Grant Thornton

Consolidated Financial Statements

Province of Nova Scotia
Nova Scotia Innovation Corporation

March 31, 2022

Contents

Nova Scotia Innovation Corporation

Management's Report

Management's Responsibility for the Consolidated Financial Statements

The consolidated financial statements of Nova Scotia Innovation Corporation ("Innovacorp") 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 consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated 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 is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises these responsibilities through the board. The board reviews internal consolidated financial statements on a monthly basis and external audited consolidated financial statements yearly.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Innovacorp and meet when required.

On behalf of **Innovacorp**

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Malcolm Fraser
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Malcolm Fraser
President and CEO
Innovacorp

DocuSigned by:
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Donna Bourque, CPA, CA, CPA (IL)
VP Finance and Operations
Innovacorp

Date 6/27/2022

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To the Board of Directors of
Province of Nova Scotia
Nova Scotia Innovation Corporation

Opinion

We have audited the consolidated financial statements of Nova Scotia Innovation Corporation ("Innovacorp"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statement of operations and accumulated surplus, change in net financial assets, cash flows and remeasurement gains and losses for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Innovacorp as at March 31, 2022, and the results of its operations, change in net financial assets, cash flows and remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

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 consolidated financial statements* section of our report. We are independent of Innovacorp in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing Innovacorp's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate Innovacorp or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing Innovacorp's financial reporting process.

Grant Thornton

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Innovacorp’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 Innovacorp'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 consolidated 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 Innovacorp to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Grant Thornton LLP

Halifax, Canada
June 27, 2022

Chartered Professional Accountants

Province of Nova Scotia
Nova Scotia Innovation Corporation
Consolidated Statement of Financial Position

As at March 31	**2022**	2021
Financial Assets		
Cash	**$ 11,439,568**	$ 3,189,343
Restricted cash and cash equivalents	**1,997,227**	380,985
Accounts receivable (Note 3)	**453,289**	1,231,375
Loans receivable (Note 4)	**1,055,902**	2,032,505
Portfolio investments (Note 5)		
Investments quoted in an active market	**15,407,008**	41,146,530
Investments in early stage private enterprises	**49,114,686**	51,991,284
	$ 79,467,680	$ 99,972,022
Liabilities		
Payables and accruals (Note 13)	**$ 1,724,352**	$ 1,337,720
Lease inducement liability	**50,315**	70,441
Retirement benefits (Note 6)	**1,803,457**	1,794,549
Deferred revenue	**415,502**	873,341
Deferred capital contributions (Note 8)	**1,699,720**	1,847,261
	5,693,346	5,923,312
Net financial assets	**$ 73,774,334**	$ 94,048,710
Non-Financial Assets		
Prepaid expenses	**$ 167,327**	$ 123,014
Property and equipment (Note 9)	**3,741,819**	4,093,076
	3,909,146	4,216,090
Accumulated surplus	**77,683,480**	98,264,800
Accumulated surplus is comprised of:		
Accumulated operating surplus	**81,460,464**	65,701,072
Accumulated remeasurement (loss) gain	**(3,776,984)**	32,563,728
	$ 77,683,480	$ 98,264,800

Contractual obligations (Note 14)

On behalf of the Board of Directors

DocuSigned by:

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Board Chair

See accompanying notes to the consolidated financial statements.

Province of Nova Scotia
Nova Scotia Innovation Corporation
Consolidated Statement of Operations and Accumulated Surplus
For the Year Ended March 31, 2022

Revenues (Note 15)	Budget	**2022**	2021
Corporate services			
Government contributions – operations (Note 10)	$ 9,735,248	**$ 9,739,609**	$ 10,182,917
Government contributions – statutory capital (Note 10)	-	**15,160,216**	3,784,915
Other	24,000	**49,093**	31,843
Incubation	1,215,383	**1,432,330**	1,371,918
Acceleration	522,441	**1,090,287**	624,116
Investment	1,800	**175,122**	61,199
	11,498,872	**27,646,657**	16,056,908
Expenses (Notes 11 and 15)			
Corporate services	3,032,326	**2,677,984**	2,727,552
Incubation	3,057,208	**2,901,829**	2,828,234
Acceleration	4,534,164	**4,848,030**	4,385,144
Investment	1,127,683	**1,075,851**	991,251
	11,751,381	**11,503,694**	10,932,181
Operating surplus (deficit)	(252,509)	**16,142,963**	5,124,727
Impairment of portfolio investments and loans receivable	(500,000)	**(933,658)**	(273,750)
Realized gains on portfolio investments	-	**101,511,407**	1,382,209
Government transfer (Note 5)	-	**(100,961,320)**	-
Loss on disposal of property and equipment	-	**-**	(30,051)
	(500,000)	**(383,571)**	1,078,408
Annual surplus (deficit)	(752,509)	**15,759,392**	6,203,135
Accumulated operating surplus, beginning of year	-	**65,701,072**	59,497,937
Accumulated operating surplus, end of year	$ -	**$ 81,460,464**	$ 65,701,072

See accompanying notes to the consolidated financial statements.

Province of Nova Scotia
Nova Scotia Innovation Corporation
Consolidated Statement of Change in Net Financial Assets

For the Year Ended March 31	**2022**	2021
Annual surplus	**$ 15,759,392**	$ 6,203,135
Net remeasurement (loss) gain	**(36,340,712)**	32,482,552
	(20,581,320)	38,685,687
Change in tangible capital assets		
Acquisition of property and equipment	**(66,847)**	(207,553)
Disposal of property and equipment at net carrying value	**-**	30,051
Amortization	**418,104**	603,587
Decrease in tangible capital assets	**351,257**	426,085
Change in other non-financial assets		
Net change in prepaid expenses	**(44,313)**	(2,105)
(Decrease) increase in net financial assets	**(20,274,376)**	39,109,667
Net financial assets, beginning of the year	**94,048,710**	54,939,043
Net financial assets, end of year	**$ 73,774,334**	$ 94,048,710

See accompanying notes to the consolidated financial statements.

