

**GEOSCIENCE BC SOCIETY**

**FINANCIAL STATEMENTS**

**MARCH 31, 2019**

**GEOSCIENCE BC SOCIETY  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MARCH 31, 2019 AND 2018**

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**GEOSCIENCE BC SOCIETY****MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements and the information contained in the annual report are the responsibility of the management of Geoscience BC Society (the "Society").

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies used are described in Note 2 to the financial statements. The financial statements include, where appropriate, estimates based on the best judgment of management. Financial and operating data elsewhere in the annual report is consistent with that contained in the accompanying financial statements.

As part of its responsibilities, the Society 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 that the Society's assets are appropriately accounted for and adequately safeguarded.

The Society carries out its responsibilities with regard to the financial statements mainly through its Finance Committee (the "Committee"). The Committee reviews the annual financial statements and other information contained in the annual report and recommends them to the members of the Society for approval. The Committee meets periodically with management and the external auditors. Following these meetings, the Committee may meet privately with the auditors to ensure free and open discussion of any subject the Committee or the auditors wish to pursue. The Committee also recommends the engagement or re-appointment of the external auditors, reviews the scope of the audit and approves the fees of the external auditors for audit and non-audit services.

The financial statements, audited by Beauchamp & Company LLP Chartered Professional Accountants in accordance with Canadian Auditing Standards, have been approved by the Society, on the recommendation of the Finance Committee.

September 19, 2019



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Gavin C. Dirom  
President & CEO, Director



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John Milne  
Treasurer, Director

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Geoscience BC Society

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Geoscience BC Society (the "Society"), which comprise the Statement of Financial Position as at March 31, 2019, and the Statement of Revenues and Expenditures, Statement of Changes in Net Assets and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Geoscience BC Society as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that Geoscience BC Society has no source of operating revenue and its future operations are therefore dependent upon the receipt of continued unrestricted and non-repayable funding. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Society's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 Society'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 Society'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 Society 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

September 19, 2019  
Vancouver, British Columbia

*Beauchamp & Company LLP*  
CHARTERED PROFESSIONAL ACCOUNTANTS

**GEOSCIENCE BC SOCIETY  
STATEMENTS OF FINANCIAL POSITION  
AS AT MARCH 31, 2019 AND 2018**

**EXHIBIT A**

	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 2)	\$ 238,106	\$ 277,661
Investments (notes 2 & 3)	13,581,082	16,705,788
Accrued interest receivable	37,359	48,755
Amounts receivable	5,072,518	448,450
Prepaid expenses and deposits	145,895	193,274
	19,074,960	17,673,928
<b>Capital assets (notes 2 &amp; 5)</b>	30,325	30,666
	<u>\$ 19,105,285</u>	<u>\$ 17,704,594</u>
<b>LIABILITIES AND DEFERRED CONTRIBUTIONS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 6)	\$ 502,175	\$ 276,828
<b>Deferred revenue contributions</b>	5,000,000	4,024,616
	<u>5,502,175</u>	<u>4,301,444</u>
<b>NET ASSETS</b>		
<b>Net assets restricted for approved programs (note 8)</b>	8,950,657	4,744,182
<b>Unrestricted net assets</b>	4,652,453	8,658,968
	13,603,110	13,403,150
	<u>\$ 19,105,285</u>	<u>\$ 17,704,594</u>

**Nature of operations and going concern (note 1)**

**Subsequent events (note 11)**

**Approved by the Board:**



Gavin C. Dirom  
President & CEO, Director



John Milne  
Treasurer, Director

See accompanying notes.

