

A low-angle photograph of an oil rig's derrick structure against a dramatic sky at sunset or sunrise. The sun is a bright, glowing orb in the lower right, casting a lens flare and illuminating the clouds with a golden light. The rig's steel beams and cables are silhouetted against the sky, creating a strong geometric pattern.

BC Oil and Gas Commission

Financial Statements

March 31, 2012



Statement of Management Responsibility

The financial statements of the BC Oil and Gas Commission (Commission) for the year ended March 31, 2012 have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and external audited financial statements annually.

The auditor, the Auditor General of British Columbia, conducts an independent examination, in accordance with Canadian auditing standards, and expresses his opinion on the statements. The external auditor has full and free access to the Audit Committee and management of the Commission, and meets when required.

The accompanying Auditor's Report outlines his responsibility, the scope of his examination and his opinion on the financial statements.

On behalf of the Commission

A handwritten signature in black ink, appearing to read 'Paul Jeakins', positioned above a horizontal line.

Paul Jeakins
Commissioner

A handwritten signature in black ink, appearing to read 'Randall Smith', positioned above a horizontal line.

Randall Smith
Chief Financial Officer

June 1, 2012



INDEPENDENT AUDITOR'S REPORT

*To the Board of Directors of the Oil and Gas Commission, and
To the Minister of Energy and Mines, Province of British Columbia*

I have audited the accompanying financial statements of the Oil and Gas Commission (“the Entity”), which comprise the statements of financial position as at March 31, 2012, March 31, 2011, and April 1, 2010, and the statements of operations, statements of change in accumulated surplus, statements of change in net financial assets, and statements of cash flows for the years ended March 31, 2012 and March 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In my view, the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Oil and Gas Commission as at March 31, 2012, March 31, 2011, and April 1, 2010, and its financial performance and its cash flows for the years ended March 31, 2012 and March 31, 2011, in accordance with Canadian Public Sector Accounting Standards.

John Doyle, MAcc, CA
Auditor General

Victoria, British Columbia
June 1, 2012

BC Oil and Gas Commission
 Statements of Financial Position
 (in \$000s)

	Note	March 31 2012	March 31 2011	April 1 2010
			(Restated - Note 2)	(Restated - Note 2)
Financial assets				
Cash		10,989	5,207	1,962
Designated cash - Orphan Site Reclamation Fund	4	5,090	3,869	3,031
Designated cash - Security deposits	5	12,428	11,776	-
Accounts receivable	6	10,773	9,063	8,105
Due from SCEK	7	11	40	22
Due from government	8	2,883	3,494	3,021
Other assets		66	66	66
		<u>42,240</u>	<u>33,515</u>	<u>16,207</u>
Liabilities				
Accounts payable & accrued liabilities	9	1,674	1,602	1,591
Employee future benefits	10	240	523	460
Due to First Nations	11	3,062	1,553	1,451
Due to SCEK	7	606	-	-
Due to government		209	600	170
Deferred revenue	12	383	818	492
Deferred lease inducements		264	-	-
Liability for orphan sites	13	757	28	78
Security deposits	5	12,428	11,776	-
		<u>19,623</u>	<u>16,900</u>	<u>4,242</u>
Net financial assets		<u>22,617</u>	<u>16,615</u>	<u>11,965</u>
Non-financial assets				
Tangible capital assets	14	5,733	4,852	4,008
Prepaid expenses		475	302	212
		<u>6,208</u>	<u>5,154</u>	<u>4,220</u>
Accumulated surplus		<u>28,825</u>	<u>21,769</u>	<u>16,185</u>
Contractual obligations	15			
Contingent liabilities	16			
Measurement uncertainty	18			

The accompanying notes are an integral part of these statements.