Province of Nova Scotia
Nova Scotia Innovation Corporation
Consolidated Statement of Cash Flows

For the Year Ended March 31	2022	2021
Increase (decrease) in cash and cash equivalents		
Operating transactions		
Annual surplus	**$ 15,759,392**	$ 6,203,135
Items not affecting cash:		
Amortization	**418,104**	603,587
Deferred capital contributions recognized	**(147,541)**	(336,222)
Employee future benefits recovery	**40,564**	32,421
Nova Scotia First Fund income	**(46,466)**	(1,482,651)
Landlord lease inducements amortized	**(20,126)**	(20,126)
Impairment of portfolio investments and loans receivable	**933,658**	273,750
Loss on disposal of property and equipment	**-**	30,051
	16,937,585	5,303,945
Changes in non-cash operating working capital	**662,566**	(798,870)
Employee future benefits payments	**(31,656)**	(40,754)
	17,568,495	4,464,321
Capital transactions		
Acquisition of property and equipment	**(66,847)**	(207,553)
	(66,847)	(207,553)
Investing transactions		
Acquisitions of portfolio investments and advance of loans receivable	**(20,475,707)**	(14,595,124)
Proceeds on sale or redemption of portfolio investments	**113,801,845**	2,380,343
	93,326,138	(12,214,781)
Financing transaction		
Deferred capital contributions received	**-**	133,639
Government transfer (Note 5)	**(100,961,320)**	-
	(100,961,320)	133,639
Increase (decrease) in cash and cash equivalents	**9,866,466**	(7,824,374)
Cash and cash equivalents, beginning of year	**3,570,329**	11,394,703
Cash and cash equivalents, end of year	**$ 13,436,795**	$ 3,570,329
Cash and cash equivalents consist of:		
Cash	**$ 11,439,568**	$ 3,189,343
Restricted cash:		
Cash	**30,006**	16,517
Cash equivalents	**1,967,221**	364,469
	$ 13,436,795	$ 3,570,329

See accompanying notes to the consolidated financial statements.

Province of Nova Scotia
Nova Scotia Innovation Corporation
Consolidated Statement of Remeasurement Losses (Gains)

For the Year Ended March 31	**2022**	2021
Accumulated remeasurement gains, beginning of year	**$ 32,563,728**	$ 81,176
Remeasurement gain arising during the year:		
Remeasurement gain on portfolio investments quoted in an active market	**64,677,932**	32,515,564
Amounts reclassified to the statement of operations:		
Realized gains on portfolio investments quoted in an active market	**(101,018,644)**	(33,012)
Net remeasurement (loss) gain	**(36,340,712)**	32,482,552
Accumulated remeasurement (loss) gain, end of year	**$ (3,776,984)**	$ 32,563,728

See accompanying notes to the consolidated financial statements.

1. Nature of operations

The Nova Scotia Innovation Corporation ("Innovacorp") was established on February 6, 1995, by the *Innovation Corporation Act* and is wholly owned by the Province of Nova Scotia. Its purpose is to build relationships that enable technology-based Nova Scotia firms to compete successfully for business anywhere in the world. Innovacorp is exempt from income taxes under section 149 of the *Income Tax Act*.

In 1997, pursuant to the *Innovation Corporation Act*, the Province of Nova Scotia transferred the assets of the Nova Scotia First Fund ("NSFF") to Innovacorp. The objective of the fund is to encourage the development of high technology industries and the adoption of new technologies by existing industries.

In 2010, Order-in-Council ("OIC") 2009-228 authorized an advance of up to $30 million from the Province of Nova Scotia to the NSFF. In 2012, OIC 2011-326 authorized additional advances from the Province of Nova Scotia of up to $24 million for the creation of a clean technology fund which expired on March 31, 2016. In 2016, OIC 2016-267 authorized an additional advance of up to $29 million from the Province of Nova Scotia to the NSFF and authorized the undrawn balance of $11.3 million under OIC 2011-326 when it expired on March 31, 2016, to be advanced to the NSFF. Also, in 2016, OIC 2016-157 authorized $25 million for the creation of a venture capital fund. In 2019 Innovacorp repaid an $8 million loan related to OIC 2003-365 making this amount available to be advanced to the NSFF. As of March 31, 2022, $45.1 million has been drawn and $29.5 million has been committed under these OICs, leaving $28.7 million as undrawn and available.

2. Summary of significant accounting policies

Basis of accounting

The consolidated financial statements of Innovacorp have been prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS") as established by the Public Sector Accounting Board ("PSAB").

Innovacorp reports all revenues and expenses on an accrual basis. Assets are carried at the lower of cost and net recoverable value except that certain financial instruments are carried at fair market value. Liabilities and financial obligations to outside organizations are recorded at the estimated amount ultimately payable.

Both financial and non-financial assets are reported on the consolidated statement of financial position. Non-financial assets are used to provide services in future periods and are charged to expense through amortization or upon utilization. These assets do not normally provide resources to discharge the liabilities of Innovacorp unless they are sold. As a result, non-financial assets are not taken into consideration when determining the net financial assets of Innovacorp, but rather are added to the net financial assets to determine the accumulated surplus.

Basis of consolidation

The financial statements are prepared on a fully consolidated basis and reflect the assets, liabilities, revenues and expenses of the reporting entity, which is composed of all organizations which are controlled by Innovacorp. These organizations are 1402998 Nova Scotia Limited and 3087532 Nova Scotia Limited, wholly owned subsidiaries whose year-ends are the same as that of Innovacorp.

All inter-departmental and inter-entity accounts and transactions between these organizations are eliminated upon consolidation.

2. Summary of significant accounting policies (continued)

Financial instruments

Cash and cash equivalents

Cash and cash equivalents include petty cash and amounts on deposit with financial institutions and is measured at cost.

Restricted cash and cash equivalents

Restricted cash and cash equivalents include funds held in the NSFF for future investments. The restricted cash equivalents comprise short-term investments with a term to maturity of three months or less at the date of acquisition.

Accounts receivable

Receivables are measured at amortized cost using the effective interest method. A valuation allowance is used to reduce the recorded value to the lower of its cost or net recoverable value.

Loans receivable

Loans receivable include promissory notes and convertible debentures which are carried at cost (including conversion features), with cost being equal to the fair value of the assets given up or liabilities assumed, with the exception of significantly concessionary notes and debentures which are carried at the discounted value of the note or debenture after the grant portion has been charged to the consolidated statement of operations.