**GEOSCIENCE BC SOCIETY**  
**STATEMENTS OF REVENUES AND EXPENDITURES**  
**FOR THE YEARS ENDED MARCH 31, 2019 AND 2018**

**EXHIBIT B**

	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>Revenues</b>		
Grants – BC Ministry of Energy, Mines and Petroleum Resources	\$ 4,024,616	\$ 5,975,384
Grants – other, and program reimbursements	115,433	847,413
Investments (note 3)	537,992	412,104
Other	-	2,765
<b>Total Revenues</b>	<b>4,678,041</b>	<b>7,237,666</b>
<b>Expenditures - Programs</b>		
Program costs incurred	2,363,674	4,096,232
Program management (note 10)	701,406	537,622
Publishing costs	46,661	36,542
Scholarship awards	50,000	35,000
GST/HST, non-refundable portion	11,414	58,853
GIS Server – implementation & maintenance	11,423	12,115
	<b>3,184,578</b>	<b>4,776,364</b>
<b>Expenditures - Administration</b>		
Amortization of capital assets	19,159	32,660
Consulting	46,306	68,573
Dues and memberships	17,025	11,848
Equipment lease	8,856	6,288
External relations (formerly Communications and marketing)	96,679	51,965
Gifts and promotion	23,077	13,697
GST/HST, non-refundable portion	18,014	17,455
Insurance	8,800	8,854
Investment management fees	51,487	63,526
IT administration (formerly Website, internet and e-mail)	26,563	28,005
Office and sundry	23,945	20,774
Professional fees	125,720	124,649
Recruitment	9,395	27,299
Rent and utilities (note 7)	185,521	178,048
Salaries and benefits (note 10)	470,170	429,067
Sponsorship	25,800	9,675
Travel, conferences and meetings	136,986	106,637
	<b>1,293,503</b>	<b>1,199,020</b>
<b>Total Expenditures</b>	<b>4,478,081</b>	<b>5,975,384</b>
<b>Excess of revenues over expenditures</b>	<b>\$ 199,960</b>	<b>\$ 1,262,282</b>

See accompanying notes.

**GEOSCIENCE BC SOCIETY**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED MARCH 31, 2019 AND 2018**

**EXHIBIT C**

	<b>Restricted For Approved Programs</b>	<b>Unrestricted</b>	<b>Total</b>
Balance, March 31, 2017	\$ 4,727,248	\$ 7,413,620	\$ 12,140,868
Internally-imposed restrictions	4,205,707	(4,205,707)	-
(Deficiency) Excess of revenues over expenditures	(4,188,773)	5,451,055	1,262,282
Balance, March 31, 2018	4,744,182	8,658,968	13,403,150
Internally-imposed restrictions	6,628,894	(6,628,894)	-
(Deficiency) Excess of revenues over expenditures	(2,422,419)	2,622,379	199,960
Balance, March 31, 2019	\$ 8,950,657	\$ 4,652,453	\$ 13,603,110

See accompanying notes.



**GEOSCIENCE BC SOCIETY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MARCH 31, 2019 AND 2018**

**EXHIBIT D**

**Cash provided by (used for):**

	<u><b>2019</b></u>		<u><b>2018</b></u>
<b>Operating Activities</b>			
Grants and program reimbursements	\$ 470,336	\$	10,543,339
Investments	289,012		420,740
Other	-		2,765
Payments for program expenditures	(2,932,635)		(5,254,901)
Payments for administration expenditures	(1,235,695)		(1,202,764)
Payments of refundable portion of GST/HST	(29,064)		(79,210)
Receipt of refundable portion of GST/HST	47,816		76,187
Cash (used for) provided by operating activities	(3,390,230)		4,506,156
<b>Investing Activities</b>			
Purchase of investments (note 3)	(8,725,000)		(10,000,000)
Redemption of investments (note 3)	12,327,937		5,650,000
Reinvestment of investment distributions, net of fees	(224,706)		(346,697)
Purchase of capital assets	(27,556)		(7,251)
Cash provided by (used for) investing activities	3,350,675		(4,703,948)
<b>Net change in cash and cash equivalents</b>	(39,555)		(197,792)
<b>Cash and cash equivalents, beginning of year</b>	277,661		475,453
<b>Cash and cash equivalents, end of year</b>	\$ 238,106	\$	277,661

See accompanying notes.