Approved on behalf of the Board


 Steve Carr, Board Chair


 Paul Jeakins, Commissioner


 Arn van Iersel, Audit Committee Chair

BC Oil and Gas Commission
 Statements of Operations
 (in \$000s)

	Note	Budget 2012	March 31 2012	March 31 2011
		(Note 21)		(Restated - Note 2)
Revenues				
Production levies		27,515	28,893	24,701
Annual pipeline levies		2,000	2,215	2,056
Fees		11,236	12,167	12,956
Recoveries from the Province of British Columbia		60	77	67
Remediation recoveries		-	118	-
Other revenue		275	757	198
		41,086	44,227	39,978
Expenses				
	19			
Oil and gas activities regulation		37,879	36,254	34,341
Orphan site reclamation		800	917	53
		38,679	37,171	34,394
Annual surplus				
		2,407	7,056	5,584

The accompanying notes are an integral part of these statements.

BC Oil and Gas Commission
 Statements of Change in Accumulated Surplus
 (in \$000s)

	Note	March 31 2012	March 31 2011
Accumulated surplus beginning of year as previously reported		21,719	16,125
Change on transition to PSAS	2	50	60
Accumulated surplus beginning of year as restated		21,769	16,185
Annual surplus for the year as previously reported		-	5,594
Adjustments to annual surplus for the year	2	-	(10)
Annual surplus for the year restated		-	5,584
Annual surplus for the current year		7,056	-
Accumulated surplus at the end of year		28,825	21,769

The accompanying notes are an integral part of these statements.

BC Oil and Gas Commission
 Statements of Change in Net Financial Assets
 (in \$000s)

	Budget (Note 21)	March 31 2012	March 31 2011
Annual surplus	2,407	7,056	5,584
Acquisition of tangible capital assets	(4,744)	(2,530)	(2,358)
Amortization of tangible capital assets	1,882	1,650	1,514
	(2,862)	(880)	(844)
(Acquisition) of prepaid expense	-	(476)	(302)
Use of prepaid expense	-	302	212
	-	(174)	(90)
Increase (decrease) in net financial assets	(455)	6,002	4,650
Net financial assets at beginning of year	16,615	16,615	11,965
Net financial assets at end of year	16,160	22,617	16,615

BC Oil and Gas Commission
 Statements of Cash Flows
 (in \$000s)

	March 31 2012	March 31 2011
Operating transactions		
Cash generated from:		
Production levies	28,094	22,906
Annual pipeline levies	2,145	1,910
Fees	11,886	14,139
Miscellaneous and recoveries	1,157	354
	<u>43,282</u>	<u>39,309</u>
Cash used for:		
Operating expenses	(9,430)	(8,117)
Payments to First Nations	(5,276)	(6,863)
Salaries and benefits	(19,087)	(17,887)
	<u>(33,793)</u>	<u>(32,867)</u>
Cash designated for Orphan Site Reclamation Fund	<u>(1,221)</u>	<u>(839)</u>
Cash from (used in) operating activities	<u>8,268</u>	<u>5,603</u>
Capital transactions		
Proceeds on sale of tangible capital assets	44	-
Cash used to acquire tangible capital assets	(2,530)	(2,358)
Cash from (used in) capital transactions	<u>(2,486)</u>	<u>(2,358)</u>
Increase in cash	<u>5,782</u>	<u>3,245</u>
Cash beginning of year	<u>5,207</u>	<u>1,962</u>
Cash end of year	<u><u>10,989</u></u>	<u><u>5,207</u></u>

BC Oil and Gas Commission

Notes to the Financial Statements for the years ended March 31, 2012 and March 31, 2011

(in \$000s)

1. The Oil and Gas Commission

The Commission was established under the *Oil and Gas Commission Act* on July 30, 1998 to regulate oil and gas activities, having regard to environmental, economic and social values, encourage participation of First Nations, and advance safe and efficient practices in the industry. The Commission is accountable for delivering initiatives and programs that serve to minimize the environmental impact of oil and gas activities in British Columbia. The Commission and its purposes were continued in the *Oil and Gas Activities Act* which came into force October 4, 2010.

The Commission is funded through:

- Fees charged in respect of permit applications, transfers and amendments and
- Levies on oil and gas production and
- Annual pipeline levies

The Commission is exempt from federal and provincial income taxes.