For significantly concessionary loans, subsequent to the initial measurement, the loans are carried at amortized cost using the effective interest method.

Gains and losses are recognized in the consolidated statement of operations in the period the loans are derecognized or impaired.

Portfolio investments

Portfolio investments include investments which are publicly held and quoted in an active market, as well as investments in equity instruments of early stage private enterprises.

a. Portfolio investments which are publicly held and quoted in an active market

   Portfolio investments which are publicly held and quoted in an active market are carried at fair value. Unrealized gains and losses are reported in the consolidated statement of remeasurement gains and losses until they are realized or impaired, at which time the cumulative gain or loss is transferred to the consolidated statement of operations.

b. Investments in equity instruments of early stage private enterprises

   Investments in equity instruments of private enterprises are carried at cost with realized gains and losses recognized in the consolidated statement of operations in the period they are sold. When the terms associated with a particular investment are so concessionary that the substance of the transaction is that all or a significant part of the investment is in the nature of a grant, the investment is carried at its discounted value after the grant portion of the transaction has been charged to the consolidated statement of operations.

The amount of any investment discount is amortized to revenue by applying the effective interest method over the term to redemption or maturity of the investment.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Payables and accruals

Payables and accruals are measured at amortized cost using the effective interest method with gains and losses recognized in the consolidated statement of operations in the period that the liability is derecognized.

Impairment of financial assets

a. Loans receivable

Loans receivable are classified as impaired when, in the opinion of management, there is reasonable doubt as to the timely collection of the full amount of principal and interest. A specific valuation allowance is established to reduce the recorded value of the impaired loan to its estimated net recoverable value.

Initial and subsequent changes in the amount of valuation allowance are recorded as a charge or credit to the consolidated statement of operations.

Loans receivable are written off after all reasonable restructuring and collection activities have taken place, and management believes that there is no realistic prospect of recovery. Once all or a part of a loan receivable has been written off, the write-off is not reversed.

In the event a loan which was previously written off is recovered, the recovery is credited to the consolidated statement of operations upon receipt.

b. Portfolio investments

When there has been a loss in the value of a portfolio investment that is other than a temporary decline, the investment is written down and a loss reported in the consolidated statement of operations. A write-down of an investment to reflect a loss in value is not reversed if there is a subsequent increase in value.

Fair value

Fair value is the estimated amount for which a financial instrument could be exchanged between willing parties, based on the current market for instruments with the same risk, principal and remaining maturity. Certain fair value estimates are significantly affected by assumptions for the amount and timing of estimated cash flows and discount rates, all of which reflect varying degrees of risk. As a result, the fair values may not necessarily be indicative of the amounts that would be realized if these instruments were actually settled. The methods and assumptions used to estimate the fair value of financial instruments are described in the following paragraphs.

The fair values of investments in securities which are publicly held and quoted in an active market are based on quoted closing prices. The fair values of impaired investments for which there is no quoted market value are determined based on values indicated by transactions in the financial instruments of the investee. Where transactions in the financial instruments of the investee are not available, other factors, such as milestone progress, are considered in determining fair value.

Due to the short period to maturity, the fair value of cash, accounts receivable, and payables and accruals approximate their carrying values as presented in the consolidated statement of financial position.

2. Summary of significant accounting policies (continued)

Measurement uncertainty

The preparation of the consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of the revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make significant estimates include the allowance for doubtful accounts, employee future benefits, the useful lives of property, equipment, the impaired value of loans receivable and equity investments in early stage private enterprises, retirement benefits and accruals. Actual results could differ materially from these estimates.

Revenue recognition

Incubation revenue is recognized as earned and collection reasonably assured and includes monthly rent and recoveries from tenants for utilities, photocopies, and other administration services. As it pertains to rent, Innovacorp has retained substantially all the benefits and risks of ownership of the properties; therefore, it accounts for these leases as operating expenses.

Investment revenue includes dividends, and capital gains and losses, as well as interest on cash balances, fixed income securities, and loans receivable, including amortization of premiums or discounts arising upon initial recognition in accordance with the effective interest method.

Interest is accrued daily to the extent it is deemed collectable, dividend income is recognized on the ex-dividend date, and capital gains and losses are recognized upon de-recognition of the investment.

Investment revenue ceases to be accrued when the collectability of such investment income is not reasonably assured.

Government contributions are recognized as revenue in the period the transfer is authorized, and all eligibility criteria have been met, except when and to the extent the transfer includes stipulations which have not yet been met.

Government contributions with stipulations are initially deferred and recognized as revenue as the related stipulations are met. Stipulations associated with the acquisition of property and equipment are considered to be met as the assets are used for their intended purpose.

Advances of statutory capital by the Province of Nova Scotia to finance investments are recognized at the later of the date that the funds are received and the date an eligible investment is made.

Government transfers

Government transfers are transfers of monetary assets or tangible capital assets from a government entity to an individual, an organization or another government for which the government making the transfer does not receive any goods or services directly in return, as would occur in a purchase, sale or other exchange transaction; expect to be repaid in the future, as would be expected in a loan; or expect a direct financial return, as would be expected in an investment.

Government transfers are transfer of monetary assets from Innovacorp to the Province of Nova Scotia are recognized as an expense in the period the transfer is authorized and all eligible criteria have been met by the recipient.

2. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

The cost, less residual value, of the property and equipment, excluding land, are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	declining balance
Site improvements	8%	declining balance
Equipment	20%	declining balance
Furniture and fixtures	20%	declining balance
Leasehold improvements	Terms of lease	straight-line
Computer equipment	30%	declining balance
Information technology	3-20 years	straight-line

Property and equipment are written down when conditions indicate that they no longer contribute to the ability to provide goods and services, or when the value of future economic benefits associated with the property and equipment are less than their net book value.

When conditions indicate that certain property and equipment no longer contribute to Innovacorp's ability to provide goods and services, the cost of the assets are written down to residual value, if any.

When conditions indicate that the value of future economic benefits associated with the property and equipment are less than their net book value, and the decline in value is permanent, the cost of the property and equipment are written down to the total estimated undiscounted future cash flows in order to reflect the decline in the asset's value.

