

Geoscience BC
Interim Statement of Financial Position
As at June 30, 2015
(Unaudited - internally-prepared)

| |
|-------------|
| Exhibit 'A' |
|-------------|

| Assets | \$ | March 31, 2015 \$ (audited) |
|--|--------------------------|-----------------------------------|
| <i>Current assets:</i> | | |
| Cash and cash equivalents | 257,188 | 608,715 |
| Investments (Note 2) | 16,870,830 | 12,459,862 |
| Accrued interest receivable | 29,981 | 33,651 |
| Amounts receivable | 108,430 | 5,271,766 |
| Prepaid expenses and deposits | 93,316 | 80,742 |
| | <u>17,359,745</u> | <u>18,454,736</u> |
| Capital assets | 19,950 | 16,012 |
| | <u><u>17,379,695</u></u> | <u><u>18,470,748</u></u> |
| Liabilities | | |
| <i>Current liabilities:</i> | | |
| Accounts payable & accrued liabilities | 260,312 | 437,418 |
| Deferred revenue | - | 125,308 |
| | <u>260,312</u> | <u>562,726</u> |
| Members' Equity | | |
| Net assets restricted for approved programs (Note 3) | 7,313,524 | 6,684,997 |
| Unrestricted net assets (Exhibit 'B', Note 4) | 9,805,859 | 11,223,025 |
| | <u>17,119,383</u> | <u>17,908,022</u> |
| | <u><u>17,379,695</u></u> | <u><u>18,470,748</u></u> |
| Basis of presentation (Note 1) Subsequent events (Note 6) | | |

Refer also to accompanying notes - Exhibit 'C'

Geoscience BC
Interim Operations Statement
For the three months ended June 30, 2015
(Unaudited - internally-prepared)

Exhibit 'B'

| | Actuals | | Year ended March 31, 2015 | Forecast to March 31, 2016 |
|--|------------------------|------------------|--------------------------------------|---------------------------------------|
| | \$ | \$ | \$ | \$ |
| <i>Revenues:</i> | | | | |
| Grants - Provincial Government | | - | 5,000,000 | - |
| Investment income | | (80,526) | 1,154,288 | (80,526) |
| Program funding from third parties | | 165,308 | 395,643 | 165,308 |
| Sublease income | | - | 10,984 | - |
| Miscellaneous | | - | 3,120 | - |
| | | 84,782 | 6,564,035 | 84,782 |
| <i>Expenditures:</i> | | | | |
| <u>Program, including non-refundable portion of GST:</u> | | | | |
| Publishing costs | 1,278 | | 40,312 | 50,000 |
| GIS server implementation | 765 | | 5,663 | 30,000 |
| GIS server maintenance | 1,087 | | 11,447 | 12,500 |
| Program management * | 92,645 | | 380,979 | 400,000 |
| Program funding expended (Note 5) | 404,165 | | 2,231,238 | 7,693,928 ** |
| | | (499,940) | (2,669,639) | (8,186,428) |
| <u>Scholarships:</u> | | | | |
| | - | | (35,000) | (50,000) |
| <u>Administration:</u> | | | | |
| Salaries and Benefits * | 129,006 | | 549,642 | 550,000 |
| Outreach - Government Relations and First Nations Engager | 37,088 | | 105,206 | 150,000 |
| Rent and utilities | 31,895 | | 124,455 | 168,500 |
| Communications, Marketing and Community Engagement | 30,609 | | 65,449 | 75,000 |
| Travel & Conferences/Conventions | 29,599 | | 150,132 | 120,000 |
| Accounting, legal, insurance | 29,258 | | 114,151 | 105,000 |
| Consulting | 21,596 | | 74,849 | 80,000 |
| Sponsorships | 16,375 | | 15,720 | 25,000 |
| Workshops | 13,206 | | - | 13,500 |
| Investment management fees | 11,010 | | 47,882 | 44,000 |
| Non-refundable GST/HST | 5,506 | | 19,221 | 20,000 |
| Office Relocation | 5,102 | | - | 20,000 |
| Office/miscellaneous | 2,868 | | 21,169 | 27,000 |
| Amortization of capital assets | 2,742 | | 10,911 | 22,000 |
| Meeting expenses | 1,878 | | 20,909 | 11,000 |
| Photocopier | 1,248 | | 5,344 | 5,000 |
| Computer maintenance, internet and email | 1,139 | | 12,639 | 15,000 |
| Telephone | 1,113 | | 6,728 | 5,000 |
| Recruitment | 896 | | - | 1,500 |
| Dues/Memberships | 747 | | 12,557 | 12,000 |
| Staff training and professional development | 600 | | 4,419 | 4,500 |
| | | (373,481) | (1,361,383) | (1,474,000) |
| Expenditures in excess of income earned | | (788,639) | 2,498,013 | (9,625,646) |
| Net increase in unexpended funding commitments from March 31, 2015 | | (628,527) | | |
| Add back: March 31, 2015 unexpended funding, restricted at that date | | n/a | | 6,684,997 |
| Balance, unrestricted net assets, March 31, 2015, audited | | 11,223,025 | | 11,223,025 |
| Balance, unrestricted net assets, June 30, 2015 | (refer also to Note 4) | 9,805,859 | | |
| | | (to Exhibit 'A') | | |
| Projected unrestricted net assets, March 31, 2016 | | | | 8,282,376 |

