

Canadian Institute of Actuaries
Financial Statements
For the year ended March 31, 2022

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Independent Auditor's Report

To the members of the
Canadian Institute of Actuaries

Opinion

We have audited the accompanying financial statements of the Canadian Institute of Actuaries (the "Institute"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 2022, and the results of its 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.

Other Information

Management is responsible for the other information. The other information comprises of the information included in the Annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the 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 LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
June 15, 2022

Canadian Institute of Actuaries
Statement of Financial Position

March 31	2022	2021
Assets		
Current		
Cash	\$ 1,709,084	\$ 1,204,131
Accounts receivable (Note 2)	28,706	57,034
Prepaid expenses	273,927	378,554
Investments (Note 3)	984,643	977,584
	2,996,360	2,617,303
Investments (Note 3)	6,842,052	6,693,228
Tangible and intangible capital assets (Note 4)	285,242	401,303
	\$10,123,654	\$ 9,711,834
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 817,071	\$ 744,606
Deferred revenue (Note 5)	1,144,860	1,221,783
Current portion of deferred lease inducements	12,340	-
	1,974,271	1,966,389
Deferred lease inducements	125,452	-
	2,099,723	1,966,389
Contractual obligations (Note 6)		
Net Assets		
Invested in tangible and intangible capital assets	285,242	401,303
Internally restricted - Discipline Tribunals (Note 7)	532,899	308,338
Internally restricted - Research (Note 7)	592,181	495,676
Unrestricted	6,613,609	6,540,128
	8,023,931	7,745,445
	\$10,123,654	\$ 9,711,834

On behalf of the board:

_____ Director

_____ Director

Canadian Institute of Actuaries
Statement of Changes in Net Assets

For the year ended March 31

2022

2021

	Invested in tangible and intangible capital assets	Internally restricted - Discipline Tribunals	Internally restricted - Research	Unrestricted	Total	Total
Balance, beginning of the year	\$ 401,303	\$ 308,338	\$ 495,676	\$ 6,540,128	\$ 7,745,445	\$ 6,936,514
Excess (deficiency) of revenues over expenses	-	(217,101)	(367,495)	863,082	278,486	808,931
Purchase of tangible and intangible capital assets	118,372	-	-	(118,372)	-	-
Amortization of tangible and intangible capital assets	(234,433)	-	-	234,433	-	-
Internal restrictions (Note 7)	-	441,662	464,000	(905,662)	-	-
Balance, end of the year	\$ 285,242	\$ 532,899	\$ 592,181	\$ 6,613,609	\$ 8,023,931	\$ 7,745,445

The notes are an integral part of these financial statements.

Canadian Institute of Actuaries Statement of Operations

For the year ended March 31	2022	2021
Revenues		
Membership dues	\$ 6,188,085	\$ 5,956,739
General meetings and seminars	869,845	825,643
Investment income	251,922	214,017
Advertising	30,478	23,359
Miscellaneous	12,667	47,599
Change in fair value of investments	-	633,077
	7,352,997	7,700,434
Expenses		
Salaries and staff benefits	3,664,725	3,371,075
Professional fees (Schedule 1)	715,830	559,216
General meetings and seminars	503,957	583,847
Rent and operating expenses	434,672	419,267
Research studies and surveys (Note 7)	367,495	474,948
Supplies and services (Schedule 3)	327,675	299,138
Discipline tribunals (Note 7)	217,101	441,662
Miscellaneous and bank charges	199,595	231,499
Translation	178,933	135,308
Marketing and branding	174,063	170,725
Change in fair value of investments	88,773	-
Travel reimbursements, meeting expenses and volunteer awards (Schedule 2)	38,273	62,731
Staffing	84,366	79,879
Student and career outreach	42,131	26,132
Government relations	21,460	28,116
Publishing - general printing	7,771	5,814
Staff travel	7,691	-
Foreign exchange loss	-	2,146
	7,074,511	6,891,503
Excess of revenues over expenses	\$ 278,486	\$ 808,931

Canadian Institute of Actuaries
Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Cash receipts from members	\$ 7,052,480	\$ 6,940,352
Cash paid to suppliers and employees	(6,436,420)	(6,626,551)
Investment income received	251,921	214,017
	<u>867,981</u>	<u>527,818</u>
Cash flows from investing activities		
Acquisition of tangible and intangible capital assets	(118,372)	(80,884)
Change in investments	(244,656)	(205,318)
	<u>(363,028)</u>	<u>(286,202)</u>
Net increase in cash	504,953	241,616
Cash, beginning of the year	<u>1,204,131</u>	<u>962,515</u>
Cash, end of the year	<u>\$ 1,709,084</u>	<u>\$ 1,204,131</u>