The net write-downs are accounted for as expenses in the consolidated statement of operations and are not reversed.

Contributed property and equipment are recorded in revenues at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of property and equipment from related parties are recorded at carrying value.

Leases

Innovacorp accounts for the lease of its premises as an operating expense, as substantially all the risks of benefits and risk of ownership have been retained by the lessor. Payments made under operating leases are charges to the consolidated statement of operations on a straight line basis over the term of the lease.

The aggregate benefit on incentives received from the lessor are initially recorded as a lease inducement liability and subsequently recognized as a reduction of expense over the term of the lease, on a straight line basis (unless another systematic method is more appropriate).

Non-monetary transactions

Certain companies in which Innovacorp holds investments through the NSFF provide shares in exchange for rent. The value of the transaction is established by the fair value of fees charged for such services and is agreed by both parties. The number of shares is determined by share prices confirmed through third party transactions.

2. Summary of significant accounting policies (continued)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at year-end. Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Adjustments to monetary assets and liabilities arising as a result of a change in the exchange rate from the original transaction date to settlement are credited or charged to operations at the time the adjustments arise.

Retirement benefits

Innovacorp had a Public Service Award Program covering substantially all of its permanent employees ("long term service awards"). The benefit is based on years of service as at March 31, 2015 and the employee's compensation during the final year of employment. This program is funded in the year of retirement of eligible employees. As at March 31, 2022, all of this benefit had been paid out.

Innovacorp pays 65% of the cost of health care plans for substantially all retirees or surviving spouses of retirees ("post-retirement benefits"). The program is funded each year by the payment of the required premiums.

Innovacorp accrues its benefit liabilities under the above noted plans as the employees render the services necessary to earn the future benefits and has adopted the following policies:

- The liabilities are valued using the projected benefit method prorated on service and actuarial assessment and best estimates of the probability of retirement, salary escalation, inflation, expected health care costs, retirement ages and mortality rates.

- The discount rate applied is based on Innovacorp's cost of borrowing.

- Net actuarial gains or losses are amortized over the average remaining service period of the related employees.

  Adjustments for plan amendments related to prior period employee services, net of offsetting unamortized actuarial gain/losses, are recognized in the consolidated statement of operations in the period of plan amendment.

Pension plan

Innovacorp employees belong to the PSSP, which is a multi-employer joint trustee plan. This plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding.

Since sufficient information is not readily available to account for the Innovacorp's participation in the plan using defined benefit pension plan accounting, these financial statements have been prepared using accounting for defined contribution pension plans. No pension liability for this type of plan is included in the consolidated financial statements.

The joint trustee board of the plan determines the required plan contributions annually.

The contribution to the plan is recorded as an expense for the year.

2. Summary of significant accounting policies (continued)

Accounting policies issued but not yet effective

New Section PS 3280 Asset Retirement Obligations establishes standards on how to account for and report a liability for asset retirement obligations. It is effective for fiscal years beginning on or after April 1, 2022, which means March 31, 2023 will be the first year of adoption for Innovacorp. An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset. Asset retirement costs associated with a tangible capital asset increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner, while asset retirement costs associated with an asset no longer in productive use are expensed. Measurement of the liability for an asset retirement obligation should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date. A present value technique is often the best method to estimate the liability. Subsequent measurement of the liability can result in either a change in the carrying amount of the related tangible capital asset, or an expense, depending on the nature of the remeasurement or whether the asset remains in productive use.

The impact of this accounting policy change is currently being evaluated by management, including preliminary calculations of the impact of implementing PS 3280 Asset Retirement Obligations, the initial prior period catch up adjustment, the increase to tangible capital assets, and related increase to liabilities and amortization expense. The overall impact is expected to be immaterial to the consolidated financial statements.

3. Accounts receivable

	2022	2021
Trade receivables		
Ordinary	**$ 280,758**	$ 252,932
Related parties	**12,126**	13,117
HST receivable	**91,568**	67,535
Due from the Province of Nova Scotia	**74,347**	904,501
	458,799	1,238,085
Less: allowance for doubtful accounts	**(5,510)**	(6,710)
	$ 453,289	$ 1,231,375

Trade receivables with related parties carry similar payment terms to that of ordinary trade receivables.

The allowance for doubtful accounts is determined on a specific identification basis with consideration as to the age of the receivable, and management's knowledge of the clients' current financial situation.

4. Loans receivable

Loans receivable include promissory notes and convertible debentures which were issued under the mandate of the NSFF and have yet to earn significant revenues from their intended business activities or establish their commercial viability. The recovery of loan principal amounts and the realization of investment returns are dependent upon the successful resolution of scientific, regulatory, competitive and other risk factors, as well as the eventual commercial success of these enterprises. Therefore, these factors have been considered in establishing the valuation allowance. Future adverse developments could result in further write-downs of the carrying values of these loans.

	2022	2021
Promissory notes	**$ 352,674**	$ 793,375
Convertible debentures	**930,000**	1,360,000
Valuation allowance	**(226,772)**	(120,870)
	$1,055,902	$ 2,032,505

4. Loans receivable (continued)

The promissory notes and debentures have interest rates ranging between 5% and 12% (2021 – between 5% and 10%).

The debentures are convertible at the option of Innovacorp into common or preferred shares of the borrower either on demand, in the event of default or at maturity. During the year, Innovacorp converted $850,701 debentures (2021 - $Nil) into common or preferred shares.

The maturity dates of the loans are as follows:

	Promissory notes	Convertible Debentures	Total amount due
Past due	$ 312,674	$ -	$ 312,674
Year ending March 31, 2023	40,000	-	40,000
Year ending March 31, 2024	-	930,000	930,000
	352,674	930,000	1,282,674
Valuation allowance	(226,772)	-	(226,772)
Carrying value	$ 125,902	$ 930,000	$ 1,055,902

5. Portfolio investments

Portfolio investments include investments which are publicly held and quoted in an active market, as well as investments in early-stage private enterprises that have yet to earn significant revenues from their intended business activities or establish their commercial viability.