2. Conversion to Canadian public sector accounting standards

Commencing with the 2011/12 fiscal year, the Commission has adopted Canadian public sector accounting (PSAS) standards. These financial statements are the first financial statements for which the Commission has applied Canadian public sector accounting standards. The Commission has early adopted the accounting standards contained in PS1201 – Financial Statement Presentation, and PS3450 Financial instruments in the preparation of these statements.

Detailed information on the impact of the conversion to Canadian public sector accounting standards is provided in note 22.

3. Significant Accounting Policies

Basis of accounting

These financial statements are prepared by management in accordance with Canadian public sector accounting standards for provincial reporting entities established by the Canadian Public Sector Accounting Board.

Financial Instruments

The Commission reports its Financial Instruments as follows: Cash is measured at fair value and all gains and losses are reported in the statement of operations in the period in which they occur. Accounts receivable and amounts due from others are measured at amortized cost. Accounts payable, salaries and benefits payable and amounts due to others are also measured at amortized cost.

3. Significant Accounting Policies (continued)

Tangible Capital Assets

Capital assets are recorded at cost and are amortized on a straight-line basis over the estimated useful life of the assets at the following annual rates:

Capital assets	Rate
Tenant improvement	over the lease term
Furniture	10%
Computer hardware	33%
Operating equipment	20%
Automotive equipment	25%
Business systems development	33%
Computer software	20% - 33%

Computer software includes satellite imagery which is being amortized on a straight-line basis at a rate of 20%.

Revenue Recognition

Revenues are recognized in the period in which the transaction or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis. Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

Levy Revenue

All levy revenue authorized and collected under *Oil and Gas Activities Act* is first paid to the Minister of Finance. The Province is required to transfer this amount of revenue to the Commission in full. Levy revenue is calculated and recognized upon oil and gas production. Annual pipeline levies are billed and recognized based on length and size of pipe owned at March 31 of the applicable fiscal year.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Grants are recorded as expenses when the payment is authorized and eligibility criteria have been met by the recipient. Reclamation costs are estimated and accrued when determinable.

Prepaid Expenses

Prepaid expenses include flight passes, subscriptions, insurance, property taxes and other general prepaid expenses and are charged to expense over the periods expected to benefit from the expenditures.

3. Significant Accounting Policies (continued)

Employee Future Retirement Allowance

Employee Future Retirement Allowance liabilities are estimated each year and the change is recorded in salaries and benefits expense.

4. Designated cash – Orphan Site Reclamation Fund

The Commission administers the Orphan Site Reclamation Fund (OSRF). The OSRF was created on April 1, 2006 as a means for industry to pay for reclamation of orphaned oil and gas sites and for related costs. The Ministry of Energy and Mines provided funding to reclaim and remediate orphan sites specifically identified at that time. Currently there are 21 sites designated as Orphan Sites.

At March 31, 2012, the Commission held \$5,090 in OSRF cash (2011: \$3,869). Net assets accumulated by the OSRF are designated for use by legislation and are not available for general use of the Commission. At March 31, 2012, OSRF Net assets totalled \$4,773 (2011: \$4,465).

5. Designated cash – security deposits

On October 28, 2010, the Commission established a Liability Management Rating (LMR) program. The objective of the LMR program is to ensure that permit holders carry the financial risk of their oil and gas operations through to regulatory closure. Under the program, refundable security deposits previously held by the Ministry of Energy and Mines under the Drilling and Production Regulation of the *Petroleum and Natural Gas Act* were transferred to the Commission. The Commission, through the LMR program also undertook the responsibility to regularly assess security deposits and provide refunds. In addition to cash of \$12,428 (2011: \$11,776) the Commission holds \$14,743 (2011: \$9,026) in non-cash security in the form of irrevocable letters of credit which are not recorded in these financial statements. Security deposits are designated for use in settling potential permit holder liabilities.

6. Accounts receivable

Production levies are collected and processed by the provincial government. At any point in time, a portion of levies receivable by the Commission is payable by industry, and a portion is payable by the Province. See note 8.

