

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL

FINANCIAL STATEMENTS (Unaudited)

For the year ended March 31, 2020

Statement of Management Responsibility Including Internal Control Over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2020, and all information contained in these statements rests with the management of the Social Sciences and Humanities Research Council (SSHRC). These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of SSHRC's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in SSHRC's *Departmental Results Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout SSHRC and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

A risk-based assessment of the system of ICFR for the year ended March 31, 2020 was completed in accordance with the Treasury Board Financial Management Policy and the results and action plans are summarized in the annex.

The effectiveness and adequacy of the SSHRC's system of internal control is reviewed by the work of internal audit staff, who conduct periodic audits of different areas of the SSHRC's operations, and by the Independent Audit Committee, which oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting, and which recommends the financial statements to the President.

Dr. Ted Hewitt
President

Patricia Sauvé-McCuan
Chief Financial Officer

Ottawa, Canada

August 20, 2020

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL**Statement of Financial Position (unaudited)****As at March 31**

(in thousands of dollars)

	<u>2020</u>	<u>2019</u>
Liabilities		
Accounts payable and accrued liabilities [Note 4]	91,295	26,243
Vacation pay and compensatory leave	1,409	1,137
Deferred revenue [Note 5]	293	310
Employee future benefits [Note 6b]	191	230
Total net liabilities	93,188	27,920
Financial assets		
Due from the Consolidated Revenue Fund	90,468	25,560
Accounts receivable and advances [Note 7]	2,497	1,746
Total net financial assets	92,965	27,306
Departmental net debt	223	614
Non-financial assets		
Prepaid expenses	369	236
Tangible capital assets [Note 8]	462	1,503
Total non-financial assets	831	1,739
Departmental net financial position [Note 9]	608	1,125

Contractual obligations and commitments [Note 10]

The accompanying notes form an integral part of these financial statements.

Dr. Ted Hewitt
PresidentPatricia Sauvé-McCuan
Chief Financial OfficerOttawa, Canada
August 20, 2020

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL
Statement of Operations and Departmental Net Financial Position (unaudited)
For the year ended March 31
(in thousands of dollars)

	<u>2020</u>	<u>2020</u>	<u>2019</u>
	Planned Results		
Expenses			
Funding Social Sciences and Humanities Research and Training	497,747	514,409	456,663
Institutional Support for the Indirect Costs of Research	407,314	407,062	397,668
Internal Services	22,969	24,406	22,359
Total Expenses	<u>928,030</u>	<u>945,877</u>	<u>876,690</u>
Revenues			
Miscellaneous revenues	95	105	431
Total Revenues	<u>95</u>	<u>105</u>	<u>431</u>
Net cost of operations before government funding and transfers	<u>927,935</u>	<u>945,772</u>	<u>876,259</u>
Government funding and transfers			
Net cash provided by Government of Canada		875,357	859,794
Change in Due from the Consolidated Revenue Fund		64,908	11,248
Common services provided without charge by other government departments [Note 11a)]		4,990	5,192
Total Government funding and transfers		<u>945,255</u>	<u>876,234</u>
Net cost of operations after government funding and transfers		(517)	(25)
Departmental net financial position - Beginning of year		1,125	1,150
Departmental net financial position - End of year		<u>608</u>	<u>1,125</u>

Segmented information [Note 12]

The accompanying notes form an integral part of these financial statements.

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL
Statement of Change in Departmental Net Debt (unaudited)
For the year ended March 31
(in thousands of dollars)

	<u>2020</u>	<u>2019</u>
Net cost of operations after government funding and transfers	517	25
Change due to tangible capital assets		
Acquisition of tangible capital assets [Note 8]	105	405
Amortization of tangible capital assets [Note 8]	<u>(1,146)</u>	<u>(967)</u>
Total change due to tangible capital assets	(1,041)	(562)
Increase (decrease) in prepaid expenses	133	33
Net increase (decrease) in Departmental net debt	<u>(391)</u>	<u>(504)</u>
Departmental net debt - Beginning of year	<u>614</u>	<u>1,118</u>
Departmental net debt - End of year	<u><u>223</u></u>	<u><u>614</u></u>

The accompanying notes form an integral part of these financial statements.