The recovery of the investments in early-stage enterprises and the realization of investment returns are dependent upon the successful resolution of scientific, regulatory, competitive, and other risk factors, as well as the eventual commercial success of these enterprises. Therefore, these factors have been considered in determining the write-down of these investments. Future adverse developments could result in further write-downs of the carrying values of these investments.

	2022	2021
Investments quoted in an active market, at fair value	**$ 15,407,008**	$ 41,146,530
Investments in early-stage private enterprises, at cost	**56,340,778**	59,868,277
Less: other than temporary impairment	**(7,226,092)**	(7,876,993)
	49,114,686	51,991,284
Total	**$ 64,521,694**	$ 93,137,814

Included in investments quoted in an active market are investments of the NSFF with a fair value of $15,407,008 (2021 - $41,146,530).

Included in investments in early-stage private enterprises are NSFF investments valued at cost less other than temporary impairment of $49,114,686 (2021 - $51,991,284).

In accordance with the Nova Scotia Finance Act, Innovacorp is required to return to the Province of Nova Scotia any receipt of public money if directed to do so by the Deputy Minister. During 2022, Innovacorp was directed to return $100,961,320 (2021 - $Nil) representing the net gain on sale of one of its investments.

6. Retirement benefits

	2022	2021
Post-retirement benefits	**$ 1,803,457**	$ 1,794,549

Innovacorp continues to pay 65% of the cost of life insurance, dental and health care benefits for substantially all employees after retirement. Innovacorp provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the consolidated financial statements.

The accrued benefit liabilities as a result of the above noted plans, which are based on actuarial assumptions and calculations, are as follows:

	Post Retirement Benefits	
	2022	2021
Accrued benefit liability, beginning of year	**$ 1,794,549**	$ 1,773,846
Current period benefit cost		
Current service cost	**40,659**	48,130
Interest cost	**39,808**	50,098
Amortization of actuarial experience gains	**(39,983)**	(21,888)
Recognition of remaining unamortized gain	**-**	(7,015)
Less: benefits paid during the year	**(31,576)**	(48,622)
Accrued benefit liability, end of year	**1,803,457**	1,749,549
Unamortized actuarial experience gains	**(401,789)**	(414,598)
Accrued benefit obligation, end of year	**$ 1,401,668**	$ 1,379,951

The significant assumptions adopted by management in measuring the accrued benefit obligations are as follows:

		2022	2021
Discount rate		**2.74%**	3.24%
Supplemental employee retirement plan indexing			
Salary increase rate	Under 30	**2.50%**	2.50%
	30-34	**2.00%**	2.00%
	35-39	**1.50%**	1.50%
	40-44	**1.00%**	1.00%
	45-49	**0.50%**	0.50%
	50 plus	**0.00%**	0.00%
	Disabled members	**2.00%**	2.00%
Extended health care cost increase		**0% - 4.0%**	0% - 4.5%
Inflation rate		**2.00%**	2.00%

The unamortized actuarial gains and losses are amortized over the average remaining service life of the related employee group which has been estimated to be 9 years for post – retirement benefits (2021 - 9 years).

The last actuarial valuation for accounting purposes took place on April 1, 2020. During the year, the services of an actuary were obtained to update the accrued benefit obligation balances as of March 31, 2022. The next actuarial valuation will be required for fiscal year ending March 31, 2024.

7. Pension plan

Innovacorp and its employees contribute to the PSSP in accordance with the Public Service Superannuation Act. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The contribution rates for eligible employees were 8.4% for earnings up to the Year's Maximum Pensionable Earnings for Canada Pension Plan contributions and 10.9% for excess earnings (2021 - 8.4% for earnings up to the Year's Maximum Pensionable Earnings for Canada Pension Plan contributions and 10.9% for excess earnings). Innovacorp matches employee contributions to the plan. During the year, Innovacorp contributed $285,836 (2021 - $282,091) to the plan.

These contributions are Innovacorp's pension benefit expense. Since sufficient information is not readily available to account for Innovacorp's participation in the plan using defined benefit pension plan accounting, these financial statements have been prepared using accounting for defined contribution pension plans. No pension liability for this type of plan is included in the consolidated financial statements.

8. Deferred capital contributions

	Balance, beginning of year	Transferred to revenue	Balance, end of year
PNS – Knowledge Park [a]	$ 375,176	$ -	$ 375,176
PNS – Fibre MAN [b]	22,688	4,500	18,188
ACOA – 1344 Summer St. [c]	154,004	17,111	136,893
PNS – Building Energy retrofit [d]	88,328	4,014	84,314
ACOA – 1344 Summer St. [e]	286,776	28,519	258,257
ACOA – 1344 Summer St. [f]	304,434	30,331	274,103
ACOA – 1344 Summer St. [g]	326,638	30,148	296,490
ACOA – 1344 Summer St. [h]	287,881	31,582	256,299
Genesis – Ocean Supercluster [i]	1,336	1,336	-
	$ 1,847,261	$ 147,541	$ 1,699,720

(a) OIC 2005-387 provided Innovacorp with $1.7 million in funding for infrastructure improvements in the Woodside Industrial Park towards the creation of a Knowledge Park on land owned by Innovacorp. Funding under this OIC has been fully advanced. Expenditures on land improvements have been deferred and are recognized upon disposition of land inventory.

(b) In 2005, the Province of Nova Scotia ("PNS") provided Innovacorp with $98,200 to connect Innovacorp to the Halifax Area Dark Fibre Network. Additionally, $90,000 was paid to the operator of the network, which entitled Innovacorp to use it for 20 years. These funds are being recognized over the period for which their cost entitles Innovacorp to access the ark fibre network.

(c) In 2011, Atlantic Canada Opportunities Agency ("ACOA") provided Innovacorp with $348,000 in assistance to fit-up space at the Innovacorp Enterprise Centre ("IEC"). These funds are being recognized on the same basis as the assets they funded are amortized.

(d) In 2012, under the Government Building Energy Retrofit program, the Nova Scotia Department of Transportation and Infrastructure Renewal covered the $121,831 cost of converting Innovacorp's air handling unit at 1 Research Dive from electric to natural gas. The associated costs have been deferred and will be recognized on the same basis as the asset they funded is amortized.

