

**FINANCIAL STATEMENTS**  
**For**  
**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**  
**For the year ended**  
**DECEMBER 31, 2022**

## INDEPENDENT AUDITOR'S REPORT

To the members of the

**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

*Opinion*

We have audited the financial statements of Canadian Psychological Association/Société canadienne de psychologie (the Association), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, 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 Canadian Psychological Association/Société canadienne de psychologie as at December 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 Canadian Psychological Association/Société canadienne de psychologie in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 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 Canadian Psychological Association/Société canadienne de psychologie'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 Canadian Psychological Association/Société canadienne de psychologie or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Canadian Psychological Association/Société canadienne de psychologie'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 Canadian Psychological Association/Société canadienne de psychologie'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 Canadian Psychological Association/ Société canadienne de psychologie'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 Canadian Psychological Association/ Société canadienne de psychologie 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.



Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Ontario  
April 28, 2023.

Welch LLP<sup>®</sup>

**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,650,288	\$ 2,631,761
Accounts receivable (note 4)	206,930	223,189
Prepaid expenses and advances	<u>69,261</u>	<u>104,078</u>
	1,926,479	2,959,028
<b>INVESTMENTS</b> (note 5)	2,921,426	2,093,566
<b>TANGIBLE CAPITAL AND INTANGIBLE ASSETS</b> (note 6)	<u>47,798</u>	<u>57,324</u>
	<u>\$ 4,895,703</u>	<u>\$ 5,109,918</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 791,607	\$ 751,914
Government remittances payable	88,852	87,712
Deferred revenue (note 7)	<u>945,023</u>	<u>911,304</u>
	1,825,482	1,750,930
<b>LEASEHOLD INDUCEMENTS</b>	9,661	19,322
<b>LOAN PAYABLE</b> (note 8)	<u>-</u>	<u>50,000</u>
	<u>1,835,143</u>	<u>1,820,252</u>
<b>COMMITMENTS</b> (note 9)		
<b>CONTINGENT LIABILITIES</b> (note 10)		
<b>FUND BALANCES</b>		
Unrestricted	2,484,292	2,719,038
Invested in tangible capital and intangible assets - internally restricted	47,798	57,324
Internally restricted funds (note 11)	465,741	446,369
Wesley Coons Memorial Fund - externally restricted (note 11)	<u>62,729</u>	<u>66,935</u>
	<u>3,060,560</u>	<u>3,289,666</u>
	<u>\$ 4,895,703</u>	<u>\$ 5,109,918</u>

On behalf of the Board:

Kerri Ritchie, Ph.D., C.Psych  
.....President (2022-2023)

ADA L SINACORE, Ph.D.  
.....Past-President (2022-2023)

(See accompanying notes)

**Welch LLP<sup>®</sup>**

An Independent Member of BKR International

**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>REVENUE</b>		
Members:		
Membership fees	\$ 1,791,030	\$ 1,726,645
Convention	415,846	251,254
Other	<u>11,076</u>	<u>10,418</u>
	2,217,952	1,988,317
Non-members:		
Royalties	324,205	310,332
Government contributions (note 4)	10,000	227,573
Accreditation panel	278,675	295,775
Sponsorship and other	218,775	208,085
Investment	(113,344)	156,646
Advertising	118,171	116,365
Course fees - Education Directorate	81,098	64,792
Grants and contributions	48,847	8,053
Foreign exchange gain (loss)	<u>12,308</u>	<u>8,435</u>
	<u>3,196,687</u>	<u>3,384,373</u>
<b>EXPENSES</b>		
Administration (note 12)	2,136,834	1,865,064
Less overhead allocation (note 12)	<u>(41,996)</u>	<u>(30,512)</u>
	2,094,838	1,834,552
Accreditation panel	275,309	200,772
Journal productions	183,038	174,197
Information technology	120,330	116,069
Annual convention	396,713	146,257
Public affairs	27,161	30,898
Professional affairs	55,000	55,000
Education directorate	55,166	49,708
Psynopsis	40,423	42,849
Science directorate	36,020	39,799
Publications	78,849	86,498
Membership	45,032	18,046
Section management	<u>13,708</u>	<u>12,278</u>
	<u>3,421,587</u>	<u>2,806,923</u>
<b>EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)</b>	<u>\$ (224,900)</u>	<u>\$ 577,450</u>