	March 31 2012	March 31 2011	April 1 2010
Production levies receivable	8,273	6,645	6,022
Annual pipeline levies receivable	2,116	2,046	1,900
Fees	171	325	165
Other receivables	213	47	18
	10,773	9,063	8,105

BC Oil and Gas Commission

Notes to the Financial Statements for the years ended March 31, 2012 and March 31, 2011

(in \$000s)

7. Science and Community Environmental Knowledge (SCEK) Fund

The Commission administers the SCEK fund on behalf of the SCEK Steering Committee. The activities and balances of the SCEK fund are not included in these financial statements. Funding is generated and collected by the Commission through a portion of the levy on oil and gas production and a portion of the application fee for wells. Funding resumed in January 2012, and is provided to the SCEK Steering Committee for their use in projects and administration of the SCEK fund. The Commission collected \$794 during the year on behalf of SCEK. The Commission charges an annual fee to SCEK to administer the fund.

8. Due from Government

	March 31 2012	March 31 2011	April 1 2010
Levies collected	2,706	2,932	2,775
Recoveries and other	177	562	246
	<u>2,883</u>	<u>3,494</u>	<u>3,021</u>

9. Accounts Payable and Accrued Liabilities

	March 31 2012	March 31 2011	April 1 2010
Accounts payable and accrued liabilities	531	620	816
Salaries and benefits payable	1,143	982	775
	<u>1,674</u>	<u>1,602</u>	<u>1,591</u>

Employee Leave Entitlements

As of March 31, 2012, the value of employee entitlements to vacation, other leave and compensatory time off, plus related benefits, in accordance with collective agreements and terms of employment was \$529 (2011: \$533) and this amount is included in salaries and benefits payable.

10. Employee Future Benefits

Employee Benefit Plan

The Commission and its employees contribute to the Public Service Pension Plan (the Plan). The Public Service Pension Board of Trustees, representing plan members and employers is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a defined benefit multi-employer contributory pension plan.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The latest valuation as at March 31, 2011 indicated an unfunded liability of \$275 million for basic pension benefits. The next valuation will be as at March 31, 2014 with results available in early 2015. The actuary does not attribute portions of the unfunded liability or surplus to individual employers. Contributions to the Plan by the Commission for 2012 were \$1,402 (2011: \$1,295) and are included in salaries and benefits expense.

Future Retirement Allowance Liability

The Commission accrues for future retirement allowances as provided under the collective agreements and terms of employment. The discounted value, net of recoveries, of this obligation is \$240 (2011: \$523).

BC Oil and Gas Commission

Notes to the Financial Statements for the years ended March 31, 2012 and March 31, 2011

(in \$000s)

11. Due to First Nations

The Commission works closely with First Nations and negotiates Consultation Process Agreements and Memoranda of Understanding to establish formal consultation processes for oil and gas activities. These agreements provide resources for First Nations' capacity to participate in the consultation processes as well as set out responsibilities of the parties involved. The Commission is currently in negotiations with several First Nations.

12. Deferred Revenue

	Balance at beginning of year	Receipts during year	Transferred to revenue	Balance at end of year
Well applications	683	9,722	(10,156)	249
Transfer applications	66	617	(683)	-
Pipeline applications	69	1,015	(950)	134
	<u>818</u>	<u>11,354</u>	<u>(11,789)</u>	<u>383</u>

13. Liability for Orphan Sites

The Commission recognizes and estimates a liability of \$757 for remediation of 21 oil and gas activity sites designated as orphan sites by the Commissioner. The nature of the liability includes the costs associated with completing abandonment and restoration activities for these specific sites, under expected conditions based on known characteristics of each site. The estimation of the liability does not include contingencies for delays due to weather, problematic plugging activities, or unforeseen sources of contamination. Additional potential liability for the designated sites resulting from these contingencies is estimated to be \$525.

The Commission has also identified a number of sites that could potentially be designated as orphan sites upon further investigation of ownership history; however liability has not been established. Estimated cost for remediation of these sites is \$3,770 to \$6,930. At this time, potential liability to the Commission or the Orphan Sites Reclamation Fund is not estimable.