(e) In 2013, ACOA provided Innovacorp with $500,000 in assistance to fit-up space at IEC. These funds will be recognized on the same basis as the related assets are amortized.

8. Deferred capital contributions

(f) In 2014, ACOA provided Innovacorp with $500,000 in assistance to fit-up space at IEC. These funds will be recognized on the same basis as the related assets are amortized.
(g) In 2015, ACOA provided Innovacorp with up to $500,000 in assistance to fit-up space at IEC. These funds will be recognized on the same basis as the related assets are depreciated and were fully recognized as revenue in the current year.
(h) In 2016, ACOA provided Innovacorp with up to $430,000 in assistance to fit-up space at IEC. These funds will be recognized on the same basis as the related assets are amortized.
(i) In January 2020, Genesis provided Innovacorp with $3,201 in assistance to fund the purchase of computers for the Ocean Supercluster Project. These funds were recognized on the same basis as the related assets are amortized and were fully recognized as revenue in the current year.

9. Property and equipment

March 31, 2022

	Land	Buildings	Site improvements	Equipment	Furniture and fixtures	Leasehold improvements	Information technology	2022 total
Cost								
Opening balance	$22,778	$1,711,035	$441,057	$935,844	$679,935	$4,248,489	$502,222	$8,541,360
Additions	-	-	-	-	-	-	66,847	66,847
Disposals	-	-	-	(498,189)	(28,759)	(233,239)	(36,864)	(797,051)
Closing balance	22,778	1,711,035	441,057	437,655	651,176	4,015,250	532,205	7,811,156
Accumulated amortization								
Opening balance	-	557,070	290,430	774,888	569,572	1,843,023	413,301	4,448,284
Amortization	-	46,159	12,050	35,104	22,093	256,353	46,345	418,104
Disposals	-	-	-	(498,189)	(28,759)	(233,239)	(36,864)	(797,051)
Closing balance	-	603,229	302,480	311,803	562,906	1,866,137	422,782	4,069,337
Net book value	$22,778	$1,107,806	$138,577	$125,852	$88,270	$2,149,113	$109,423	$3,741,819

9. Property and equipment (continued)

March 31, 2021

	Land	Buildings	Site improvements	Equipment	Furniture and fixtures	Leasehold improvements	Information technology	2021 total
Cost								
Opening balance	$22,788	$1,711,035	$441,057	$988,264	$668,682	$4,238,131	$578,708	$8,648,665
Additions	-	-	-	146,611	11,243	10,358	39,341	207,553
Disposals	-	-	-	(199,031)	-	-	(115,827)	(314,858)
Closing balance	$22,788	$1,711,035	$441,057	$935,844	$679,925	$4,248,489	$502,222	$8,541,360
Accumulated amortization								
Opening balance	-	508,988	277,333	720,268	539,657	1,587,672	495,586	4,129,504
Amortization	-	48,082	13,097	223,600	29,915	255,351	33,542	603,587
Write-downs	-	-	-	(168,980)	-	-	(115,827)	(284,807)
Closing balance	-	557,070	290,430	774,888	569,572	1,843,023	413,301	4,448,284
Net book value	$22,788	$1,153,965	$150,627	$160,956	$110,363	$2,405,466	$88,921	$4,093,076

10. Government contributions

Innovacorp receives an annual contribution from the Province of Nova Scotia, as well as funding from various other federal and provincial government agencies for current operations, acquisition of property and equipment, and special project funding. Funding specifically related to the acquisition of property and equipment is deferred as disclosed in Note 8. Innovacorp also receives advances of statutory capital from the Province of Nova Scotia to finance NSFF and clean technology fund investments. These advances are recognized as revenue at the later of the date on which the funds are received and the date on which an eligible investment is made. Gains and losses on these investments will be recognized in operating surplus or deficit in subsequent periods in accordance with the portfolio investments accounting policy described in Note 2.

Details of funding for the year are as follows:

	2022	2021
Contributions received – Province of Nova Scotia	**$ 9,045,240**	$ 9,455,601
Statutory capital advances	**15,160,216**	3,784,915
ACOA Funding General	**273,164**	392,426
Clean Tech Funding	**275,000**	-
Recognition of previously deferred contributions – (Note 8)		
ACOA	**137,691**	326,375
Province of Nova Scotia	**8,514**	8,515
Total government contributions revenue	**$ 24,899,825**	$ 13,967,832

11. Expenses by object

	2022	2021
Advertising and promotion	**$ 140,523**	$ 223,491
Amortization	**418,104**	603,587
Awards	**2,477,251**	2,108,180
Bad debt (recovery)	**-**	(550)
Communications	**159,867**	112,187
Information resources	**185,622**	167,755
Investment management fees	**-**	3,432
Miscellaneous	**59,786**	47,130
Outside services	**3,702,043**	3,268,249
Professional development	**102,549**	80,216
Repairs and maintenance	**228,411**	201,413
Salaries and benefits	**3,776,733**	3,893,299
Supplies	**96,800**	104,468
Travel	**35,889**	10,681
Utilities	**120,116**	108,643
	$ 11,503,694	$ 10,932,181

12. Related party transactions

In addition to the other related party transactions and balances disclosed elsewhere in the consolidated financial statements, Innovacorp generated revenue of $467,780 (2021 - $397,103) on sales to NSFF investees. These sales were in the normal course of operations and at the same terms and conditions, as sales to unrelated parties.

Contributions received from Province of Nova Scotia as disclosed in Note 11, includes salaries and benefits that Province of Nova Scotia pays on behalf of Innovacorp. During the year, total salaries and benefits paid by Province of Nova Scotia on behalf of Innovacorp totalled $3,776,733 (2021 - $3,893,299).

Payables and accruals include $108,857 (2021 - $99,855) payable to the Province of Nova Scotia, related to unused government contributions required to be repaid.

Receivables and accruals include $70,947 (2021 - $904,501) due from the Province of Nova Scotia at March 31, 2022.

