Canadian Pension and Benefits Institute
Financial Statements
For the year ended December 31, 2023

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Contents

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Independent Auditor's Report

To the Board of Directors of the
Canadian Pension and Benefits Institute

Opinion

We have audited the financial statements of the Canadian Pension and Benefits Institute (the "Institute"), which comprise the statement of financial position as at December 31, 2023, the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada s.r.l./S.E.N.C.R.L./LLP [1]

Montréal, Québec
May 28, 2024

[1] CPA auditor, public accountancy permit No. A113666

Canadian Pension and Benefits Institute
Statement of Financial Position

December 31	2023	2022
Assets		
Current		
Cash	$ 676,271	$ 641,690
Investments (Note 2)	1,607,036	1,557,161
Accounts receivable (Note 3)	23,687	17,002
Prepaid expenses	136,615	94,962
	2,443,609	2,310,815
Property and equipment (Note 4)	9,208	6,781
Intangible assets (Note 5)	105,817	93,617
	$ 2,558,634	$ 2,411,213
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	$ 104,449	$ 103,920
Membership dues received in advance (Note 6)	305,850	290,880
Activity revenue received in advance (Note 7)	237,594	112,779
	647,893	507,579
Canada Emergency Business Account	-	40,000
	647,893	547,579
Net Assets		
Reserve for contingencies (Note 8)	431,392	465,564
Unrestricted	1,479,349	1,398,070
	1,910,741	1,863,634
	$ 2,558,634	$ 2,411,213

Commitments (Note 9)

On behalf of the Board:

_______________ Director _______________ Director

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

Canadian Pension and Benefits Institute
Statement of Changes in Net Assets

For the year ended December 31	Reserve for Contingencies	Unrestricted	2023 Total	2022 Total
Balance, beginning of the year	$ 465,564	$ 1,398,070	$ 1,863,634	$ 1,820,500
Excess of revenue over expenditures for the year	-	47,107	47,107	43,134
Appropriation of unrestricted net assets to reserve for contingencies				
Accrued interest for the year	27,330	(27,330)	-	-
Withdraws which is equal the Accumulated deficits stemming from 2020 to 2022	(64,355)	64,355	-	-
Rebalancing contributions to reflect actual risk	2,853	(2,853)	-	-
Balance, end of the year	$ 431,392	$ 1,479,349	$ 1,910,741	$ 1,863,634

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

Canadian Pension and Benefits Institute
Statement of Revenue and Expenditures

For the year ended December 31	2023	2022
Revenue		
Conferences, seminars and sponsorships	**$ 1,376,738**	$ 1,285,015
Membership dues	**428,765**	388,134
Interest and investment income (Note 2)	**82,481**	17,918
Other income	**29,025**	41,125
	1,917,009	1,732,192
Expenditures		
Conferences, seminars and other member activities	**760,746**	663,359
Salaries and employee benefits	**572,806**	527,470
Other administrative, marketing and communication expenses	**226,387**	211,710
Contracted administrative services	**220,459**	214,050
Board, committees and regional councils	**57,323**	40,049
Rent	**28,684**	28,423
Amortization of property and equipment	**3,497**	2,113
Amortization of intangible assets	**-**	1,884
	1,869,902	1,689,058
Excess of revenue over expenditures for the year	**$ 47,107**	$ 43,134

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

Canadian Pension and Benefits Institute
Statement of Cash Flows

For the year ended December 31		2023		2022
Cash flows from operating activities				
Excess of revenue over expenditures for the year	$	**47,107**	$	43,134
Items not affecting cash:				
Amortization of property and equipment		**3,497**		2,113
Amortization of intangible assets		**-**		1,884
		50,604		47,131
Changes in non-cash working capital:				
Accounts receivable		**(6,685)**		(13,180)
Prepaid expenses		**(41,653)**		(29,241)
Accounts payable and accrued liabilities		**529**		8,557
Membership dues received in advance		**14,970**		2,026
Activity revenue received in advance		**124,815**		9,945
		142,580		25,238
Cash flows from investing activities				
Acquisition of investments, net of proceeds on disposition of investments		**(45,550)**		(220,998)
Acquisition of property and equipment		**(5,924)**		(1,470)
Acquisition of intangible assets		**(12,200)**		(12,517)
		(63,674)		(234,985)
Cash flows from financing activity				
Canada Emergency Business Account		**(40,000)**		-
Net increase (decrease) in cash		**38,906**		(209,747)
Cash and cash equivalents, beginning of the year		**642,087**		851,834
Cash and cash equivalents, end of the year	$	**680,993**	$	642,087
Represented by:				
Cash	$	**676,271**	$	641,690
Cash held in short-term investments		**4,722**		397
	$	**680,993**	$	642,087

