

The Conference Board of Canada

**Consolidated financial statements
May 31, 2024**



Management's responsibility for financial reporting

The consolidated financial statements have been prepared by management in accordance with accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has ensured that the consolidated financial statements are presented fairly in all material respects. The financial information presented elsewhere in the Annual Report is consistent with that in the consolidated financial statements.

The Conference Board of Canada [the "Corporation"] maintains adequate systems of internal accounting and administrative controls consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that assets are appropriately accounted for and adequately safeguarded.

The Board of Directors [the "Board"] of the Corporation is responsible for reviewing and approving the consolidated financial statements and ensures management fulfills its responsibilities for financial reporting.

The Board is composed of directors who are not employees of the Corporation. The Board meets periodically with management and with external auditors to discuss internal controls, auditing matters and financial and reporting issues to satisfy itself that each party is properly discharging its responsibilities. The Board reviews the consolidated financial statements and the external auditor's report and also considers the engagement or reappointment of the external auditors. The Board considers its findings when approving the consolidated financial statements for issuance.

The consolidated financial statements have been audited by Ernst & Young LLP, the external auditor, in accordance with Canadian auditing standards. Ernst & Young LLP has full and free access to the Board.



Susan Black
President and Chief Executive Officer



Elena Bowes
Chief Financial Officer

October 7, 2024

Independent auditor's report

To the Members of the Board of Directors
The Conference Board of Canada

Opinion

We have audited the consolidated financial statements of **The Conference Board of Canada** [the "Corporation"], which comprise the consolidated statement of financial position as at May 31, 2024, and the consolidated statement of operations, consolidated statement of changes in net assets and consolidated statement of cash flows 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 consolidated statement of financial position of the Corporation as at May 31, 2024, and its consolidated results of operations and its consolidated 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 consolidated financial statements* section of our report. We are independent of the Corporation 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 the consolidated 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 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 the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

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 the Corporation'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 Corporation'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 the Corporation 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Ernst & Young LLP

Ottawa, Canada
October 7, 2024

Chartered Professional Accountants
Licensed Public Accountants

The Conference Board of Canada

Consolidated statement of financial position

[expressed in thousands of dollars]

As at May 31

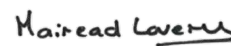
	2024	2023
	\$	\$
Assets		
Current		
Cash	6,286	2,149
Accounts receivable	1,637	1,077
Investments, at fair value <i>[note 3]</i>	12,254	16,156
Prepaid expenses	591	629
Total current assets	20,768	20,011
Tangible capital and intangible assets, net <i>[note 4]</i>	1,645	1,488
	22,413	21,499
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	1,435	1,191
Deferred revenue <i>[note 5]</i>	4,949	5,114
Total current liabilities	6,384	6,305
Net assets		
Unrestricted	16,029	15,194
Total net assets	16,029	15,194
	22,413	21,499

See accompanying notes

On behalf of the Board:



Director



Director

The Conference Board of Canada

Consolidated statement of operations

[expressed in thousands of dollars]

Year ended May 31

	2024	2023
	\$	\$
Revenue		
Research	13,419	12,587
Publications	5,294	5,420
Councils	3,333	3,536
Other convening	211	383
	22,257	21,926
Expenses		
Salaries and benefits	17,613	17,389
Professional services and consultants	2,904	2,675
Travel and meetings	866	904
General and administrative	926	791
Amortization <i>[note 4]</i>	418	355
Marketing	286	314
	23,013	22,428
Deficiency of revenue over expenses before the undernoted items	(756)	(502)
Other income (expenses)		
Interest and dividend income	735	531
Unrealized gain (loss) on investments	856	47
Excess of revenue over expenses for the year, before research reserve fund	—	—
	835	76
Research expenses <i>[note 6]</i>	—	87
Excess (deficiency) of revenue over expenses for the year	835	(11)

See accompanying notes

The Conference Board of Canada

Consolidated statement of changes in net assets

[expressed in thousands of dollars]