13. Financial instruments

Classification of financial instruments

The carrying amounts of financial assets and liabilities recorded at cost or at fair value are as follows:

	2022		2021	
		Classification		Classification
	Fair value	**Cost**	Fair value	Cost
Financial assets				
Cash	**$ -**	**$ 11,439,568**	$ -	$ 3,189,343
Restricted cash and cash equivalents	**-**	**1,997,227**	-	380,985
Accounts receivable	**-**	**453,289**	-	1,231,375
Loans receivable	**-**	**1,055,902**	-	2,032,505
Portfolio investments				
Investments quoted in an active market	**15,407,008**	**-**	41,146,530	-
Investments in early stage private enterprises	**-**	**49,114,686**	-	51,991,284
	$15,407,008	**$ 64,060,672**	$41,146,530	$58,825,492
Financial liabilities				
Payables and accruals	**$ -**	**$ 1,724,352**	$ -	$ 1,337,720

Fair value

Fair value estimates are made as of a specific point in time, using available information about the financial instruments and current market conditions. The following table discloses the Innovacorp's financial assets and financial liabilities as at March 31, 2022, measured at fair value on a recurring basis:

13. Financial instruments (continued)

Fair value (continued)

				2022
	Level 1	**Level 2**	**Level 3**	**Total**
Investments quoted in an active market	**$15,407,008**	**$ -**	**$ -**	**$15,407,008**

Level 1 - Fair value measurements based on quoted prices in active markets for identical assets or liabilities
Level 2 - Fair value measurements based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 - Fair value measurements based on inputs for the asset or liability that are not based on observable market data

Risk disclosures

Innovacorp is exposed to various financial risks arising from its financial assets and liabilities. These include market risk relating to changes in equity prices, liquidity risk and credit risk. To manage these risks, Innovacorp adheres to a board-approved investment policy that governs its venture capital and liquid portfolio investing activities. Innovacorp’s business model, which provides incubation, business guidance and investment services to early stage technology enterprises, is also used to mitigate risks.

Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate as a result of changes in market prices. For Innovacorp, market risk is composed of price risk on equity securities.

Price risk

Price risk refers to the risk that the fair value of the financial instrument will vary as a result of changes in market prices of the financial instrument. Fluctuation in the market price of an instrument may result from perceived changes in the underlying economic characteristics of the investment, the relative price of alternative investments, and general market conditions. Therefore, there is a risk that an amount realized in the subsequent sale of portfolio investments which are quoted in an active market may significantly differ from the reported value.

Interest rate risk

Interest rate price risk is the risk that market values of a financial instrument will vary as a result of changes in underlying interest rates.

Innovacorp partially mitigates its exposure to interest rate fluctuations through limitations on duration of its fixed portfolio imposed by its investment policy.

Innovacorp manages its equity price risk through the use of strict investment policies approved by the board of directors. These policies cover investment position and transaction limits, trade authorizations, record keeping and investment reporting.

Liquidity risk

Liquidity risk is the risk that Innovacorp will encounter difficulty in meeting its financial obligations as they become due. Innovacorp believes it has access to sufficient capital through operating and investing cash flows. Ongoing operating funding from the Province of Nova Scotia is required to meet the obligations set out below. In addition, occupancy levels in its facilities are a key factor in Innovacorp’s ability to make quarterly principal and interest payments under its building improvement loan.

13. Financial instruments (continued)

The following table shows the remaining contractual maturities of financial liabilities:

	Due within 1 year	No set terms of repayment	Total
Payables and accruals	$ 1,724,352	$ -	$ 1,724,352

Credit risk

Credit risk refers to the risk that a counterparty will fail to fulfill its obligations under a contract and, as a result, will cause Innovacorp to suffer a loss. Innovacorp's financial assets that are exposed to credit risk consist primarily of fixed income portfolio investments quoted in an active market, accounts receivable, and loans receivable.

Accounts receivable

Accounts receivable includes trade receivables, due from the ACOA and related parties, HST receivable, and other accrued receivables.

As at March 31, 2022, 9.4% (2021 - 50.3%) of trade receivables are due from early stage technology-based companies. The development stage of Innovacorp's client base combined with the technology sector concentration, increases the associated credit risk. Innovacorp's active involvement with its clients mitigates this risk.

The credit risk associated with the remaining balances is low given that the balances are due from other government entities.

Innovacorp's maximum exposure to credit risk from accounts receivable is its carrying value of $453,289 (2021 - $1,231,375).

Loans receivable

Loans receivable include promissory notes and convertible debentures issued under the mandate of the NSFF.

These loans have been issued to enterprises in the development stage that have yet to earn significant revenues from their intended business activities or establish their commercial viability. The recovery of loan principal amounts and the realization of investment returns are dependent upon the successful resolution of scientific, regulatory, competitive, and other risk factors, as well as the eventual commercial success of these enterprises.

Credit risk of the loans receivable is mitigated by Innovacorp's presence on the boards of the investees and the majority of the loans have security interests in the property of the investees.

Innovacorp's maximum exposure to credit risk from the loans receivable is its carrying value of $1,055,902 (2021 - $2,032,505).

13. Financial instruments (continued)

Details of the carrying value of accounts receivable and loans receivable that are past due at the financial statement date, but not impaired, are as follows:

	Current	Up to 60 days past due	Over 60 days past due	Allowance for doubtful accounts	Total
Accounts receivable					
Trade receivable	$ 166,041	$ 17,628	$ 109,215	$ (5,510)	$ 287,374
HST receivable	91,568	-	-	-	91,568
Non trade due from related parties	70,948	-	3,399	-	74,347
	328,557	17,628	112,614	(5,510)	453,289
Loans receivable	970,000	-	312,674	(226,772)	1,055,902
Totals	$1,298,557	$ 17,628	$ 425,288	$(232,282)	$1,509,191

14. Contractual obligations

Innovacorp has entered into operating lease arrangements for buildings and equipment. Future minimum annual lease payments for the next five years under these leases are as follows:

2023	$ 1,733,540
2024	1,727,240
2025	1,554,249
2026	1,310,312
2027	1,310,312
	$ 7,635,652

As at March 31, 2022, there were $29.5 million (2021 - $28.9 million) approved commitments to invest under the mandate of the NSFF.

15. Segmented information

Innovacorp's segments have been identified on the basis of functional classifications of activities undertaken by Innovacorp, including incubation, acceleration, investment, and corporate services.

