Signal49
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Notice: Operating Name Change

Effective January 26, 2026, AERIC Inc./Signal49 Research discontinued use of 'The Conference Board of Canada' name, logo and branding, which had been used by AERIC Inc./Signal49 Research under license from The Conference Board, Inc. The Conference Board, Inc. and its licensees, which are not affiliated with Signal49 Research, own all right, title and interest in THE CONFERENCE BOARD name and trademarks in Canada and have the exclusive right to their use in Canada since January 26, 2026.

Le 26 janvier 2026, AERIC Inc., exerçant ses activités sous le nom Signal49 Recherche, a cessé d'utiliser le nom, le logo et l'image de marque « Le Conference Board du Canada », qu'elle utilisait auparavant sous licence consentie par The Conference Board, Inc. Au Canada, les droits, titres et intérêts relatifs au nom « The Conference Board » et aux marques de commerce afférentes appartiennent tous à The Conference Board, Inc. et aux titulaires des licenses consenties par celle-ci. Depuis le 26 janvier 2026, ces parties, qui ne sont aucunement affiliées à Signal49 Recherche, sont les seules à pouvoir utiliser ce nom et ces marques au Canada.

The Conference Board of Canada | Le Conference Board du Canada

Consolidated Financial Statements

Year ended May 31, 2016

The Conference Board of Canada | Le Conference Board du Canada

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.

Through its Finance and Audit Committee, 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 Finance and Audit Committee is appointed by the Board and is composed of directors who are not employees of the Corporation. The Finance and Audit Committee 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 Finance and Audit Committee reviews the consolidated financial statements and the external auditors' report and also considers, for approval by the Board, the engagement or reappointment of the external auditors. The Finance and Audit Committee reports its findings to the Board for its consideration when approving the consolidated financial statements for issuance.

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

Daniel F. Muzyka
President and Chief Executive Officer

Joanne Mortimore
Vice-President and Chief Financial Officer

September 30, 2016

Independent auditors' report

To the Members of The Conference Board of Canada

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Conference Board of Canada, which comprise the consolidated statement of financial position as at May 31, 2016, the consolidated statements of operations, changes in net assets, and cash flows for the year ended May 31, 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Conference Board of Canada as at May 31, 2016 and its consolidated results of operations, changes in net assets and its consolidated cash flows for the year ended May 31, 2016 in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal Requirements

As required by the Canada Not-for-profit Corporations Act, we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis prescribed by the law.

Ernst & Young LLP

Ottawa, Canada
September 30, 2016

Chartered Professional Accountants
Licensed Public Accountants

EY
A member firm of Ernst & Young Global Limited

The Conference Board of Canada | Le Conference Board du Canada

Consolidated Statements of Financial Position

Year ended May 31 *(thousands of dollars)*	Notes	2016	2015
ASSETS			
Current assets			
Cash		6,094	3,885
Accounts receivable		6,145	6,208
Investments	3	9,601	9,371
Prepaid expenses		895	1,154
		22,735	20,618
Tangible capital and intangible assets	4	4,061	4,161
		26,796	24,779
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued liabilities		4,288	5,750
Deferred revenue	5	10,619	7,070
		14,907	12,820
Net assets			
Unrestricted		11,215	10,887
Restricted Research Fund	7	674	1,072
		11,889	11,959
		26,796	24,779
Commitments	6		

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Director

Director

The Conference Board of Canada | Le Conference Board du Canada

Consolidated Statement of Operations

Year ended May 31 *(thousands of dollars)*	**2016**	2015
REVENUE		
Research	10,037	11,184
Convening	9,783	9,963
Education	8,295	8,005
International	5,905	6,854
Publications	6,506	6,643
	40,526	42,649
Interest and other income	221	184
	40,747	42,833
EXPENSES		
Direct and indirect programs	32,925	34,402
Corporate	6,732	7,338
Depreciation and amortization	762	748
	40,419	42,488
Excess of revenue over expense, before research expenses	328	345
Research expenses	398	295
(Deficiency) excess of revenue over expenses	(70)	50

See accompanying notes to the consolidated financial statements.

The Conference Board of Canada | Le Conference Board du Canada

Consolidated Statement of Changes in Net Assets

Year ended May 31 *(thousands of dollars)*	**Unrestricted**	**Restricted Research Fund (note 7)**	**Total**	Total 2015
Net assets, beginning of year	10,887	1,072	11,959	11,909
Excess (deficiency) of revenues over expenses	328	(398)	(70)	50
Net assets, end of year	11,215	674	11,889	11,959

See accompanying notes to consolidated financial statements.