* Program management represents the portion of staff salaries and benefits allocated to programs rather than administrative spending.

** inclusive of \$6,684,997 in unexpended funding commitments at March 31, 2015

Refer also to accompanying notes - Exhibit 'C'

1. Basis of presentation - lack of independence

These financial statements have been internally-prepared by Geoscience BC and have not been audited or reviewed by an independent public accountant. These statements are designed for the internal use of Geoscience BC members only and are not necessarily presented in a manner consistent with generally accepted accounting principles.

2. Investments

| | 30-Jun-15 Market value \$ | 31-Mar-15 Market value \$ |
|--|---------------------------------|---------------------------------|
| BMO High Interest Savings account | 5,620,418 | 1,096,592 |
| 1.76% GIC, Bank of Montreal, due May 1, 2015 (locked-in) | - | 1,000,000 |
| 1.71% GIC, Bank of Montreal, due August 18, 2015 (locked-in) | 1,500,000 | 1,500,000 |
| 1.4% GIC, VanCity, due March 7, 2016 (locked-in) | 1,000,000 | 1,000,000 |
| 1.55% GIC, Montreal Trust, due May 4, 2016 (locked-in) | 1,000,000 | - |
| | <u>9,120,418</u> | <u>4,596,592</u> |
| Connor, Clark and Lunn aggregate portfolio, at market value | 7,750,412 | 7,863,270 |
| | <u>16,870,830</u> | <u>12,459,862</u> |

Geoscience BC considers these to be 'available for sale' securities and hence they are required to be carried at current market values. The Connor, Clark and Lunn value is net of investment management fees of \$11,010, year to date, and included in the Statement of Operations as an expense.

3. Funding Commitments

Geoscience BC had approved the following undisbursed funding at June 30, 2015:

| | |
|---|------------------|
| Project 2006-005 (Hart/Goldfarb, U of Western Australia) | 3,633 |
| Project 2006-029 (Hart/Goldfarb, U of Western Australia) | 13,307 |
| Committed during the year ended March 31, 2007: | <u>16,940</u> |
| Project 2007-017 (Mortensen, UBC) | 12,000 |
| Committed during the year ended March 31, 2008: | <u>12,000</u> |
| Project 2008-027 (Pignotta, U of Wisconsin) | 9,514 |
| Committed during the year ended March 31, 2009: | <u>9,514</u> |
| Project 2009-033 (Mortensen, UBC) | 13,538 |
| Project 2009-046 (Hart, MDRU) | 10,222 |
| Project 2009-048 (Hart, MDRU) | 18,341 |
| Committed during the year ended March 31, 2010: | <u>42,101</u> |
| Minerals - consultants and logistics (funding formerly related to QUEST) | 52,340 |
| Project 2010-002-PIP (funding formerly related to QUEST) | 24,278 |
| Committed in the year ended March 31, 2011: | <u>76,618</u> |
| Project 2011-004 HRB water monitoring study | 152,477 |
| SEEK | 43,252 |
| Project 2011-015 (Bouzari, MDRU) | 22,536 |
| Project 2011-021 (Pattison, U of Calgary) | 5,766 |
| Committed in the year ended March 31, 2012: | <u>224,031</u> |
| Project 2012-002 (Hart, MDRU) | 23,305 |
| NE BC Induced Seismicity Monitoring Program | 387,903 |
| Oil & Gas - consultants, logistics, and community engagement | 196,983 |
| TREK - Consultants, logistics | 45,971 |
| TREK - Geochemistry | 98,798 |
| TREK - Geophysics | 408,971 |
| TREK - Geology & Integration | 498,800 |
| TREK - Geothermal | 39,337 |
| Committed in the year ended March 31, 2013: | <u>1,700,068</u> |
| Project 2013-001 (Bustin, UBC) | 300,000 |
| Project 2013-003 - Long Term Water Availability in the Horn River Basin (HRBPG) | 40,000 |
| TREK - First Nations engagement (from formerly related to QUEST) | 52,752 |
| GIS Server Implementation (formerly DAP & ArcGIS) | 29,240 |
| Committed in the year ended March 31, 2014: | <u>421,992</u> |
| Deep Aquifer Fluid Disposal Program | 4,441 |
| Project 2014-006 (Höy/Jackaman) | 92,988 |
| Project 2014-007 (Chapman/Mileham, U. of Leeds) | 18,428 |
| Project 2014-009 (Yehia, Myar Consulting) | 19,905 |
| Project 2014-011 (Sanchez, Bissig, Kowalczyk) | 18,000 |
| Project 2014-015 (Bouzari/Hart, MDRU) | 132,030 |
| Peace Region Airborne Groundwater Mapping Project (Bouzari/Hart, MDRU) | 2,026,719 |
| Search Project - Phase I | 1,413,224 |
| Project 2015-001 (Jonathan Banks, Alberta Innovates) | 60,000 |
| Committed in the year ended March 31, 2015: | <u>3,785,735</u> |
| Search Project - Phase II | 1,000,000 |
| IT capital purchases | 24,525 |
| Committed in the three months ended June 30, 2015: | <u>1,024,525</u> |
| Restricted Funding commitments at June 30, 2015 - unspent | <u>7,313,524</u> |

These funds remain on hand at June 30, 2015 but are now considered to be internally-restricted from the perspective of Geoscience BC. Refer to Notes 5 and 6.

Geoscience BC
Notes to Interim Financial Statements
For the three months ended June 30, 2015
(Unaudited - internally-prepared)

Exhibit 'C'

4. Summarized net unrestricted assets from inception:

| | |
|--|------------------|
| BC government grants received | 56,700,000 |
| Investment income earned, net | 7,005,433 |
| Income from other sources (third party funding, recoveries, sublease rent, etc.) | 5,966,727 |
| Publishing costs incurred | (296,094) |
| Administrative expenses incurred | (10,352,907) |
| Net program expenditures - actual and commitments | (49,217,300) |
| Unrestricted net assets, June 30, 2015 | <u>9,805,859</u> |

5. Program funding expended in the three months ended June 30, 2015, including non-refundable portion of GST:

| | |
|---|----------------|
| Project 2011-004 HRB water monitoring study | 44,665 |
| NE BC Induced Seismicity Monitoring Program | 23,280 |
| TREK - Geochemistry | 73,350 |
| Search Project | 1,187 |
| Project 2013-003 - Long Term Water Availability in the Horn River Basin (HRBPG) | 25,000 |
| Deep Aquifer Fluid Disposal Program | 159,948 |
| Project 2014-001 (CSA Global) | 11,669 |
| Peace Region Airborne Groundwater Mapping Project | 4,264 |
| Project 2014-037 Economic Viability of Geothermal Resources in British Columbia | 59,654 |
| Oil & Gas - consultants, logistics, and community engagement | 1,148 |
| | <u>404,165</u> |

6. Subsequent events

Between July 1st and November 20th, 2015 Geoscience BC disbursed an aggregate of \$2,117,836 in previously-approved program spending.