(See accompanying notes)

**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2022**

	<u>Unrestricted</u>	<u>Investment in tangible capital and intangible assets</u>	<u>Internally restricted funds (note 11)</u>	<u>Wesley Coons Memorial Fund (note 11)</u>	<u>2022 Total</u>	<u>2021 Total</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	\$ 2,719,038	\$ 57,324	\$ 446,369	\$ 66,935	\$ 3,289,666	\$ 2,708,603
Excess of revenue over expenses (expenses over revenue)	(226,313)	-	1,413	-	(224,900)	577,450
Wesley Coons Fund net revenue (expense) (note 11)	-	-	-	(4,206)	(4,206)	3,613
Tangible capital and intangible asset additions	(9,634)	9,634	-	-	-	-
Amortization of tangible capital assets	19,160	(19,160)	-	-	-	-
Interfund transfers (note 11)	<u>(17,959)</u>	<u>-</u>	<u>17,959</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 2,484,292</u>	<u>\$ 47,798</u>	<u>\$ 465,741</u>	<u>\$ 62,729</u>	<u>\$ 3,060,560</u>	<u>\$ 3,289,666</u>

(See accompanying notes)

**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses		
(expenses over revenue) - operations	\$ (224,900)	\$ 577,450
- Wesley Coons Memorial Fund	<u>(4,206)</u>	<u>3,613</u>
	(229,106)	581,063
Items not involving cash:		
Amortization of tangible capital assets	19,160	19,573
Amortization of leasehold inducements	(9,661)	(9,661)
Change in fair value of investments	117,536	(166,524)
Forgivable portion of loan	<u>(10,000)</u>	<u>-</u>
	(112,071)	424,451
Changes in non-cash components of working capital:		
Accounts receivable	16,259	(57,593)
Prepaid expenses and advances	34,817	(35,663)
Accounts payable and accrued liabilities	39,693	173,063
Government remittances payable	1,140	24,774
Deferred revenue	<u>33,719</u>	<u>78,796</u>
	<u>13,557</u>	<u>607,828</u>
<b>INVESTING ACTIVITIES</b>		
Tangible capital asset additions	(9,634)	(6,580)
Purchase of investments	(5,484,034)	(933,174)
Proceeds from sale of investments	<u>4,538,638</u>	<u>1,461,121</u>
	<u>(955,030)</u>	<u>521,367</u>
<b>FINANCING ACTIVITIES</b>		
Loan proceeds received	-	20,000
Loan payments made	<u>(40,000)</u>	<u>-</u>
	<u>(40,000)</u>	<u>20,000</u>
<b>INCREASE (DECREASE) IN CASH</b>	(981,473)	1,149,195
<b>CASH, BEGINNING OF YEAR</b>	<u>2,631,761</u>	<u>1,482,566</u>
<b>CASH, END OF YEAR</b>	<u>\$ 1,650,288</u>	<u>\$ 2,631,761</u>

(See accompanying notes)

**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2022**

**1. ORGANIZATION**

The Canadian Psychological Association (the "Association") was organized in 1939 and incorporated under the Canada Corporations Act, Part II in May 1950. Effective August 13, 2013, the Association continued their articles of incorporation from the Canada Corporations Act to the Canada Not-for-profit Corporations Act. The Association is a not-for-profit organization and as such is not subject to income tax under paragraph 149(1)(l) of the Income Tax Act (Canada).

