

GEOSCIENCE BC SOCIETY

FINANCIAL STATEMENTS

MARCH 31, 2020

**GEOSCIENCE BC SOCIETY
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITOR'S REPORT

EXHIBITS

- A. Statement of Financial Position
- B. Statement of Revenues and Expenditures
- C. Statement of Changes in Net Assets
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- E. Notes to Financial Statements

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

The financial statements 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.

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 recommends the approval of 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 17, 2020



Gavin C. Dirom
President & CEO, Director



John Milne
Treasurer, Director

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, 2020, 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, 2020, 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 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 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.

Beauchamp & Company LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

September 17, 2020
Vancouver, British Columbia

**GEOSCIENCE BC SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020 AND 2019**

EXHIBIT A

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	\$ 356,547	\$ 238,106
Investments (Notes 2 & 3)	11,084,896	13,581,082
Accrued interest receivable	7,860	37,359
Amounts receivable	231,378	5,072,518
Prepaid expenses and deposits	162,847	145,895
	11,843,528	19,074,960
Capital assets (Notes 2 & 5)	105,648	30,325
	\$ 11,949,176	\$ 19,105,285
LIABILITIES AND DEFERRED CONTRIBUTIONS		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 172,724	\$ 502,175
Deferred revenue contributions (Note 7)	120,604	5,000,000
	293,328	5,502,175
NET ASSETS		
Restricted net assets for approved projects (Note 9)	5,787,031	8,950,657
Unrestricted net assets	5,868,817	4,652,453
	11,655,848	13,603,110
	\$ 11,949,176	\$ 19,105,285

Nature of operations and going concern (Note 1)

Subsequent events (Note 13)

Approved by the Board:



Gavin C. Dirom
President & CEO, Director



John Milne
Treasurer, Director

See accompanying notes.

GEOSCIENCE BC SOCIETY
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

EXHIBIT B

	Year ended <u>March 31, 2020</u>	(Note 2) Year ended <u>March 31, 2019</u>
Revenues		
British Columbia government grant funding	\$ 5,000,000	\$ 4,024,616
Project partner funding	132,255	115,433
Investment and other income (Note 3)	324,008	537,992
Total Revenues	5,456,263	4,678,041
Expenditures		
Expenditures - projects		
Minerals	3,377,284	607,604
Energy	1,439,794	1,059,133
Water	363,180	705,682
Total Minerals, Energy and Water projects	5,180,258	2,372,419
Geoscience scholarships	50,000	50,000
Project management and technical support (Note 10)	970,940	826,268
Total expenditures – projects	6,201,198	3,248,687
Expenditures - administrative		
Governance, management and finance (Note 10)	761,540	788,277
Public access and data management (Note 10)	73,431	55,292
External relations and communications (Note 10)	367,356	385,825
Total expenditures – administrative	1,202,327	1,229,394
Total Expenditures	7,403,525	4,478,081
(Deficiency) Excess Of Revenues Over Expenditures	\$ (1,947,262)	\$ 199,960

See accompanying notes.

GEOSCIENCE BC SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

EXHIBIT C

	Restricted For Approved Projects	Unrestricted	Total
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
Internally-imposed restrictions	2,066,632	(2,066,632)	-
(Deficiency) Excess of revenues over expenditures	(5,230,258)	3,282,996	(1,947,262)
Balance, March 31, 2020	\$ 5,787,031	\$ 5,868,817	\$ 11,655,848

See accompanying notes.