**GEOSCIENCE BC SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019 AND 2018**

**EXHIBIT E**

**1. Nature Of Operations And Going Concern**

Geoscience BC Society (“Geoscience BC” or “the Society”) was incorporated under the Society Act (British Columbia) on April 26, 2005 as a not for profit organization. The Society transitioned under the Societies Act (British Columbia), effective June 19, 2018. The Society is exempt from taxation under subsection 149(1) of the *Income Tax Act* (Canada). The purpose of the Society is to promote, fund and otherwise support applied geoscience research in British Columbia. The Society had its genesis in a \$25 million funding commitment announced by the government of British Columbia in January 2005, which unrestricted funding was subsequently received and the Society incorporated. The Society has had certain members and directors in common with, and its creation was promoted by, both the Association for Mineral Exploration British Columbia and the Mining Association of British Columbia. However, the Society operates independently of both organizations and is controlled by a separate board of up to 13 directors, which also comprises the Society’s membership. Although it functions to complement the efforts of pre-existing provincial and federal agencies, Geoscience BC also operates on an arms-length basis from the governments of both British Columbia and Canada.

The Society has no source of operating revenue and its future operations are therefore dependent upon the receipt of continued unrestricted and non-repayable funding, anticipated to be from government sources. In the event such funding is not received, the Society would in due course deplete its cash reserves and be required to cease operations. At March 31, 2019 the Society expects to maintain operations for a period sufficient to complete all existing commitments to fund programs from liquid asset balances currently on hand. Refer to Note 3.

Management believes that these actions make the use of the going concern basis appropriate; however, it is not possible at this time to predict the outcome of these matters. If the going concern basis is not appropriate, adjustments could be necessary to the carrying amounts and/or classification of assets, liabilities, revenues and expenditures in these financial statements, and these adjustments could be material.

**2. Significant Accounting Policies**

**Use of estimates**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, which necessarily involves the use of estimates. The preparation of financial statements requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues earned and expenditures incurred during the year. Actual results could differ from those estimates. The financial statements of the Society have, in management’s opinion, been properly prepared within reasonable limits of materiality, and within the framework of the significant accounting policies disclosed below.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash on deposit with banks and other financial institutions, and highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash.

**Investments**

Investments are initially recognized and subsequently measured at fair value, determined using market information. Transaction costs and net gains and losses arising from changes in fair value are immediately recognized in the Society’s statement of revenues and expenditures.

## **2. Significant Accounting Policies (Cont'd)**

### **Capital assets**

Capital asset purchases made by the Society are capitalized and are recorded at cost less accumulated amortization. Amortization is recorded as disclosed in Note 5 on a straight-line basis, commencing in the quarter of acquisition, as follows:

Computer equipment	3 years
Furniture and office equipment	2.5 and 5 years
Leasehold improvements	3 years

### **Revenue recognition**

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets. Restricted investment income is recognized as revenue in the year in which the related expenditures are incurred. Unrestricted investment income is recognized as revenue when earned.

### **Donated materials and services**

Donated materials and services are recorded only when a fair value can be reasonably estimated and when they would be paid for by the Society if they had not been donated.

### **Contributed services**

Significant volunteer labour is contributed to assist the Society in carrying out its activities, but is not recorded in its financial statements due to the difficulty of determining the fair value of those services.

### **Accounting for expenditures on internally generated intangible assets**

Expenditures incurred on internally generated intangible assets are expensed as incurred. During the year ended March 31, 2019, the Society redesigned its website at a cost of \$49,920 to mirror its Strategic Plan and new branding. These costs are grouped with and disclosed as external relations in its statement of revenues and expenditures for the year ended March 31, 2019.

## **3. Investments**

The Society has investments in various pooled funds under the discretionary management of Connor, Clark and Lunn Private Capital Ltd. ("CC&L"), and subject to a Statement of Investment policy between the Society and CC&L. These monies are also readily convertible to cash at any time without penalty. During the year ended March 31, 2019, no amounts (2018 - \$4 million) were invested with CC&L, and \$7,014,437 was withdrawn from CC&L (2018 - \$nil).

During the year ended March 31, 2019, \$8.725 million (2018 - \$10 million) was transferred to invest in guaranteed income certificates or equivalent instruments issued by Canadian financial institutions, substantially all of which are readily convertible to cash at any time at market values.

**GEOSCIENCE BC SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019 AND 2018**

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**EXHIBIT E  
(CONT'D)**

**3. Investments (Cont'd)**

During the year ended March 31, 2019, the Society drew \$5,313,500 (2018 - \$9.65 million) from the amounts invested in guaranteed income certificates and equivalent instruments.