Year ended May 31

	Unrestricted	Restricted research fund [note 6]	Total 2024	Total 2023
	\$	\$	\$	\$
Net assets, beginning of year	15,194	—	15,194	15,205
Excess (deficiency) of revenue over expenses for the year	835	—	835	(11)
Net assets, end of year	16,029	—	16,029	15,194

See accompanying notes

The Conference Board of Canada

Consolidated statement of cash flows

[expressed in thousands of dollars]

Year ended May 31

	2024	2023
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	835	(11)
Add (deduct) items not involving cash		
Unrealized loss (gain) on investments	(856)	(47)
Amortization	418	355
	397	297
Net change in non-cash working capital balances related to operations	(443)	(1,824)
Cash used in operating activities	(46)	(1,527)
Investing activities		
Purchase of investments	(2,043)	(452)
Sale of investments	6,801	2,018
Purchase of tangible capital and intangible assets	(575)	(578)
Cash provided by investing activities	4,183	988
Net increase (decrease) in cash during the year	4,137	(539)
Cash, beginning of year	2,149	2,688
Cash, end of year	6,286	2,149

See accompanying notes

The Conference Board of Canada

Notes to consolidated financial statements

[expressed in thousands of dollars]

May 31, 2024

1. Incorporation and objectives

The Conference Board of Canada [the "Corporation"] is incorporated under the name AERIC Inc. and under the *Canada Not-for-profit Corporations Act*. It is a corporation without share capital and qualifies for tax-exempt status as a registered charity under paragraph 149(1)(f) of the *Income Tax Act* (Canada). An annual license agreement with The Conference Board, Inc. governs the use of the name The Conference Board of Canada.

The objectives of the Corporation are exclusively charitable, scientific and educational as follows:

- To conduct objective scientific research and investigation in the fields of business, economics and public affairs and to make available, through periodicals and other publications, the information resulting from such activities to its members and to other persons, firms, corporations, associations, educational and other institutions, the federal and provincial governments of Canada and any department, bureau or agency thereof, and to the general public;
- To assemble, analyze and disseminate, on a non-political basis, objective information in regard to economic conditions and management experience in Canada and other countries;
- To conduct educational and scientific conferences of executives, professional specialists and others for discussion of economic, business and public affairs; and
- To contribute to the educational and professional training of executives, and in general to encourage and promote the sound development of Canadian industries.

2. Summary of significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook – Accounting*.

Basis of consolidation

The consolidated financial statements include the accounts for the Corporation and NAERIC Centre for International Studies, also a not-for-profit organization that is inactive. All significant intercompany transactions and balances are eliminated upon consolidation.

Revenue recognition

Research and international

Revenue is recognized over time based on the nature of the underlying contract:

Fixed price contracts are recognized using the estimated percentage of completion method, which uses the actual costs incurred and the estimated costs to complete.

Non-fixed price contracts are recognized as time and materials are incurred, using rates identified in the contract.

Publications and councils

Subscription and membership fees are prorated over the life of the subscription period.

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[expressed in thousands of dollars]

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Other convening

Revenue is recognized for fee-paid services for other convening, consisting of conferences and educational courses, based on when the related service is provided.

Investment income

Investment income, which is recorded on the accrual basis, includes interest income, dividend income, realized gains or losses on sale of investments and change in unrealized gains or losses on investments.

Deferred revenue

Billings in excess of revenue recognized for research, publications, councils and other convening are recorded as deferred revenue and recognized as services are subsequently provided.

Tangible capital and intangible assets

Tangible capital and intangible assets are recorded at cost. Amortization is calculated using the straight-line method. The estimated useful lives of the assets are as follows:

Tangible capital assets

Computer servers	6 years
Computer hardware	3 years

Intangible assets

Software	2 years
System technology	5 years

The development costs of the internally generated system technology directly attributable to the project and having future economic benefits have been capitalized as incurred, and amortization will commence in the period that the asset becomes operational.

When a tangible capital asset or an intangible asset no longer contributes to the Corporation's ability to provide services, its carrying amount is written down to its residual value.

Tangible capital and intangible assets are classified as held for sale when management commits to a plan, the asset is available for immediate sale in its present condition, an active program to locate a buyer has been initiated, the sale is probable and expected to be recognized as a sale within one year, the asset is being actively marketed for sale at a price that is reasonable, and it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Assets held for sale are measured at the lower of their carrying value and their fair value less selling costs and are no longer amortized.