Canadian Institute of Actuaries Notes to Financial Statements

March 31, 2022

1. Accounting Policies

Purpose of Organization	The Canadian Institute of Actuaries (the "Institute") was incorporated by an Act of Parliament of Canada on March 18, 1965. The Canadian Institute of Actuaries (CIA) is the national, bilingual organization and voice of the actuarial profession in Canada. Its 6,000+ members are dedicated to providing actuarial services and advice of the highest quality. The Institute puts the public interest ahead of the needs of the profession and those of its members. The Institute is a not-for-profit organization under the Income Tax Act and as such is exempt from income taxes.
Basis of Accounting	The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.
Revenue Recognition	<p>Revenue from general meetings and seminars is recognized when the event takes place.</p> <p>Membership dues are recognized as revenue proportionately over the year to which they relate. Membership dues cover three, six, nine and twelve months periods ending May 31. Deferred membership fees consist of a two-month portion of the 2021-2022 membership fees and amounts received as prepayment for the 2022-2023 membership dues.</p> <p>Investment income is recognized as earned.</p>
Financial Instruments	<p><u>Initial and subsequent measurement</u></p> <p>The Institute initially measures its financial assets and liabilities at fair value. The Institute subsequently measures all its financial assets and liabilities at amortized cost, except for short-term and long-term investments which it chose to measure at fair value. Changes in fair value are recognized in the statement of operations.</p> <p><u>Impairment</u></p> <p>Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.</p> <p><u>Transaction costs</u></p> <p>Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations of the appropriate fund in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations of the appropriate fund over the life of the instrument using the straight-line method.</p>

Canadian Institute of Actuaries
Notes to Financial Statements

March 31, 2022

1. Accounting Policies (continued)

Tangible Capital Assets Tangible capital assets are stated at cost less accumulated amortization. Amortization is calculated monthly from the period in which the asset is purchased, using the straight-line method as follows:

Computer equipment	3 years
Furniture and office equipment	5 years
Leasehold improvements	lease terms

The Institute owns artwork which is not being amortized.

Intangible Assets Intangible assets are stated at cost less accumulated amortization. Amortization is calculated monthly from the period in which the asset is purchased, using the straight-line method as follows:

Computer software	3 years
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Impairment of Tangible and Intangible Capital Assets When a tangible or intangible capital asset no longer has any long-term service potential to the Institute, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

2. Accounts Receivable

	2022	2021
Accounts receivable	\$ 12,459	\$ 18,438
Other	16,247	38,596
	\$ 28,706	\$ 57,034

Canadian Institute of Actuaries
Notes to Financial Statements

March 31, 2022

3. Investments

As at March 31, the Institute's investments consist of the following:

	2022	2021
Deposits		
Credit fund	\$ 984,643	\$ 977,584
Bonds		
Provinces of Canada	\$ 3,919,632	\$ 3,850,731
Equities		
Canadian Equity Ethical Fund	1,939,444	1,799,555
U.S Equity Ethical Fund	512,976	543,918
International Equity Ethical Fund	470,000	499,024
	2,922,420	2,842,497
	\$ 6,842,052	\$ 6,693,228

4. Tangible and Intangible Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment and software	\$ 871,790	\$ 605,501	\$ 949,215	\$ 574,542
Furniture and office equipment	170,766	164,311	167,053	161,725
Leasehold improvements	211,166	211,166	211,166	202,362
Artwork	12,498	-	12,498	-
	\$ 1,266,220	\$ 980,978	\$ 1,339,932	\$ 938,629
Net carrying amount		\$ 285,242		\$ 401,303

Canadian Institute of Actuaries
Notes to Financial Statements

March 31, 2022

5. Deferred Revenue

	<u>2022</u>	<u>2021</u>
Membership dues	\$ 1,093,057	\$ 1,151,130
General meetings and seminar	51,803	70,653
	<u>\$ 1,144,860</u>	<u>\$ 1,221,783</u>

6. Contractual Obligations

The Institute has leased premises until May 31, 2033, with a total commitment of \$5,138,339 and this includes the following payments for the next five years:

2023	\$ 442,745
2024	\$ 446,601
2025	\$ 447,373
2026	\$ 455,085
2027	<u>\$ 456,627</u>
	<u>\$ 2,248,431</u>

The Institute has contractual research commitments for the next year as follows:

2023	\$ 169,779
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7. Discipline Tribunals and Research Funds

In 2015, the Institute created an internally restricted net asset for disciplinary tribunals. An internal restriction of \$441,662 (2021 - \$253,371) from the unrestricted net assets was authorized by the Board of Directors during the year.