	March 31, 2019 Market Value \$	March 31, 2018 Market Value \$
<b>Investments:</b>		
High interest savings account	3,350,345	65,618
Guaranteed investment certificates ("GIC's")	4,225,000	4,000,000
	7,575,345	4,065,618
CC&L aggregate portfolio	6,005,737	12,640,170
	13,581,082	16,705,788

As at September 19, 2019, the fair market value of the Society's CC&L aggregate portfolio has increased to \$6,141,414, as the result of both the reinvestment of income distributions received, and changes to the portfolio's fair market value.

**Investment revenue is comprised of the following:**

	March 31, 2019 \$	March 31, 2018 \$
Interest earned on GIC's and equivalent instruments	97,069	88,090
Reinvested distributions	277,480	418,375
Realized investment gains	605,802	223,344
Change in unrealized investment gains and losses	(442,359)	(317,705)
Revenue disclosed in the Statements of Revenues and Expenditures	537,992	412,104

**4. Financial Instruments**

The Society's financial instruments measured at amortized cost consist of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities. The Society's investments are recorded at fair value. As at March 31, 2019 and 2018, the Society has not recorded any allowance for impairment of its amounts receivable.

**Interest rate risk**

As at March 31, 2019, the Society's investments in highly liquid near cash instruments, excluding the CC&L portfolio, consist of Guaranteed Investment Certificates issued by Canadian commercial financial institutions and funds on treasury deposit with such an institution. The Society considers the interest rate risk associated with such investments to be minimal. Investments in equity securities are not exposed to significant interest rate risk.

**GEOSCIENCE BC SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019 AND 2018**

**EXHIBIT E  
(CONT'D)**

**4. Financial Instruments (Cont'd)**

**Currency risk**

Related to the general price risk disclosed above, historically, a small portion of the underlying assets comprising the CC&L portfolio have been denominated in foreign currencies, and accordingly the portfolio has been exposed to foreign exchange fluctuations to this extent. The Society mitigates the currency risk exposure of its foreign bonds and equities through diversification. The Canadian portion of the CC&L portfolio was 100% at March 31, 2019 (2018 – 78.0%).

**Liquidity risk**

The Society is exposed to liquidity risk due to the timing of revenues received to meet commitments associated with financial instruments. The Society manages liquidity risk by maintaining adequate cash and near cash balances.

**Credit and market risk**

The Society's financial instruments include a variety of fixed income securities which have a low to medium level of risk.

The Society's CC&L portfolio is subject to a Statement of Investment Policy ("SIP") which was amended during the year ended March 31, 2019 from an overall fixed income weighting of 65% and an equity weighting of 35% to a fixed income weighting of 100%. These monies do not represent direct holdings of securities in specific entities but rather investments in units of CC&L funds which themselves hold widely diversified positions and which are managed on a pooled basis generally with a view to limiting the overall volatility of a given fund.

**5. Capital Assets**

	Cost	Accumulated Amortization	Net Book Value At March 31, 2019	March 31, 2018
Computer equipment	\$ 14,973	\$ 7,754	\$ 7,219	\$ 8,452
Furniture and office equipment	54,380	31,274	23,106	16,505
Leasehold improvements	-	-	-	5,709
	<u>\$ 69,353</u>	<u>\$ 39,028</u>	<u>\$ 30,325</u>	<u>\$ 30,666</u>

**6. Accounts Payable And Accrued Liabilities**

	March 31, 2019 \$	March 31, 2018 \$
Trade payables	478,272	252,962
Government remittances	2,403	2,866
Accrued liabilities	21,500	21,000
	<u>502,175</u>	<u>276,828</u>

**GEOSCIENCE BC SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019 AND 2018**

**EXHIBIT E  
(CONT'D)**

## **7. Contractual Obligations**

As at March 31, 2019, the Society has a base rental commitment relating to the lease of its office premises, inclusive of monthly charges in respect to operating and common area costs and property taxes, totalling approximately \$414,000 to July 31, 2021 (2018 - \$579,000). The Society also has a commitment relating to the lease of its photocopy equipment totalling \$5,018 to August 2020 (2018 - \$9,032).