**GEOSCIENCE BC SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

EXHIBIT D

Cash provided by (used for):

	Year ended <u>March 31, 2020</u>	(Note 2) Year ended <u>March 31, 2019</u>
Operating Activities		
Grants and project partner funding	\$ 5,122,916	\$ 470,336
Investments	252,727	327,512
Payments for project expenditures	(6,404,996)	(2,996,744)
Payments for administrative expenditures	(1,273,589)	(1,171,586)
Payments of refundable portion of GST/HST	(60,678)	(29,064)
Receipt of refundable portion of GST/HST	30,766	47,816
Cash used for operating activities	(2,332,854)	(3,351,730)
Investing Activities		
Purchase of investments (Note 3)	(5,000,000)	(8,725,000)
Redemption of investments (Note 3)	7,725,000	12,289,437
Reinvestment of investment distributions, net of fees	(122,082)	(224,706)
Purchase of capital assets	(151,623)	(27,556)
Cash provided by investing activities	2,451,295	3,312,175
Net Change In Cash And Cash Equivalents	118,441	(39,555)
Cash And Cash Equivalents, Beginning Of Year	238,106	277,661
Cash And Cash Equivalents, End Of Year	\$ 356,547	\$ 238,106

**GEOSCIENCE BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

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 undertake and support the independent collection and public dissemination of earth science 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 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, 2020 the Society expects to maintain operations for a period sufficient to complete all existing commitments to fund projects from liquid asset balances currently on hand. Refer to Note 3.

The World Health Organization declared COVID 19 coronavirus to be a pandemic on March 11, 2020 and as a result Canadian health authorities have issued several progressive restrictions on business operations. The pandemic is altering business and consumer activity in all areas. The Society's available liquidity sources to support operations will assist in addressing current risks, however, second-order effects of the pandemic on its service providers and members is not yet known. Because of the severity and global nature of the pandemic, it is reasonably possible that estimates in the financial statements will change in the near term, and the effects may be material.

Management is continuing to monitor the impact of the COVID 19 coronavirus on the Society's operations and impact to underlying projects and is continuing to pursue funding opportunities. 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.

**GEOSCIENCE BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

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**EXHIBIT E
(CONT'D)**

2. Significant Accounting Policies (Cont'd)

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.

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
Project equipment	1.25 (2019 - 2.5) years
Furniture and office equipment	5 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.

New accounting policy – Allocation of expenditures

On April 1, 2019, the Society adopted a new accounting policy in respect of its allocation of expenditures, with expenditures being accounted for retrospectively resulting in no changes to its opening net assets for the years disclosed. In connection with this accounting change, certain of the balances disclosed for the year ended March 31, 2019 in the Society's statements of revenues and expenditures and cash flows have been reclassified to conform with the financial statement presentation adopted for in the 2020 year ended.

**GEOSCIENCE BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

**EXHIBIT E
(CONT'D)**

2. Significant Accounting Policies (Cont'd)

The Society generates independent, relevant, public earth science research and data about British Columbia's minerals, energy and water resources. The costs of managing each of the Society's projects include the costs of personnel, and other expenditures that are directly related to project provision. The Society also incurs a number of general support expenditures that are common to the administration of the Society and each of its projects.

The Society allocates certain expenditures by identifying the appropriate basis of allocating each component expenditure, and applies that basis consistently for each year disclosed. General support expenditures are allocated to the following functions based on personnel time and directly related expenditures: Project management and technical support; Governance, management and finance; Public access and data management; and External relations and communications. The amounts and the functions to which they have been allocated are disclosed in Note 10.

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 as disclosed in Note 4 between the Society and CC&L. These monies are also readily convertible to cash at any time without penalty. During the years ended March 31, 2020 and 2019, no new amounts were invested with CC&L, and \$nil (2019 - \$7,014,437) was withdrawn from CC&L.

During the year ended March 31, 2020, \$5 million (2019 - \$8.725 million) was invested 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.

During the year ended March 31, 2020, the Society drew \$7.725 million (2019 - \$5.275 million) from the amounts invested in guaranteed income certificates and equivalent instruments.

	March 31, 2020 Market Value \$	March 31, 2019 Market Value \$
Investments:		
High interest savings account	3,966,614	3,350,345
Guaranteed investment certificates ("GIC's")	1,000,000	4,225,000
	<u>4,966,614</u>	<u>7,575,345</u>
 CC&L aggregate portfolio	 6,118,282	 6,005,737
	<u>11,084,896</u>	<u>13,581,082</u>

As at September 17, 2020, the fair market value of the Society's CC&L aggregate portfolio has increased to \$6,532,840, as the result of both the reinvestment of income distributions received, and changes to the portfolio's fair market value.