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

1. Significant Accounting Policies

Nature and Purpose of the Organization

The Canadian Pension and Benefits Institute (the "Institute") is incorporated under Part II of the *Canada Corporations Act* as a national not-for-profit organization. The purpose of the Institute is to provide its members with the opportunity to participate in high-quality, cost-effective education and networking events across Canada, with a focus on best practices related to pensions, employee benefits and investments.

Basis of Accounting

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations ("ASNPO").

Revenue Recognition

The Institute follows the deferral method of accounting for revenue. Revenue include conferences, seminars and other member activities. Unrestricted revenue are recognized as revenue when the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from membership dues are recognized on a straight-line basis over the membership period, which is January 1 to December 31, when the amount to be received can be reasonably estimated and collection is reasonably assured. Deferred revenue may arise as memberships are annual and paid up front, as such membership service may not have been fulfilled at year end resulting in a deferral of the remainder of the revenue to be recognized.

Other income consists of job posting income and interest and investment income.

Job posting income is recognized in the period the services are rendered when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Interest and investment income on investments is generated through investments made in guaranteed investment certificates and diversified portfolio during the year. These investments bear fixed issuance and maturity dates as well as a guaranteed annual interest rate. Interest and investment income is recognized on the basis of accrual accounting.

Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is calculated on a declining balance basis at the following annual rates:

	Rates
Furniture and equipment	20%
Computer equipment	30%

1. Significant Accounting Policies (continued)

Intangible Assets

Intangible assets with a definite life are recorded at cost less accumulated amortization. Amortization is based on the estimated useful life of the asset and is calculated as follows:

	Method	Period
Website and members' platform	Straight-line basis	5 years

Long-lived Assets

Long-lived assets, comprised of property and equipment and intangible assets, are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the undiscounted future cash flows expected from use and residual value is less than carrying amount, the long-lived asset is considered impaired. An impairment loss is measured as the amount by which the carrying value of the long-lived asset exceeds its fair value.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances and short-term investments with a maturity of three months or less, from the date of acquisition.

Financial Instruments

Arm’s length financial instruments are recorded at fair value at initial recognition.

Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

1. Significant Accounting Policies (continued)

Contributed Services	Volunteers contribute many hours per year to assist the Institute in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements. The Institute does not record the material and services rendered in nature.
Use of Estimates	The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Significant items subject to estimates and assumptions include, but are not limited to, estimated useful life of property and equipment and intangible assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Investments

	2023	2022
Unrestricted investments		
Saving accounts bearing interest at rates varying between 0.5% and 1.0% and maturing in February 2024.	**$ 3,359**	$ 324,182
Guaranteed investment certificates, bearing interest at 4.80% and maturing in Febuary 2024.	**473,986**	-
High-yield Investment savings account.	**161,618**	727,415
Diversified fund (costs $485,286; 2022 - $Nil).	**503,262**	-
Guaranteed investment certificates, bearing interest at 4.55%, maturing in 2023.	**-**	40,000
	1,142,225	1,091,597
Investments held for the reserve for contingencies		
Saving accounts bearing interest at rates varying between 0.5% and 1.0% and maturing in February 2024.	**1,362**	-
Guaranteed investment certificates, bearing interest at 4.80% and maturing in Febuary 2024.	**208,127**	-
High-yield Investment savings account.	**8,251**	465,564
Diversified fund (costs $237,071; 2022 - $Nil).	**247,071**	-
	464,811	465,564
	$ 1,607,036	$ 1,557,161

Interest and investment income includes $40,434 (2022 - $17,918) of interest and investment income earned on the above investments.