BC Oil and Gas Commission

Notes to the Financial Statements for the years ended March 31, 2012 and March 31, 2011

(in \$000s)

14. Tangible Capital Assets

March 31, 2012

	Tenant Improvements	Furniture	Computer Hardware	Operating Equipment	Automotive Equipment	Business Systems Development	Computer Software	Total 2012
Cost								
Opening balance	3,876	1,195	935	502	415	3,178	361	10,462
Additions	602	297	477	7	414	676	57	2,530
Disposals	-	-	-	(4)	(276)	-	-	(280)
Closing balance	4,478	1,492	1,412	505	553	3,854	418	12,712
Accumulated Amortization								
Opening balance	1,483	584	506	166	323	2,394	154	5,610
Amortization	553	122	288	73	66	466	82	1,650
Disposals	-	-	-	-	(280)	-	-	(280)
Closing balance	2,036	706	794	239	109	2,860	236	6,980
Net book value	2,442	786	618	266	444	994	182	5,732

March 31, 2011

	Tenant Improvements	Furniture	Computer Hardware	Operating Equipment	Automotive Equipment	Business Systems Development	Computer Software	Total 2011
Cost								
Opening balance	3,648	956	554	168	310	2,317	151	8,104
Additions	228	239	381	334	105	861	210	2,358
Disposals	-	-	-	-	-	-	-	-
Closing balance	3,876	1,195	935	502	415	3,178	361	10,462
Accumulated Amortization								
Opening balance	964	483	334	125	308	1,799	83	4,096
Amortization	519	101	172	41	15	595	71	1,514
Disposals	-	-	-	-	-	-	-	-
Closing balance	1,483	584	506	166	323	2,394	154	5,610
Net book value	2,393	611	429	336	92	784	207	4,852

BC Oil and Gas Commission

Notes to the Financial Statements for the years ended March 31, 2012 and March 31, 2011

(in \$000s)

15. Contractual Obligations

The Commission has entered into a number of multiple-year contracts for the delivery of services, the construction of assets, and operating leases. These contractual obligations will become liabilities in the future when the terms of the contract are met. Disclosure relates to the unperformed portion of the contracts.

	2013	2014	2015	2016	2017	Thereafter
Professional contracts	265	165	27	-	-	-
Leases	2,396	1,381	1,272	1,187	346	800
	2,661	1,546	1,299	1,187	346	800

The Commission is committed under First Nations agreements to make certain payments in the coming year that are based on well applications received.

16. Contingent Liabilities

The Commission is contingently liable with respect to pending litigation and claims in the normal course of operations. In the opinion of management, any liability that may arise from pending litigation would not have a material effect on the Commission's financial position or results of operations.

See also Note 13 regarding potential reclamation costs related to the Orphan Site Reclamation Fund.

17. Related party transactions

The Commission is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded on an accrual basis, are considered to be in the normal course of operations, and are recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties.

The financial statements include the following related party transactions:

	March 31 2012	March 31 2011
Revenues:		
Contract recoveries	76	67
Miscellaneous	241	70
	317	137
Expenses:		
Salaries and benefits	604	524
Building occupancy	990	910
Professional services and training	328	314
Telecommunications and information systems	314	131
Travel and vehicle costs	242	405
Office supplies and equipment	49	60
	2,527	2,344

18. Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards require 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 period. Measurement uncertainty exists in these financial Statements. Actual results could differ from these estimates.

	Actual amount reported	Estimation Range	
		Low	High
Revenues			
Production levies	28,893	28,604	29,182

Production levies are revenues derived from oil and gas production in the province of British Columbia. As of the date of these statements, production for the last month of the fiscal year is estimated. This estimate is based on analysis that takes into account both historical and current year trends in production. Actual production revenue for the year has consistently been within 1% of estimated production revenue. A difference in this estimate would also affect production levies receivable and annual and accumulated surpluses.