**GEOSCIENCE BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

**EXHIBIT E
(CONT'D)**

3. Investments (Cont'd)

Net Investment revenue is comprised of the following:

	March 31, 2020 \$	March 31, 2019 \$
Interest earned on GIC's and equivalent instruments	173,974	97,069
Reinvested distributions	158,672	277,480
Realized investment gains	28,687	605,802
Change in unrealized investment gains and losses	(37,325)	(442,359)
Revenue disclosed in the Statement of Revenues and Expenditures	<u>324,008</u>	<u>537,992</u>

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, 2020 and 2019, the Society has not recorded any allowance for impairment of its amounts receivable.

Interest rate risk

As at March 31, 2020, 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.

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, 2020 and 2019.

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.

**GEOSCIENCE BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

**EXHIBIT E
(CONT'D)**

5. Capital Assets

	Cost	Accumulated Amortization	Net Book Value At	
			March 31, 2020	(Note 2) March 31, 2019
Computer equipment	\$ 19,415	\$ 8,831	\$ 10,584	\$ 7,219
Project equipment	162,853	72,853	90,000	13,107
Furniture and office equipment	31,953	26,889	5,064	9,999
	<u>\$ 214,221</u>	<u>\$ 108,573</u>	<u>\$ 105,648</u>	<u>\$ 30,325</u>

In accordance with the Society's accounting policy relating to capital assets in Note 2, during the year ended March 31, 2020 the Society has recognized \$12,186 (2019 - \$19,159) in amortization on its computer, furniture and office equipment, and \$64,114 (2019 - \$8,738) in amortization on its project equipment.

6. Accounts Payable And Accrued Liabilities

	March 31, 2020	March 31, 2019
Trade payables	\$ 147,480	\$ 478,272
Government remittances	3,244	2,403
Accrued liabilities	22,000	21,500
	<u>\$ 172,724</u>	<u>\$ 502,175</u>

7. Deferred Revenue Contributions

	March 31, 2020	March 31, 2019
Balance, beginning of year	\$ 5,000,000	\$ 4,024,616
Add amounts recognized as receivable in the year:		
British Columbia government grant funding	-	5,000,000
Project partner funding	120,604	-
Deduct recognition of revenue for related expenditures in the year	<u>(5,000,000)</u>	<u>(4,024,616)</u>
Balance, end of year	<u>\$ 120,604</u>	<u>\$ 5,000,000</u>

**GEOSCIENCE BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

**EXHIBIT E
(CONT'D)**

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8. Contractual Obligations

As at March 31, 2020, 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 \$242,000 to July 31, 2021 (2019 - \$414,000). The Society also has a commitment relating to the lease of its photocopy equipment totalling \$1,004 to August 2020 (2019 - \$5,018).

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 included in Project management and technical support, Governance management and finance, Public access and data management, and External relations and communications in the Society's statement of revenues and expenditures for the years ended March 31, 2020 and 2019. Refer to Note 10.

9. Restricted Net Assets

At March 31, 2020, the Society's net assets are subject to future obligations aggregating \$5,787,031 (2019 - \$8,950,657), representative of undisbursed but approved project funding commitments, payment of which is contingent upon the Society receiving acceptable deliverables from these projects in accordance with executed agreements. In addition, at March 31, 2020, \$200,000 is approved in principle for project funding commitments (2019 - \$740,000), whose final approval is contingent on various future events. Refer to Note 13. 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 years ended March 31, 2020 and 2019, the Society received no such recoveries. 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.