Unrestricted investments include an amount of $100,000 given as a collateral for the credit card facilities whose balance at December 31, 2023 amounts to $14,881 (2022 - $16,782).

3. Accounts Receivable

	2023	2022
Sundries receivable	$ 12,833	$ 7,910
Sales taxes receivable	10,854	9,092
	$ 23,687	$ 17,002

4. Property and Equipment

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	$ 912	$ 171	$ 41,556	$ 40,644
Computer equipment	16,320	7,853	107,734	101,865
	17,232	8,024	149,290	142,509
		$ 9,208		$ 6,781

5. Intangible Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Website and members' platform in development	$ 105,817	$ -	$ 93,617	$ -
		$ 105,817		$ 93,617

6. Membership Dues Received in Advance

	2023	2022
Balance, beginning of the year	**$ 290,880**	$ 288,854
Amounts received related to the following year	**305,850**	290,880
Revenue recognized during the year	**(290,880)**	(288,854)
Balance, end of the year	**$ 305,850**	$ 290,880

7. Activity Revenue Received in Advance

	2023	2022
Balance, beginning of the year	**$ 112,779**	$ 102,834
Amounts received related to the following year	**237,594**	112,779
Revenue recognized during the year	**(112,779)**	(102,834)
Balance, end of the year	**$ 237,594**	$ 112,779

Activity revenue received in advance consist of conference and other member activities revenue paid in advance.

8. Reserve for Contingencies

The Institute has a policy requiring it to maintain reserves of an original amount of $500,000 in case of unforeseen costs or losses. Amounts are recorded as reserves in the financial statements when the Board of Directors explicitly appropriates unrestricted net assets.

In 2022, the Ontario region repaid the $25,000 it withdrew in 2021. There was also a rebalancing of the reserve contributions of $47,148 to better reflect the risk of each entity (Regions and National). Finally, the total amount of accumulated interest of $64,492 (including accrued interest for the current year) was transferred to unrestricted funds to bridge National operations for 2022.

In 2023, there was a rebalancing of the reserve contributions of $2,853 to better reflect the risk of each entity (Regions and National). Finally, the total amount of accumulated deficits between 2020 and 2022 of $64,355 was transferred to unrestricted investments to bridge National operations for 2023.

Consequently, the reserve is comprised of investments and has a balance of $431,392 as at December 31, 2023.

9. Commitments

The Institute is committed to a lease for the rental of office space expiring in June 2027. It has also made reservations for hotels, engaged speakers for future events and hired professionals to develop the website and members' platform. The estimated minimum financial commitments for the next four years are presented in the following table:

	Hotels, Speakers and Website and Members' Platform	Rent
2024	$ 648,094	$ 24,063
2025	316,217	24,063
2026	57,846	26,250
2027	7,960	6,563
	$ 1,030,117	$ 80,939

The amounts disclosed as commitments for hotels, speakers and website and members' platform represent the full amount of the contracts signed at the date of the financial statements. Should conferences be cancelled, the amount the Institute will have to pay will be less. The Institute will fund future commitments with the unrestricted net assets.

10. Financial Instruments

Credit risk

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. The Institute is exposed to credit risk in relation to cash, accounts receivable and investments. The Institute mitigates the risk of cash and investments by dealing with creditworthy financial institutions and counterparties. The Institute mitigates the risk of accounts receivable by closely monitoring the aging of accounts receivable.

Risk varied significantly from the previous year due to the increase in its investments.

Interest rate risk

The Institute is exposed to financial risks that arise from fluctuations of interest rates and the degree of volatility of these rates. The Institute is exposed to interest rate risk with respect to its fixed interest rate investments. The investments at fixed interest rate exposed the Institute to a fair value risk.

10. Financial Instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting its obligations associated with financial liabilities. The Institute's liquidity risk arises from its accounts payable. The Institute manages this risk by monitoring working capital and cash flows needs.

There have been no changes to the Institute's financial instruments risks exposure from the previous year.