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL

Statement of Cash Flows (unaudited)

For the year ended March 31

(in thousands of dollars)

	<u>2020</u>	<u>2019</u>
Operating activities		
Net cost of operations before government funding and transfers	945,772	876,259
Non-cash items:		
Amortization of tangible capital assets [Note 8]	(1,146)	(967)
Common services provided without charge by other government departments [Note 11a]	(4,990)	(5,192)
Variations in Statement of Financial Position:		
Increase in accounts payable and accrued liabilities	(65,052)	(11,881)
Increase in vacation pay and compensatory leave	(272)	(92)
Decrease in deferred revenue	17	161
Decrease in employee future benefits	39	51
Increase in accounts receivable and advances	751	1,017
Increase in prepaid expenses	133	33
Cash used in operating activities	<u>875,252</u>	<u>859,389</u>
Capital investing activities		
Acquisition of tangible capital assets [Note 8]	105	405
Cash used in capital investing activities	<u>105</u>	<u>405</u>
Financing activities	-	-
Net cash provided by Government of Canada	<u><u>875,357</u></u>	<u><u>859,794</u></u>

The accompanying notes form an integral part of these financial statements.

**Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31**

1. Authority and Objectives

The Social Sciences and Humanities Research Council (SSHRC) was established in 1977 by the *Social Sciences and Humanities Research Council Act*, and is a departmental corporation named in Schedule II to the *Financial Administration Act*. SSHRC's purpose is to promote and assist research and scholarship in the social sciences and humanities. SSHRC's grants, scholarships and operating expenditures are funded by budgetary lapsing authorities. Employee benefits are funded by statutory authorities. SSHRC delivers its objectives through the following programs:

a) Funding Social Sciences and Humanities Research and Training

SSHRC, through grants, fellowships and scholarships, promotes and supports research and research training in the social sciences and humanities to develop talent, generate insights and build connections in pursuit of social, cultural and economic outcomes for Canadians.

b) Institutional Support for the Indirect Costs of Research

SSHRC on behalf of the Natural Sciences and Engineering Research Council (NSERC) and the Canadian Institutes of Health Research, provides financial support to universities, colleges and their affiliated research hospitals and institutes to reimburse a portion of indirect costs associated with the funded research.

c) Internal Services

SSHRC and NSERC share internal services for general administration, human resources, finance, awards administration, information management and technology, program evaluation and audit services. This common administrative services model has proven highly efficient for the two federal granting agencies. In addition, SSHRC has its own corporate services to address the agency's distinct needs in terms of governance, policy, planning, statistics, performance measurement, communications and international relations. Internal Services provide support to the organization as a whole in the form of operations and maintenance funds. They are necessary to support the delivery of programs and other corporate obligations and include activities that apply across the organization, rather than those that support a specific program.

2. Summary of significant accounting policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

a) Parliamentary authorities

SSHRC is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to SSHRC do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental

Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31

Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the “Expenses” and “Revenues” sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the *2019-20 Departmental Plan*. Planned results are not presented in the “Government funding and transfers” section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Net Debt because these amounts were not included in SSHRC’s *2019-20 Departmental Plan*.

b) Net cash provided by Government of Canada

SSHRC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by SSHRC is deposited to the CRF, and all cash disbursements made by SSHRC are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

c) Amounts due from the CRF

Amounts due from the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that SSHRC is entitled to draw from the CRF without further authorities to discharge its liabilities.

d) Revenues

Miscellaneous revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. Revenues are then recognized in the period in which the related expenses are incurred.

Included in miscellaneous revenue are revenues that are spendable and non-spendable. Non-spendable revenues are not available to discharge SSHRC’s liabilities. While the President is expected to maintain accounting control, they have no authority regarding the disposition of non-spendable revenues. As a result, non-spendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the agency’s gross revenues.

e) Expenses

Expenses are recorded on the accrual basis.

Grants and scholarships (transfer payments) are recorded as expenses when authorization for the payment exists and the recipient has met the eligibility criteria or the entitlements established for the transfer payment program.

Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, and employer contributions to the health and dental insurance plans are recorded as operating expenses at their estimated cost. These amounts are also presented as government funding.

f) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan (the Plan), a multiemployer pension plan administered by the Government. SSHRC's contributions to the Plan are charged to expenses in the year incurred and represent SSHRC's total obligation to the Plan. SSHRC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government, the Plan's sponsor.

(ii) Severance benefits: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

g) Accounts receivable and advances

Accounts receivable and advances are stated at the lower of cost and net recoverable value. A valuation allowance is recorded for receivables and advances where recovery is considered uncertain.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. SSHRC is not exposed to significant credit risk. Accounts receivable and advances are due on demand. The majority of accounts receivable and advances are due from Canadian universities and other government departments and agencies where there is minimal potential risk of loss. The maximum exposure the entity has to credit risk is equal to the carrying value of its accounts receivable and advances.

h) Contingent liabilities

Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

i) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the

Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31

financial statements and accompanying notes at March 31. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee future benefits and the useful lives and valuation of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, are recorded in the financial statements in the year in which they become known.

j) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i) Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii) Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount. Other related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

3. Parliamentary Authorities

SSHRC receives its funding through annual parliamentary authorities. Items recognized in the Statement of Financial Position and in the Statement of Operations and Departmental Net Financial Position one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, SSHRC has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31

a) Reconciliation of net cost of operations to current year authorities used

	<u>2020</u>	<u>2019</u>
	(in thousands of dollars)	
Net cost of operations before government funding and transfers	945,772	876,259
Adjustments for items affecting net cost of operations but not affecting authorities:		
Revenues	85	411
Amortization of tangible capital assets [Note 8]	(1,146)	(967)
Services provided without charge by other government departments [Note 11a]	(4,990)	(5,192)
Increase in vacation pay and compensatory leave	(272)	(92)
Decrease in employee future benefits	39	51
Refunds of prior years' expenditures	<u>1,028</u>	<u>2,209</u>
Total items affecting net cost of operations but not affecting authorities	(5,256)	(3,580)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets [Note 8]	105	405
Increase in salary overpayments	4	13
Increase in prepaid expenses	<u>133</u>	<u>33</u>
Total items not affecting net cost of operations but affecting authorities	242	451
Current year authorities used	<u><u>940,758</u></u>	<u><u>873,130</u></u>

**Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31**

b) Authorities provided and used

	<u>2020</u>	<u>2019</u>
	(in thousands of dollars)	
Authorities provided:		
Vote 5 - Grants	902,677	841,847
Vote 1 – Operating expenditures	36,527	33,775
Statutory contributions to employee benefit plans	3,497	3,364
Spending of revenues pursuant to subsection 4 (2) of the Social Sciences and Humanities Research Council Act	83	258
Less:		
Authorities available for future years	(35)	(4,553)
Lapsed : Grants	(240)	(541)
Lapsed : Operating	<u>(1,751)</u>	<u>(1,020)</u>
Current year authorities used	<u>940,758</u>	<u>873,130</u>

4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are measured at cost. The following table presents details of SSHRC's accounts payable and accrued liabilities:

	<u>2020</u>	<u>2019</u>
	(in thousands of dollars)	
Accounts payable - Other government departments and agencies	3,483	3,331
Accounts payable - External parties	<u>85,147</u>	<u>19,038</u>
Total accounts payable	88,630	22,369
Accrued liabilities	2,665	3,874
Total accounts payable and accrued liabilities	<u>91,295</u>	<u>26,243</u>

5. Deferred revenue

Deferred revenue represents the balance at year-end of unearned revenues stemming from amounts received from external parties and interest earned on endowment funds not yet expensed, that are restricted in order to fund the expenditures related to specific research projects and stemming from amounts received for fees prior to services being performed.

Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31

	<u>2020</u>	<u>2019</u>
	(in thousands of dollars)	
Opening balance	310	471
Amounts received	3	8
Revenue recognized	<u>(20)</u>	<u>(169)</u>
Net closing balance	<u><u>293</u></u>	<u><u>310</u></u>

6. Employee future benefits

a) Pension benefits

SSHRC's employees participate in the Plan, which is sponsored and administered by the Government. Pension benefits accrue up to a maximum period of 35 years at a rate of two per cent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and are indexed to inflation.