Its mission is to advance and promote psychology for the benefit of all. Its objectives are:

- To improve the psychological health and welfare of all Canadians;
- To promote excellence and innovation in psychological research, education and practice;
- To promote the advancement, development, dissemination, and application of psychological knowledge; and
- To provide high quality services to members.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

*Revenue recognition*

The Association uses the restricted fund method to recognize contributions for the Wesley Coons Memorial Fund. This fund reports the activities detailed in note 11.

The Association uses the deferral method of accounting for all other contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Unrestricted investment income is recognized as revenue when earned.

Membership fees and journal subscriptions are collected on a calendar year basis and are recognized as revenue in the year to which the membership or subscription relate. Fees and subscriptions collected prior to the membership or subscription year are recorded as deferred revenue.

Convention and royalty revenues are recognized as revenue is earned.

Accreditation panel fees are levied on an annual basis for the period of September 1 to August 31 and are recognized as revenue in the year to which they relate. The portion of the collected fees relating to the period of January 1 to August 31 is recorded as deferred revenue at December 31.

*Fund accounting*

The unrestricted fund accounts for the Association's program delivery, journal productions and administrative activities.

The tangible capital and intangible assets fund reports the Association's investment in tangible capital and intangible assets.

Internally and externally restricted funds report the revenue, expenses and fund balances of the activities of the Association for which the funding is restricted to that activity and are described in note 11.



**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2022**

**2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

*Sections processing charge*

The Association and its 32 Sections represent the interests and promote the advancement of the discipline of psychology in Canada. The Association has significant influence over these Sections. The cash balances for the sections totaled \$252,744 (2021 - \$232,904) and are not included in these financial statements.

*Allocation of administration expenses*

A portion of administration expense is allocated as overhead to the accreditation panel. Administration is allocated based on a percentage of 18% of the direct expenses of the accreditation panel.

*Financial instruments*

Financial instruments are recorded at fair value on initial recognition. Cash and publicly traded securities are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

*Tangible capital and intangible assets*

Tangible capital and intangible assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a tangible capital or intangible asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value.

Tangible capital and intangible assets are amortized over their estimated useful lives as follows:

*Declining balance basis:*

Office furniture and equipment	20%
--------------------------------	-----

*Straight line basis:*

Computers	five years
Leasehold improvements	term of the lease
Computer software	three years

*Leasehold inducements*

Leasehold inducements are deferred and amortized over the term of the lease. Annual amortization is recorded as a credit to rent expense.

*Use of estimates*

The preparation of the 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant estimates include collectibility of accounts receivable, the useful life of tangible capital assets and the determination of accrued liabilities. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2022**

**3. FINANCIAL RISK MANAGEMENT**

The Association is exposed to and manages various financial risks resulting from both its operations and its investment activities and does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Association's main financial risk exposure and its financial risk management policies are as follows:

*Credit risk*

The Association is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Association's maximum exposure to credit risk is the sum of the carrying value of its cash, its investments and accounts receivable. The Association's cash and investments are deposited with a Canadian chartered bank and as a result, management believes the risk of loss of these items to be remote. Accounts receivable balances are managed and analysed on an ongoing basis and accordingly, management believes all amounts receivable will be collected and has determined that a provision for bad debts is not required.

*Liquidity risk*

Liquidity risk is the risk that the Association cannot meet a demand for cash or fund its obligations as they become due. The Association meets its liquidity requirements by establishing budgets and cash estimates to ensure it has funds necessary to fulfil its obligations.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Association's exposure to financial risks as a result of foreign currency exchange rate fluctuations and the volatility of these rates is limited to its US dollar cash and investments of \$110,706 (2021 - \$188,711).

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates.

The Association believes it is not exposed to significant interest rate risk on its fixed interest rate financial instruments, as this risk is limited to its investments in guaranteed investment certificates and coupon bonds as disclosed in note 5.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Association is exposed to other price risk as it has investments in publicly traded securities (equities and mutual funds) that are subject to market fluctuations.