The Conference Board of Canada

Notes to consolidated financial statements

[expressed in thousands of dollars]

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Accrued liabilities

Accrued liabilities include provisions, which are recognized when the Corporation has a present legal or constructive obligation as a result of past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statement of operations.

Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital and intangible assets and obligations related to employee future benefits. Actual results could differ from those estimates.

Financial instruments

Cash and investments are measured at fair value. Transaction costs incurred on the acquisition of financial instruments that are measured subsequently at fair value are expensed as incurred. Changes in fair value are recognized in the consolidated statement of operations.

Accounts receivable, accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at year-end. Operating revenue and expenses are translated at exchange rates in effect on the date of the transaction. Gains or losses arising from these translations are included in income, except to the extent that they relate to investments, in which case they are recognized in the same manner as investment income.

Cash

Cash consists of cash on deposit for day-to-day operational purposes. Cash and investments held for investing rather than operational purposes are classified as investments.

The Conference Board of Canada

Notes to consolidated financial statements

[expressed in thousands of dollars]

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3. Investments

Investments consists of the following:

	2024		2023	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
Cash and guaranteed investment certificates	201	201	7,206	7,206
Canadian equities	2,651	2,151	2,163	1,935
US equities and other	3,424	2,321	2,998	2,389
Bonds	5,978	6,124	3,789	4,062
	12,254	10,797	16,156	15,592

The Corporation manages its investment portfolio according to a Statement of Investment Policy, which has established target asset mixes, approved by the Board.

The bonds bear a yield to maturity from 0% to 6.57% [2023 – 0% to 10.6%] maturing between June 2024 and April 2078 [2023 – June 2023 and April 2078].

Market risk

Market risk comprises interest rate risk, price risk and foreign currency risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the investments. As the Corporation's interest-bearing investments do not generate significant amounts of interest, changes in market interest rates do not have a significant direct effect on the Corporation's income.

Price risk

Price risk arises as a result of trading equity securities and bonds. Fluctuation in the price risk exposes the Corporation to a risk of loss. The Corporation mitigates this risk through controls to monitor and limit concentration levels.

Foreign currency risk

Foreign currency risk arises from gains and losses due to fluctuation in foreign currency exchange rates on the Corporation's foreign equity securities. Based on the target asset mix as per internal investment policy, foreign equities represent 28% [2023 – 19%] of the overall investment portfolio. As the Corporation closely monitors its investment mix, the changes in foreign currency rates do not have a significant effect on the Corporation's results.

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Liquidity risk

Liquidity risk arises as a result of not being able to meet the cash requirements in a timely and cost-effective manner. The Corporation matches the timing of investment maturities to projected cash outflows and, as such, liquidity does not present a significant financial risk to the Corporation.

4. Tangible capital and intangible assets

	2024		2023
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Tangible capital assets			
Computer servers	634	634	—
Computer hardware	1,487	1,288	116
	2,121	1,922	116
Intangible assets			
Software	336	299	37
System technology	4,650	3,241	1,300
	4,986	3,540	1,372
	7,107	5,462	1,488

Amortization of \$418 was charged to the consolidated statement of operations during the year [2023 – \$355]

5. Deferred revenue

Deferred revenue consists of the following:

	2024	2023
	\$	\$
Research	1,195	1,272
Publications	2,269	2,412
Councils	1,467	1,430
Other convening	18	—
	4,949	5,114

The Conference Board of Canada

Notes to consolidated financial statements

[expressed in thousands of dollars]

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6. Research fund

Although there are no externally imposed capital requirements, the Board maintains an internally restricted Research fund, the purpose of which is to support future research projects that are central to the Corporation's mission and the public interests it serves. The Board approves all projects supported by the Research fund. No amount was allocated to this fund in 2024 [2023 – nil]. In 2024, funding of nil [2023 – \$87] was used to initiate research initiatives. The Research fund balance as at May 31, 2024 is nil [2023 – nil].