Both the employees and SSHRC contribute to the cost of the Plan. Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The expense for 2019-20 amounts to \$2,422,588 (\$2,345,928 in 2018-2019). SSHRC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government, the Plan's sponsor.

b) Severance benefits

Severance benefits provided to the employees of SSHRC were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2012, the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2020, all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31

The changes in the obligations during the year were as follows:

	<u>2020</u>	<u>2019</u>
	(in thousands of dollars)	
Accrued benefit obligation - Beginning of year	230	281
Expense (gain) for the year	39	53
Benefits paid during the year	<u>(78)</u>	<u>(104)</u>
Accrued benefit obligation - End of year	<u>191</u>	<u>230</u>

7. Accounts receivable and advances

The following table presents details of SSHRC's accounts receivable and advances:

	<u>2020</u>	<u>2019</u>
	(in thousands of dollars)	
Receivables - Other government departments and agencies	1,029	685
Receivables - External parties	1,428	1,025
Receivables - Employees	<u>40</u>	<u>36</u>
Net accounts receivable	<u>2,497</u>	<u>1,746</u>

SSHRC has no allowance for doubtful accounts on receivables from external parties.

Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31

8. Tangible capital assets

All tangible capital assets and leasehold improvements having an individual initial cost of \$5,000 or more are recorded at their acquisition cost. SSHRC does not capitalize intangibles.

Amortization of tangible capital assets is performed on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization period
Computer hardware	3 years
Computer purchased and developed software	5 years
Machinery and equipment	5 years
Other equipment (including furniture)	7 years
Motor vehicles	7 years
Leasehold improvements	Lesser of the remaining term of lease or useful life of the improvement

Assets under construction are recorded in the applicable capital asset class in the year that they become available for use and are not amortized until they become available for use.

Capital asset class	Cost				Accumulated amortization				Net book value	
	Opening balance	Acquisitions	Disposals and Write-offs	Closing balance	Opening balance	Amortization	Disposals and Write-offs	Closing balance	2020	2019
(in thousands of dollars)										
Computer hardware	3,197	82	-	3,279	3,000	95	-	3,095	184	197
Computer purchased and developed software	5,681	23	-	5,704	4,760	848	-	5,608	96	921
Machinery and equipment	378	-	-	378	334	28	-	362	16	44
Other equipment (including furniture)	2,197	-	153	2,044	2,044	153	153	2,044	-	153
Leasehold improvements	1,588	-	-	1,588	1,415	18	-	1,433	155	173
Motor vehicles	27	-	-	27	12	4	-	16	11	15
Total	13,068	105	153	13,020	11,565	1,146	153	12,558	462	1,503

**Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31**

9. Departmental net financial position

A portion of SSHRC's departmental net financial position is used for a specific purpose. Related revenues and expenses are included in the Statement of Operations and Departmental Net Financial Position.

The Queen's Fellowship Endowment Fund is an endowment of \$250,000 established by Parliament by Vote 45a, *Appropriation Act No. 5*, in 1973-74. The interest generated from the endowment is included in deferred revenue [Note 5]. The endowment itself does not represent a liability to third parties but is restricted for special purposes. Activity in the account is as follows:

	<u>2020</u>	<u>2019</u>
	(in thousands of dollars)	
Queen's Fellowship Endowment Fund - Restricted	250	250
Departmental net financial position excluding Endowment Fund	<u>358</u>	<u>875</u>
Departmental net financial position - End of year	<u>608</u>	<u>1,125</u>

10. Contractual obligations and commitments

Payments of grants and scholarships extending into future years are subject to the provision of funds by Parliament.

