asebp

2023 Financial Report

January 1, 2023 - December 31, 2023

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Message from the Chair

In my Chair's message from the 2022-23 Progress Report, I emphasized the importance of sustainability, and I can think of no better way to continue as we present ASEBP's Financial Report. I can assure you this focus remains at the forefront for not only myself, but all of the Trustees and Administration.

As a Governing Body, we are entrusted with ensuring the long-term future and stability of the ASEBP Plan, while honouring the organization's rich 55-year history. We consider this longevity when making changes to the benefit plans, setting premium rates, establishing adequate reserves, and investing the funds of the Trust.

In balance with prioritizing sustainability and navigating economic and environmental challenges, is lessening the impact premium increases may have on employers and covered members. ASEBP has continued to set premium rates below what is considered breakeven with claim payments, opting to subsidize costs through reserve funds, which can be bolstered by investment income. We continue to explore strategic ways to address affordability and improve our approach for delivering a responsive and cost-effective Plan.

I would also like to take a moment to highlight the change to the financial reporting period approved by the Trustees for 2023. ASEBP's financial year will now end December 31, instead of August 31 previously. Transparency and accountability lie at the heart of this endeavour, as we are committed to keeping employers and covered members informed about the key factors impacting our financial position.

As a member of Alberta's education community, I understand the significant challenges our covered members and employers are facing, and how critically important access to health benefits, including mental health resources, is. ASEBP remains focused on meeting the evolving needs of our covered members and employers while maintaining financial sustainability for the future.

All the best,

Daryl Scott

Daryl Scott, ASEBP Chair

Message from the Acting CEO

Reflecting on 2023, I am proud to see how much ASEBP has transformed since beginning in 1968. The organization has continually evolved to ensure the sustainability of the Plan and most importantly, has remained committed to our mission and the well-being of our members and employers.

Changing ASEBP's financial reporting year to better align with investment holdings is a testament to our adaptability and the strategic lens through which we face challenges and opportunities. Challenges including the rising costs of prescriptions and dental procedures, and increased claims utilization, emphasize the need for sustainability and responsible stewardship of ASEBP's financial resources.

As an Employee Life and Health Trust, sustainability is not driven by corporate profits but a commitment to promote, protect, and improve the health of our covered members and their dependants. ASEBP takes this commitment seriously and continues to implement cost containment measures, understanding the impact premium increases have on covered members and employers.

I would be remiss if I didn't acknowledge the contributions of our dedicated staff. Whether it be answering questions about claims, supporting covered members through a healthy return to work, or offering workplace wellness guidance to employers, I am privileged to work with colleagues who strive for excellence and share ASEBP's values and commitment.

Looking ahead, I am confident in the future of the Plan and the organization's ability to meet challenges with strategic solutions. Thank you for trusting ASEBP to support you through your personal and workplace wellness journey.

Warm Regards,

Jocelyn Plakas-Lock

Jocelyn Plakas-Lock, Acting CEO

2023 ASEBP Executive

Kelli Littlechilds, Chief Executive Officer
Jocelyn Plakas-Lock, Chief Operating Officer
Lucian Schulte, Chief Innovation & Finance Officer
Dr. Carlyn Volume-Smith, Chief Stakeholder Relations Officer

“Sustainability [at ASEBP] is not driven by corporate profits but a commitment to promote, protect, and improve the health of our covered members and their dependants.”

Financial Commentary

The 2023 financial journey, while reminiscent of previous years, shows encouraging signs for an improved future. Since 2020, we have witnessed tumultuous upheavals in economic markets fueled by supply chain disruptions, emerging geopolitical conflicts, and inflationary pressure.

Despite this environment of uncertainty and caution, towards the end of 2023 we observed improving loss ratios, favourable trends in key performance indicators, and proactive benefits management. These improvements underscore ASEBP's commitment to adapting, evolving, and ensuring financial resilience for the future.