Pursuant to a contract of employment with its President and Chief Executive Officer, if the Society terminates its employment with this individual without cause, it would be committed to pay four weeks salary in termination benefits during the first year of employment, and after three years of continuous employment the Society would be committed to pay six weeks salary in termination benefits plus one additional week salary for each additional year of employment up to a maximum 16 weeks. In addition, the President and Chief Executive Officer may terminate employment with the Society at any time by providing three months written notice, with the Society having the option to consent to additional or lesser notice.

The Society maintains a defined contribution plan for all of its eligible employees. Each eligible employee of the plan receives employer contributions of 8% of annual earnings up to their maximum deduction as allowed by Canada Revenue Agency. This pension expenditure is allocated to and disclosed as program management and salaries and benefits in the Society's statements of revenues and expenditures for the years ended March 31, 2019 and 2018.

## **8. Restricted Net Assets**

At March 31, 2019, the Society's net assets are subject to future obligations aggregating \$8,950,657 (2018 - \$4,744,182), representative of undisbursed but approved program funding commitments, payment of which is contingent upon the Society receiving acceptable deliverables from these programs in accordance with executed agreements. In addition, at March 31, 2019, \$740,000 is approved in principle for program funding commitments, whose final approval is contingent on various future events. Refer to Note 11. These internally restricted amounts are not available for other purposes without the approval of the Society's Board of Directors.

Recipients of funding from Geoscience BC are required to account for the expenditure of all monies received, and Geoscience BC reserves the right to request documentation to support the reported expenditure breakdowns. Unspent funds, including GST and HST input tax credits subsequently recovered by recipients, but based on the expenditure of Geoscience BC grants, are to be returned to the Society. During the fiscal year ended March 31, 2019, the Society received no such recoveries (2018 - \$4,158). No predictions of future recoveries can be accurately made at this time and therefore funding recoveries are recorded at the earlier of the date of receipt and the date that a recovered amount becomes determinable.

## **9. Related Party Transactions**

These related party transactions were in the normal course of operations and are measured at fair value, being the exchange amount, as determined by management of the Society.

During the year ended March 31, 2019, the Society paid or accrued an aggregate of \$133,526 (2018 - \$132,413) to related parties for program management, administrative and professional services.

**GEOSCIENCE BC SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019 AND 2018**

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**EXHIBIT E  
(CONT'D)**

**10. Remuneration Of Directors, Employees And Consultants**

Total salaries and benefits paid by the Society for the year ended March 31, 2019 were \$1,166,720 (2018 – \$966,689) of which \$470,170 (2018 – \$429,067) is included in Administration expenditures and \$696,550 (2018 – \$537,622) is included in Program expenditures.

During the year ended March 31, 2019, the Society paid or accrued an aggregate of \$1,158,775 to seven employees and a consultant of the Society (2018 - \$934,776 to six employees and a consultant) who each earned more than \$75,000 during the year. Of this amount, \$250,472 was paid or accrued to the Society's President and CEO (2018 - \$139,443, October 2017 to March 2018) and \$196,864 was paid or accrued to the Society's Executive Vice President and Chief Scientific Officer for the period June 14, 2018 to March 31, 2019 (2018 - \$134,809, April 1, 2017 to October 15, 2017), who are also Directors of the Society.

**11. Subsequent Events**

During the period subsequent to March 31, 2019:

- Of the \$740,000 disclosed in Note 8 as approved in principle for program funding commitments at March 31, 2019, \$540,000 was in respect to a proposal that was subsequently not recommended for funding, reducing the amount approved in principle to \$200,000. An additional \$420,000 was approved in principle for program funding commitments subsequent to March 31, 2019, for total amounts approved in principle of \$620,000 as at September 19, 2019. Refer to Note 8.
- The Society approved and disbursed 10 scholarships of \$5,000 each.
- \$5 million was transferred to invest in guaranteed investment certificates or equivalent instruments issued by Canadian financial institutions. In addition, the Society drew \$3,271,514 from these investments to meet its funding obligations to September 19, 2019.