Liabilities

Liability for orphan sites	757	757	1,283
----------------------------	-----	-----	-------

Liability for known Orphan sites is estimated using expected abandonment and restoration costs for these specific sites, under expected conditions based on known characteristics of each site. The estimation of the liability does not include contingencies for delays due to weather, problematic plugging activities, or unforeseen sources of contamination. Additional potential liability for the designated sites resulting from these contingencies is also estimated based on site characteristics. Changes in this estimate would also affect Orphan Reclamation expenses and annual and accumulated surpluses.

Employee future retirement allowance	240	113	503
--------------------------------------	-----	-----	-----

The Commission accrues for future retirement allowance as provided under the collective agreements and terms of employment of Commission employees. This retirement allowance is estimated as the present value of potential liability upon future retirement of the current workforce. Key assumptions in this estimation are the inflation rate of remuneration (1.7%), a discount rate (3.13%), and employee turnover rate of the Commission (12.6%). The rate of employee turnover is subject to the most fluctuation. The estimated liability uses a turnover rate of 12.6% based on current fiscal year experience. A maximum expected average rate in the future would be 17%; a minimum expected average rate in the future would be 8.2%. A difference in this estimate would also affect salaries and benefits expense and annual and accumulated surpluses. Fluctuations in inflation and discount rates have not been factored into the measurement uncertainty values disclosed here.

BC Oil and Gas Commission

Notes to the Financial Statements for the years ended March 31, 2012 and March 31, 2011

(in \$000s)

19. Expense by Object

	Oil and Gas Activities Regulation	Orphan Site Reclamation	March 31 2012	March 31 2011
Salaries and benefits	18,967	-	18,967	18,159
First Nations	6,785	-	6,785	6,965
Building occupancy	2,552	-	2,552	2,243
Professional services and training	2,009	-	2,009	2,048
Amortization	1,650	-	1,650	1,514
Travel and vehicle costs	1,412	-	1,412	1,204
Telecommunications and information systems	1,354	-	1,354	1,214
Grants	673	-	673	264
Orphan site reclamation	-	917	917	53
Office supplies and equipment	582	-	582	584
Miscellaneous	159	-	159	146
Remediation expenses	111	-	111	-
	36,254	917	37,171	34,394

20. Comparative figures

Certain comparative figures have been restated to conform to the current year's presentation.

21. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Board of Directors.

BC Oil and Gas Commission

Notes to the Financial Statements for the years ended March 31, 2012 and March 31, 2011

(in \$000s)

22. Conversion to Public Sector Accounting Standards

As a result of the Commission adopting Public Sector Accounting Standards in 2012 there were changes made to the comparative figures that were reported in the Commission's 2011 financial statements. The tables below reconcile amounts recorded previously, in 2011 and 2010, to the comparative figures disclosed in these 2012 financial statements.

(a) Statement of Financial Position	Previously	Adjustment	Restated
	Stated April 1, 2010	April 1, 2010	April 1, 2010
Contributed assets	60	(60)	-
Accumulated surplus	16,125	60	16,185

	Previously	Adjustment	Restated
	Stated March 31, 2011	March 31, 2011	March 31, 2011
Contributed assets	50	(50)	-
Accumulated surplus	21,719	50	21,769

(b) Statement of Operations	Previously	Adjustment	Restated
	Stated March 31, 2011	March 31, 2011	March 31, 2011
Amortization of contributed assets	10	(10)	-
Annual surplus	5,594	(10)	5,584

(c) Accumulated Surplus	March 31, 2012	March 31, 2011
Accumulated surplus beginning of year as previously reported	21,719	16,125
Move contributed assets to accumulated surplus	50	60
Accumulated surplus beginning of year as restated	21,769	16,185
Annual surplus for the year previously reported		5,594
Adjustments to annual surplus for the year		(10)
Annual surplus for the year as restated		5,584
Accumulated surplus end of year		21,769

(d) At the same dates the Commission also made the following adjustments and reclassifications

	March 31, 2011	April 1, 2010
Retirement Benefits		
GAAP - Wages payable	(70)	(51)
PSAS - Employee future benefits	70	51
Software		
GAAP - Intangible assets	(992)	(588)
PSAS - Tangible capital assets	992	588