The corporate services segment represents the accumulation of revenue and expenses pertaining to the administration of Innovacorp. The corporate services segment includes the areas of communication and marketing, human resources, and Innovacorp's finance and portfolio management.

The investment segment represents the accumulation of revenue and expenses pertaining to the administrative functions of reviewing and managing investment files.

The incubation segment represents the accumulation of revenue and expenses pertaining to three facilities managed and operated by Innovacorp where rent and business services are offered for fees.

The acceleration segment represents the accumulation of revenue and expenses pertaining to other programs and fostering activities that are offered to start ups.

Segmentation is based on the core activities of the Innovacorp and their related support resources. The revenue and expenses of each segment is accumulated based on actual occurrences of events and incurrence of costs.

15. Segmented information (continued)

	Corporate Services		Investment		Incubation		Acceleration		Consolidated	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Operating revenues										
Government contributions	**$24,899,825**	$13,967,832	**-**	-	**-**	-	**-**	-	**$24,899,825**	$13,967,832
Interest and dividends on portfolio investments and loans	**-**	-	**175,122**	61,199	**-**	-	**-**	-	**175,122**	61,199
Rent	**-**	-	**-**	-	**1,083,078**	1,013,499	**95,223**	95,223	**1,178,301**	1,108,722
Business recoveries	**-**	-	**-**	-	**341,506**	339,695	**23,183**	18,520	**364,689**	358,215
Other	**49,093**	31,843	**-**	-	**7,746**	18,724	**971,881**	510,373	**1,028,719**	560,940
	24,948,918	13,999,675	**175,122**	61,199	**1,432,330**	1,371,918	**1,090,287**	624,116	**27,646,656**	16,056,908
Operating expenses										
Advertising and promotion	**91,725**	171,000	**-**	15,092	**15,023**	14,396	**33,775**	23,003	**140,523**	223,491
Amortization	**125,366**	117,243	**-**	-	**288,877**	293,170	**3,861**	193,174	**418,104**	603,587
Awards	**-**	-	**-**	-	**-**	-	**2,477,251**	2,108,180	**2,477,251**	2,108,180
Bad debt (recovery)	**-**	-	**-**	-	**-**	(550)	**-**	-	**-**	(550)
Communications	**134,425**	80,204	**6,299**	8,806	**6,544**	7,973	**12,599**	15,204	**159,867**	112,187
Information resources	**118,718**	120,977	**64,950**	42,947	**160**	154	**1,794**	3,677	**185,623**	167,755
Investment management fees	**-**	-	**-**	3,432	**-**	-	**-**	-	**-**	3,432
Miscellaneous	**8,008**	19,209	**2,995**	1,019	**46,617**	22,467	**2,166**	4,435	**59,785**	47,130
Outside services	**699,564**	761,652	**109,434**	86,956	**1,668,643**	1,653,413	**1,224,402**	766,228	**3,702,045**	3,268,249
Professional development	**50,609**	38,691	**34,023**	23,462	**1,756**	2,355	**16,161**	15,708	**102,549**	80,216
Repairs and maintenance	**13,466**	15,500	**-**	-	**205,202**	177,162	**9,743**	8,751	**228,410**	201,413
Salaries and benefits	**1,384,415**	1,357,431	**852,005**	805,689	**522,682**	515,532	**1,017,631**	1,214,647	**3,776,732**	3,893,299
Supplies	**24,246**	28,329	**435**	2,066	**42,362**	46,731	**29,757**	27,342	**96,800**	104,468
Travel	**10,324**	3,420	**5,710**	1,782	**965**	684	**18,890**	4,795	**35,888**	10,681
Utilities	**17,118**	13,896	-	-	**102,998**	94,747	**-**	-	**120,116**	108,643
	2,677,984	2,727,552	**1,075,851**	991,251	**2,901,829**	2,828,234	**4,848,030**	4,385,144	**11,503,693**	10,932,181
Operating surplus (deficit)	**$ 22,270,934**	$ 11,272,123	**$ (900,729)**	$ (930,052)	**$ (1,469,499)**	$ (1,456,316)	**$ (3,757,743)**	$ (3,761,028)	**$ 16,142,963**	$ 5,124,727
Impairment of portfolio investments and loans receivable	**-**	-	**(933,658)**	(273,750)	**-**	-	**-**	-	**(933,658)**	(273,750)
Realized gains on marketable securities	**-**	-	**101,511,407**	1,382,209	**-**	-	**-**	-	**-** **101,511,407**	1,382,209
Gain on disposal of property and equipment	**-**	-	**-**	-	**-**	(30,051)	**-**	-	**-**	(30,051)
Government transfer	**-**	-	**(100,961,320)**	-	**-**	-	**-**	-	**(100,961,320)**	-
	-	-	**(383,571)**	1,108,459	**-**	(30,051)	**-**	-	**(383,571)**	1,078,408
Annual surplus (deficit)	**$ 22,270,934**	$ 11,272,123	**$ (1,284,300)**	$ 178,407	**$ (1,469,499)**	$ (1,486,367)	**$ (3,757,743)**	$ (3,761,028)	**$ 15,759,392**	$ 6,203,135

16. Compensation disclosure

This schedule of payments is published in compliance with the provisions of *The Public Sector Compensation Disclosure Act.* The Act requires the publication of the names of every person who receives the amount of compensation of $100,000 or more in the fiscal year and the amount paid to each.

Compensation amount includes total amount or value of all cash and non-cash salary, wages, payments, allowance, bonuses, commissions and perquisites, other than a pension, pursuant to any arrangement, including an employment contract, payments made for exceptional benefits not provided to the majority of employees and the value of the benefits derived from vehicles or allowances with respect to vehicles.

Name	Total compensation
Malcolm Fraser	$170,398
Donna Bourque	$154,099
Andrew Ray	$153,379
Donald Grant	$146,324
Dawn House	$144,688
Lidija Marusic	$130,331
Michael Dennis	$124,710
Jonathan Saari	$118,497
Shelley Hessian	$108,802
Joe MacDonald	$107,937
Daisy Karasek	$107,338
Robert Pelley	$103,446
Amanda Tarr	$101,572
Paul Richards	$100,142
Tim Reilly	$100,038

17. Comparative figures

Comparative figures have been adjusted to conform to change in the current year.