During the year, the Institute incurred expenses of \$217,101 (2021 - \$441,662) for disciplinary tribunal activities.

In 2010, the Institute created an internally restricted net asset for research purposes. A net internal restriction of \$464,000 (2021 - \$431,000) from the unrestricted net assets was authorized by the Board of Directors during the year.

During the year, the Institute incurred expenses of \$367,495 (2021 - \$474,948) for research activities.

Canadian Institute of Actuaries Notes to Financial Statements

March 31, 2022

8. Financial Instruments

Credit risk

The Institute is exposed to credit risk for its accounts receivable. The Institute provides credit to its members in the normal course of its operations. The Institute is also exposed to credit risk arising from all its bank accounts being held at one financial institution.

Interest rate risk

The Institute is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed interest instruments subject the Institute to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. The Institute is exposed to this risk for its investments.

Other price risk

The Institute is exposed to other price risk through its investments in equity funds.

There is no change in the Institute's financial instrument risks compared to the previous fiscal year.

9. Employee Future Benefits

College of Applied Arts and Technology Pension Plan ("CAAT")

CAAT provides pension services to employees of the 24 Colleges of Applied Arts and Technology in Ontario as well as employees of other participating employers. The plan is a multi-employer jointly sponsored defined benefit pension plan. However, the Institute's contributions are accounted for as if the plan were a defined contribution plan with the Institute's contributions being expensed in the period in which they become due. Each year, an independent actuary determines the funding status of CAAT by comparing the actuarial value of invested assets to the estimated value of all pension benefits that members have earned to date. The results of the most recent valuation as at December 31, 2021 disclosed a surplus of \$5,054,000 (in thousands). The results of this valuation disclosed total actuarial liabilities and pension obligations of \$14,756,000 (in thousands) in respect of benefits accrued for service with actuarial assets at that date of \$19,810,000 (in thousands). The Institute does not recognize any share of the CAAT surplus or deficit. Contributions made by the Institute to CAAT during the year amounted to \$270,578 (2021 - \$181,257).

Canadian Institute of Actuaries
Notes to Financial Statements

March 31, 2022

10. Services Provided to Other Organizations

A services agreement was signed with the Actuarial Foundation of Canada (AFC) to allow the AFC to retain certain administrative and other services at no charge to the AFC. The agreement covers bookkeeping and accounting services; space for storage of administrative documents; translation services; maintaining the AFC website; maintaining a database of AFC donors; telephone, Internet and facsimile facilities. These contributions in kind are reflected in the financial statements and include the following:

	2022	2021
Audit fees	\$ 9,565	\$ 5,407
Administrative support	10,630	9,730
Other	1,245	1,527
	<u>\$ 21,440</u>	<u>\$ 16,664</u>

Canadian Institute of Actuaries
Schedules

For the year ended March 31 2022 2021

Schedule 1 - Professional Fees

Website and internet services	\$ 263,432	\$ 238,459
Consulting actuaries and other	262,909	228,639
Legal - general and peer review	160,940	66,336
Audit	28,549	25,782
	<hr/>	<hr/>
	\$ 715,830	\$ 559,216

Schedule 2 - Travel Reimbursements, Meeting Expenses and Volunteer Awards

Board, councils and committees	\$ 22,066	\$ 58,564
Volunteer awards and certificates of fellowship	10,081	3,180
Travel reimbursements	6,126	987
	<hr/>	<hr/>
	\$ 38,273	\$ 62,731

Schedule 3 - Supplies and Services

Amortization of tangible and intangible capital assets	\$ 234,433	\$ 237,946
Telephone	23,454	26,703
Postage and delivery services	13,988	12,599
Computer equipment and maintenance	44,595	10,502
Stationery and supplies	6,734	8,296
Office equipment - maintenance	4,471	3,092
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	\$ 327,675	\$ 299,138