*Changes in risk*

There have been no significant changes in the Association's risk exposures from the prior year.

**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED DECEMBER 31, 2022**

**4. GOVERNMENT CONTRIBUTIONS**

In March of 2020, the Government of Canada announced that they would be providing emergency funding in response to measures various businesses were required to take regarding the spread of the COVID-19 pandemic.

The amount of subsidies attributable to the Association's December 31, 2022 fiscal year are reported below:

	<u>2022</u>	<u>2021</u>
Government contributions receivable included in accounts receivable - beginning of year	\$ -	\$ 37,605
Canada Emergency Wage Subsidy (CEWS) program	-	196,780
Canada Temporary Wage Subsidy (TWS) program	-	-
Canada Emergency Rent Subsidy (CERS) program	-	30,793
Canada Emergency Business Account (CEBA) - forgivable portion	<u>10,000</u>	<u>-</u>
	10,000	227,573
Amounts received during the year	<u>(10,000)</u>	<u>(265,178)</u>
Government contributions receivable included in accounts receivable - end of year	\$ -	\$ -

**5. INVESTMENTS**

Investments consist of the following:

	<u>2022</u>	<u>2021</u>
Guaranteed investment certificates	\$ 2,048,047	\$ 1,092,049
Equities and mutual funds	<u>873,379</u>	<u>1,001,517</u>
	<u>\$ 2,921,426</u>	<u>\$ 2,093,566</u>

Guaranteed investment certificates have interest rates from 1.18% to 6.25% (2021 - 1.18% to 3.17%) and maturity dates ranging from June 14, 2023 to April 6, 2029.

**6. TANGIBLE CAPITAL AND INTANGIBLE ASSETS**

Tangible capital and intangible assets consists of the following:

	<u>2022</u>			<u>2021</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Tangible capital assets:				
Office furniture and equipment	\$ 93,429	\$ 80,213	\$ 13,216	\$ 16,520
Computers	113,107	85,498	27,609	26,859
Leasehold improvements	<u>68,972</u>	<u>61,999</u>	<u>6,973</u>	<u>13,945</u>
	275,508	227,710	47,798	57,324
Intangible assets:				
Computer software	<u>11,577</u>	<u>11,577</u>	<u>-</u>	<u>-</u>
	<u>\$ 287,085</u>	<u>\$ 239,287</u>	<u>\$ 47,798</u>	<u>\$ 57,324</u>

**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED DECEMBER 31, 2022**

**7. DEFERRED REVENUE**

Deferred revenue consists of the following:

	<u>2022</u>	<u>2021</u>
Membership fees	\$ 779,002	\$ 745,097
Accreditation panel fees	152,400	143,600
Journal subscriptions	600	600
Psynopsis	5,280	-
Other	<u>7,741</u>	<u>22,007</u>
	<u>\$ 945,023</u>	<u>\$ 911,304</u>

**8. LOAN PAYABLE**

In 2020, the Association received a \$40,000 loan under the provisions of the Canada Emergency Business Account ("CEBA") and an additional \$20,000 loan was received in 2021. The program was launched by the Government of Canada to provide financing to qualifying small businesses and not-for-profit organizations to ease the financial strain experienced as a result of the COVID-19 pandemic.

The loans, which were provided by Scotiabank, are non-interest bearing, unsecured and guaranteed by the Government of Canada. Repayment of principal was made during the year and the lender forgave \$20,000 balance of the loan, of which \$10,000 was recognized as government contributions in 2020. As the Association has repaid the loan amount, the remaining \$10,000 of the forgiven portion of the loan was recognized as government contributions (note 4).

**9. COMMITMENTS**

The Association is committed to payments under an operating lease for office space which has been extended to December 31, 2028, with the option to terminate the lease as of December 31, 2024. The minimum aggregate rent payable for each year is to be \$73,062.

