations and net assets have been reclassified to conform to the current year's financial statement presentation.

13. Commitments

There is a one year lease for the property located on Highway 26 in Collingwood, expiring in May 2021. There is an additional one year renewal option. Annual rent is $50,000 and the Organization is responsible for all expenses including insurance, property taxes, maintenance, etc.

14. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The measures introduced at various levels of government to curtail the spread of the virus, such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing, could mean that the Organization's revenues and collections are reduced. Management is actively monitoring the situation and will adjust operations to comply with all government and health recommendations, guidelines and best practices.

As part of the emergency measures introduced by the Federal government the Organization has applied for the Canada Emergency Wages Subsidy (CEWS). The Organization obtained wage subsidies in the amount of $320,469 during the year ended June 30, 2020.

15. Canada Emergency Business Account

As part of the emergency measures introduced by the federal government the Organization has accessed the Canada Emergency Business Account (CEBA) $40,000 loan. Details of the loan are as follows:

0% interest until December 31, 2022.

No principal payments due until December 31, 2022.

Principal repayments can be voluntarily made at any time without fees or penalties.

$10,000 loan forgiveness is available, provided outstanding balance is $40,000 at December 31, 2020 and $30,000 is paid back between January 1, 2021 and December 31, 2022.

If the balance is not paid by December 31, 2022, the remaining balance will be converted to a 3 year term loan at 5% annual interest, paid monthly, effective January 1, 2023.

The full balance must be repaid by no later than December 31, 2025.

Principal payments expected to be paid in the next five years, assuming the term loan is not repaid early, are as follows:

	Principal $	Interest $	Total $
2021	-	-	-
2022	-	-	-
2023	6,261	932	7,193
2024	12,991	1,395	14,386
2025	13,659	727	14,386
Thereafter	7,089	104	7,193

16. Change in accounting policy

Effective June 1, 2019, the Organization prospectively adopted ASNPO Section 4433, “Tangible Capital Assets Held by Not-for-Profit Organizations” in accordance with its transitional provisions. This section replaces ASNPO Section 4431, “Tangible Capital Assets Held by Not-for-Profit Organizations” and provides guidance on amortization and componentization of tangible capital assets. Existing assets were not componentized. New additions during the year were examined to determine if they should be recognized as a separate component.

17. Amended financial statements

These financial statements have been amended to correct an error in the original June 30, 2020 financial statements issued and dated November 1, 2020. An adjusting journal entry was made in error in the time between the approval of the draft financial statements and the final issuance. The correction is as follows:

Government remittances payable and Office and other expense both decreased by $31,076. As a result, current liabilities decreased $31,076, unrestricted net assets and excess of revenues over expenses for the year both increased $31,076.