The Conference Board of Canada | Le Conference Board du Canada

Consolidated Statement of Cash Flows

Year ended May 31 *(thousands of dollars)*	**2016**	2015
Cash provided by (used in):		
Operating activities		
(Deficiency) excess of revenue over expenses	(70)	50
Unrealized gain on investments	(56)	—
Depreciation and amortization	762	748
	636	798
Changes in non-cash components of operating working capital	2,256	(1,542)
	2,892	(744)
Investing activities		
Net purchase of investments	(174)	445
Purchase of tangible capital and intangible assets	(509)	(548)
	(683)	(103)
Increase (decrease) in cash	2,209	(847)
Cash, beginning of the year	3,885	4,732
Cash, end of year	6,094	3,885

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Year ended May 31, 2016 (in thousands, unless otherwise stated)

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 licence 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:

a. 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 to the federal and provincial governments of Canada and any department, bureau or agency thereof, and to the general public;
b. 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;
c. To conduct educational and scientific conferences of executives, professional specialists and others for discussion of economic, business and public affairs; and
d. 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 *Accounting Handbook*.

Basis of consolidation
The consolidated financial statements include the accounts of the Corporation of Canada and The Niagara Institute for International Studies, also a not-for-profit organization, which provides executive leadership development courses. The proportionate consolidation method is used to account for the Corporation's 50 percent interest in the joint ventures, The Directors College and Institut du Québec. All significant intercompany transactions and balances are eliminated upon consolidation.

Revenue recognition
The Corporation follows the deferral method of accounting for contributions.

Research and international project revenue is recognized based on the estimated percentage of work completed which is measured based on costs incurred.

Revenue is recognized for fee-paid services including conferences and education based on when the related service is provided. Network memberships are prorated over the life of the membership based on the number of meetings per year.

Notes to Consolidated Financial Statements

Year ended May 31, 2016 (in thousands, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Publication subscriptions are prorated over the life of the subscription period.

Convening line of business comprises of conferences and networks.

Billings for research, convening, education, international and publications in excess of revenue recognized are recorded as deferred revenue.

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.

Tangible capital and intangible assets
Tangible capital and intangible assets are recorded at cost. Depreciation is calculated by the straight-line method. The estimated useful lives of the assets are:

Tangible capital assets:
- Building.....40 years
- Building additions.....5 to 20 years
- Furniture and equipment.....5 years
- 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 and an intangible asset no longer contributes to the Corporation's ability to provide services, its carrying amount is written down to its residual value.

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 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.

Notes to Consolidated Financial Statements

Year ended May 31, 2016 (in thousands, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Corporation records accounts receivable and accounts payable and acrrued liabilities at amortized cost using the effective method of amortization.

3. INVESTMENTS

	2016		2015	
	Fair value	Cost	Fair value	Cost
	$	$	$	$
Cash and guaranteed investment certificates	4,777	4,713	9,371	9,286
Canadian equities	1,546	1,520	—	—
Foreign equities	973	958	—	—
Bonds	2,305	2,285	—	—
	9,601	9,476	9,371	9,286

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 1.33% to 6.50% maturing between July 2017 and December 2106.

The guaranteed investment certificates yield interest to maturity from 0.95% to 2.00% (2015 – 1.2% to 2.1%) maturing between June 2016 and August 2017 (June 2015 and August 2017).

Market Risk:
Market risk comprises of 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.

Notes to Consolidated Financial Statements

Year ended May 31, 2016 (in thousands, unless otherwise stated)

3. INVESTMENTS (CONTINUED)

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. As the Corporation's foreign equity securities are not significant, changes in foreign currency rates do not have a significant effect on the Corporation's results.

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

May 31, 2016	Cost $	Accumulated depreciation $	Net book value $	Net book value 2015 $
Tangible capital assets:				
Land	621	—	621	621
Building	4,240	2,744	1,496	1,615
Building improvements	995	683	312	368
Furniture and equipment	1,687	1,350	337	470
Computer servers	634	308	326	433
Computer hardware	1,833	1,438	395	493
	10,010	6,523	3,487	4,000
Intangible assets:				
Software	909	862	47	118
System technology	527	—	527	43
	1,436	862	574	161
	11,446	7,385	4,061	4,161

The system technology projects are under construction and not ready for use. The amortization is expected to begin in fiscal 2017.

Notes to Consolidated Financial Statements

Year ended May 31, 2016 (in thousands, unless otherwise stated)

5. DEFERRED REVENUE

	2016 $	2015 $
Research	1,183	609
Convening	2,490	2,699
Education	754	582
International	3,633	423
Publications	2,559	2,757
	10,619	7,070

6. COMMITMENTS

The approximate future minimum payments for operating lease obligations related to buildings and office equipment are as follows:

2017 ..... $288
2018 ..... $216
2019 ..... $170
2020 ..... $96
2021 ..... $66

7. RESEARCH FUND

Although there are no externally imposed capital requirements, the Corporation 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 Fund. Similarly, allocation to the Fund is approved by the Board and is 100% of the excess of revenue over expenses (excluding research expenses, which are supported by the Research Reserve Fund) for the year, after setting aside an amount to provide an appropriate level of unrestricted net assets in support of the Corporation's future operations. No amount was allocated to this fund in 2016 and in 2015. In addition, $398 (2015 – $295) of the Fund was used to initiate research initiatives. The Fund balance as at May 31, 2016 is $674 (2015 – $1,072).