The nature of SSHRC's operating activities can result in some large multi-year contracts and obligations whereby SSHRC will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2021	2022	2023	2024	2025 and subsequent	Total
	(in thousands of dollars)					
Grants & Scholarships	356,063	267,705	166,647	75,425	60,799	926,639
Operating	2,147	78	-	-	-	2,225
Total	<u>358,210</u>	<u>267,783</u>	<u>166,647</u>	<u>75,425</u>	<u>60,799</u>	<u>928,864</u>

11. Related party transactions

SSHRC is related as a result of common ownership to all government departments, agencies and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by,

**Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31**

or under shared control of, a member of key management personnel or a close family member of that individual.

SSHRC enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, SSHRC received common services that were obtained without charge by other government departments as disclosed below.

a) Common services provided without charge by other government departments

During the year, SSHRC received services without charge from certain common service organizations related to accommodations, audit services and the employer’s contribution to the health and dental insurance plans. These services provided without charge have been recorded in SSHRC’s Statement of Operations and Departmental Net Financial Position as follows:

	<u>2020</u>	<u>2019</u>
	(in thousands of dollars)	
Accommodations	2,966	3,172
Employer’s contribution to the health and dental insurance plans	<u>2,024</u>	<u>2,020</u>
Total	<u><u>4,990</u></u>	<u><u>5,192</u></u>

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada are not included in SSHRC’s Statement of Operations and Departmental Net Financial Position.

b) Administration of programs on behalf of other government departments

SSHRC administers funds received from other government departments and agencies to issue grants, scholarships and related payments on their behalf. During the year, SSHRC administered \$426,992,667 (\$407,735,661 in 2018-2019) in funds for grants and scholarships. These expenses are reflected in the financial statements of the departments or agencies that provided the funds and are not recorded in these financial statements.

12. Subsequent Events

The outbreak of the Coronavirus disease “COVID-19” has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time. As a result, it is not

Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31

possible to reliably estimate the length and severity of the impact on SSHRC's financial position and financial results in future periods.

During the first quarter of fiscal year 2020-21, SSHRC received approval and funding for The Canada Research Continuity Emergency Fund (CRCEF) as part of the Government of Canada's COVID-19 Economic Response Plan. CRCEF is a tri-agency program and is administered by SSHRC on behalf of the three federal research funding agencies: the Canadian Institutes of Health Research (CIHR), NSERC and SSHRC. The temporary program represents an investment of up to \$450 million established to help sustain the research enterprise at Canadian universities and health research institutions that have been affected by the COVID-19 pandemic.

Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31

13. Segmented information

Presentation by segment is based on SSHRC's Departmental Results Framework. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in Note 2. The following table presents the expenses incurred for the main program, by major object of expenses and by major type of revenue. The segment results for the period are as follows:

(in thousands of dollars)	Funding Social Sciences and Humanities Research and Training	Institutional support for the indirect costs of research	Internal Services	2020	2019
Transfer payments					
Grants & Scholarships	494,925	406,751	-	901,676	835,485
Operating expenses					
Salaries and employee benefits	17,070	294	13,536	30,900	29,244
Accommodation and rentals	105	-	3,971	4,076	3,898
Professional and special services	1,139	7	3,805	4,951	3,533
Transportation and communications	816	9	443	1,268	1,491
Information	274	-	591	865	1,138
Amortization of tangible capital assets	-	-	1,147	1,147	967
Acquisition of machinery and equipment	50	-	793	843	796
Repair and maintenance	7	-	86	93	64
Utilities, materials and supplies	21	1	32	54	62
Other	2	-	2	4	12
Total operating expenses	19,484	311	24,406	44,201	41,205
Total expenses	514,409	407,062	24,406	945,877	876,690
Revenues					
Miscellaneous revenues	20	-	85	105	431
Total revenues	20	-	85	105	431
Net cost of operations before government funding and transfers	514,389	407,062	24,321	945,772	876,259

Social Sciences and Humanities Research Council
Notes to the Financial Statements
For the Year Ended March 31

14. Contingent Liabilities

Two plaintiffs filed two different complaints, one against the Tri-agency Institutional Programs Secretariat and the Canadian Human Rights Commission in 2018-19, the other one against SSHRC. The total face value of the claims is \$2,940,000. The likelihood and status of the claims is not yet determinable. As such, it has not been reported in the financial statements as a provision.