In addition to the above commitment, the hotel contracts for future events often have clauses that require the Association to pay attrition fees if certain room rental or food and beverage targets are not met as well as cancellation fees if the event is not held. Any cancellation or attrition fees will be recorded in the year that the fee is determinable. As of December 31, 2022, the total maximum cancellation fee is \$117,925, the maximum fee increases as the meeting dates approach.

The expected payments under these agreements are as follows:

2023	\$ 156,695
2024	<u>96,505</u>
	<u>\$ 253,200</u>

**10. CONTINGENT LIABILITIES**

The Association allows employees to accrue sick days and carry them forward to future years to be used as short-term disability, as necessary. These amounts do not vest with the employee and have not been recorded in these financial statements.

**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2022**

**11. FUND BALANCES**

*Internally restricted funds*

Internally restricted funds consist of the following:

	Balance, beginning of year	Excess of revenue over expenses	Interfund transfer	Balance, end of year
Accreditation panel fund	\$ 326,164	\$ 3,366	\$ -	\$ 329,530
IUPsyS fund	7,268	-	-	7,268
Indigenous student bursary fund	33,811	(8,000)	17,959	43,770
Publications reserve fund	75,399	6,047	-	81,446
Section support fund	<u>3,727</u>	<u>-</u>	<u>-</u>	<u>3,727</u>
	<u>\$ 446,369</u>	<u>\$ 1,413</u>	<u>\$ 17,959</u>	<u>\$ 465,741</u>

Internally restricted fund balances are committed for specific purposes, which reflect the application of the Association's reserve policy as follows:

The Accreditation panel fund is established as an internally dedicated source of funds for accreditation activities and related special projects.

The IUPsyS fund is established to fund attendance at IUPsyS conferences and the annual general meeting.

The Indigenous student bursary fund is established as an internally dedicated source of funds for Indigenous student bursaries.

The Publications reserve fund represents an internally dedicated source of funds for new publications or future editions of current publications.

The Section support fund is established to fund section activities.

*Externally restricted funds*

The Wesley Coons Memorial fund was established by the Estate of Wesley Coons to fund annual eligible expenses by members of the Board and designated senior staff.

The fund's activities are summarized below:

	<u>2022</u>	<u>2021</u>
Investment income	\$ 3,934	\$ 3,613
Unrealized loss on investments	<u>(6,271)</u>	<u>-</u>
	(2,337)	3,613
Eligible expenses	<u>1,869</u>	<u>-</u>
Net revenue (expense)	<u>\$ (4,206)</u>	<u>\$ 3,613</u>

**CANADIAN PSYCHOLOGICAL ASSOCIATION/  
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED DECEMBER 31, 2022**

**12. ADMINISTRATION EXPENSES**

Administration expenses prior to allocation consist of the following:

	<u>2022</u>	<u>2021</u>
Salaries and benefits	\$ 1,591,935	\$ 1,490,137
Rent and operating	147,094	153,303
Board, annual general meeting and report	121,952	22,047
Legal and professional	75,610	32,860
Bank charges and processing fees	108,109	72,428
Office	59,695	49,652
Amortization - office	19,160	19,573
Other	7,319	20,021
Equipment and maintenance	3,460	5,043
Committee	<u>2,500</u>	<u>-</u>
	<u>\$ 2,136,834</u>	<u>\$ 1,865,064</u>

Expenses were allocated into the various functions on the statement of operations as follows:

	<u>2022</u>	<u>2021</u>
Accreditation panel	\$ <u>41,996</u>	\$ <u>30,512</u>

**13. COVID-19**

In March 2020, the Government of Canada instituted emergency measures in response to the public health concerns originating from the spread of COVID-19. The Association held its annual conference in-person in 2022, which resulted in an increase to convention revenues and expenses. Except where noted above, the impact on the Association and results has not been significant and based on the experience to date it is expected to remain the same.

A degree of uncertainty persists surrounding the full economic impact of the situation. The unpredictable nature of the spread of the virus makes it difficult to determine the length of time that the Association's operations may be impacted.