**GEOSCIENCE BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

**EXHIBIT E
(CONT'D)**

10. Allocation Of Unrestricted Expenditures

Year ended March 31, 2020	Project Management and Technical Support	Governance, Management and Finance	Public Access and Data Management	External Relations and Communications	Totals
Salaries and benefits (Note 12)	\$ 819,295	\$ 285,220	\$ 34,441	\$ 153,310	\$ 1,292,266
Consultants	35,707	135,922	425	17,505	189,559
Professional fees, dues and memberships	1,763	73,210	-	12,204	87,177
Office rent, property tax and operating costs	-	183,722	-	-	183,722
Information Technology	-	-	34,720	-	34,720
Geographic Information Systems (GIS) server maintenance	11,875	-	-	-	11,875
Project reporting and technical summaries	69,567	-	-	-	69,567
Sponsorships	-	-	-	42,579	42,579
Communications tools	-	-	-	31,832	31,832
Conferences, meetings, travel and events	27,520	17,394	125	104,133	149,172
Office supplies, couriers, telephone, other	5,213	53,886	3,720	3,543	66,362
Amortization	-	12,186	-	-	12,186
Website maintenance	-	-	-	2,250	2,250
	\$ 970,940	\$ 761,540	\$ 73,431	\$ 367,356	\$ 2,173,267

Year ended March 31, 2019	Project Management and Technical Support	Governance, Management and Finance	Public Access and Data Management	External Relations and Communications	Totals
Salaries and benefits (Note 12)	\$ 696,550	\$ 291,926	\$ 26,237	\$ 152,007	\$ 1,166,720
Consultants	34,220	122,365	384	13,080	170,049
Professional fees, dues and memberships	1,265	96,144	-	7,464	104,873
Office rent, property tax and operating costs	-	178,833	-	-	178,833
Information Technology	-	-	26,563	-	26,563
Geographic Information Systems (GIS) server maintenance	11,423	-	-	-	11,423
Project reporting and technical summaries	46,661	-	-	-	46,661
Sponsorships	-	-	-	25,800	25,800
Communications tools	-	-	-	22,584	22,584
Conferences, meetings, travel and events	29,720	15,255	234	108,700	153,909
Office supplies, couriers, telephone, other	6,429	64,595	1,874	6,270	79,168
Amortization	-	19,159	-	-	19,159
Website rebuild	-	-	-	49,920	49,920
	\$ 826,268	\$ 788,277	\$ 55,292	\$ 385,825	\$ 2,055,662

**GEOSCIENCE BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

**EXHIBIT E
(CONT'D)**

11. Related Party Transactions

During the year ended March 31, 2020, the Society paid or accrued an aggregate of \$136,968 (2019 - \$133,526) for project management, administrative and professional services to an Officer of the Society and a law firm which has a partner who is a Director of the Society.

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

12. Remuneration Of Directors, Employees And Consultants

Total salaries and benefits incurred by the Society during the year ended March 31, 2020 were \$1,292,266 (2019 - \$1,166,720) of which \$472,971 (2019 - \$470,170) is included in Administrative expenditures and \$819,295 (2019 - \$696,550) is included in Project expenditures.

During the year ended March 31, 2020, the Society paid or accrued an aggregate of \$1,411,887 to eight employees and a consultant of the Society (2019 - \$1,158,775 to six employees and a consultant) who each earned more than \$75,000 during the year. Of this amount, \$253,611 was paid or accrued to the Society's President and CEO (2019 - \$250,472) and \$260,287 was paid or accrued to the Society's Executive Vice President and Chief Scientific Officer (2019 - \$196,864), who are also Directors of the Society.

13. Subsequent Events

During the period subsequent to March 31, 2020:

- The \$200,000 disclosed in Note 9 as approved in principle for project funding commitments at March 31, 2020 was subsequently recommended for funding and restricted. An additional \$195,000 was approved in principle for project funding commitments subsequent to March 31, 2020, of which \$175,000 was subsequently recommended for funding and restricted, resulting in a current amount approved in principle of \$20,000 as at September 17, 2020. Refer to Note 9.
- The Society approved and disbursed 10 scholarships of \$5,000 each.
- The Society drew \$1 million from its guaranteed investment certificates or equivalent instruments to meet its funding obligations to September 17, 2020.