Reporting Year Changes

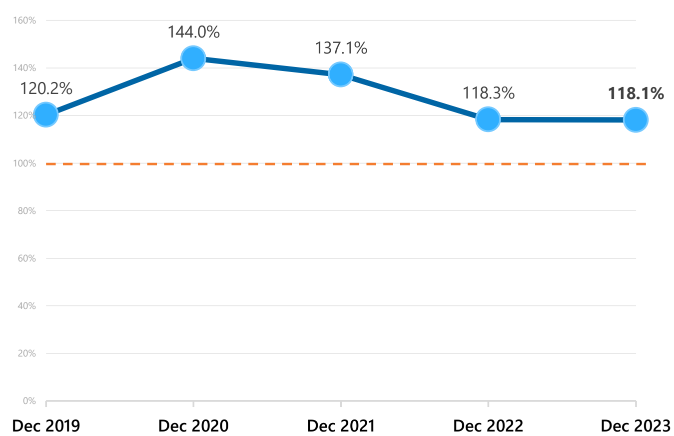
A significant change this year was the realignment of our financial reporting period to the calendar year to better synchronize with investment holdings. This adjustment allows stakeholders to more accurately assess ASEBP's financial performance, considering both core operations and investment activities in a unified context.

The organization's operating year remains September 1 to August 31, coinciding with the school year and encompassing critical activities such as premium rate changes and budgeting processes.

Financial Resilience

From a sustainability perspective, ASEBP continues to maintain a strong financial foundation. The organization holds more assets than liabilities, with a total asset base of $625.2 million against plan liabilities of $471.5 million resulting in a funded ratio of 118.1 per cent. A funded ratio greater than 100 per cent indicates that the Plan's assets exceed its obligations.

Funded Ratio



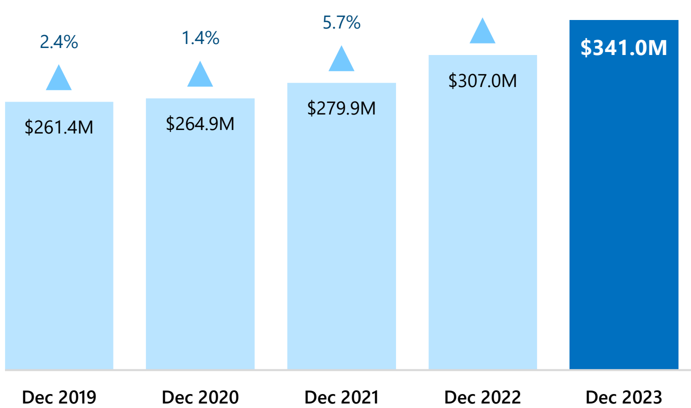
To further demonstrate the Plan's long-term sustainability, ASEBP maintains a Capital Adequacy Reserve (CAR) of $103.8 million. This reserve serves as a risk buffer, providing financial resilience during periods of economic uncertainty.

Though the CAR was $12.3 million below its target last year and is $20.4 million below the target this year, the continued shortfall reflects the Trustees' strategic decision to approve premium rates below breakeven and challenges in addressing rising costs and turbulent investment markets.

Operating Results

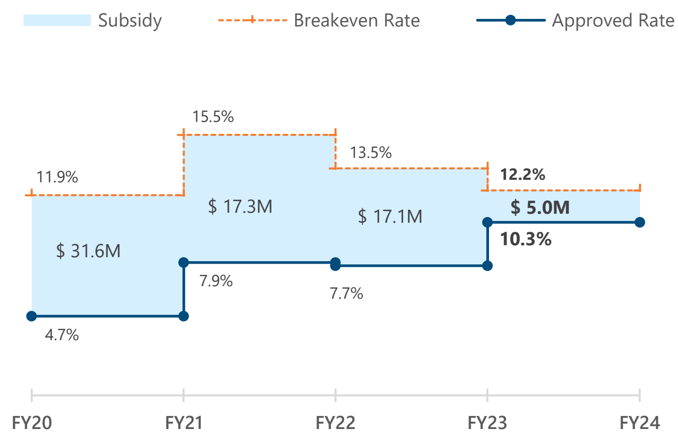
The financial result for the year was an operating loss of $1.8 million, near breakeven. Total base premiums grew to $341.0 million, an 11.1 per cent increase driven by rate changes, coverage adjustments, and a 2.9 per cent organic growth in covered members.

Base Premiums



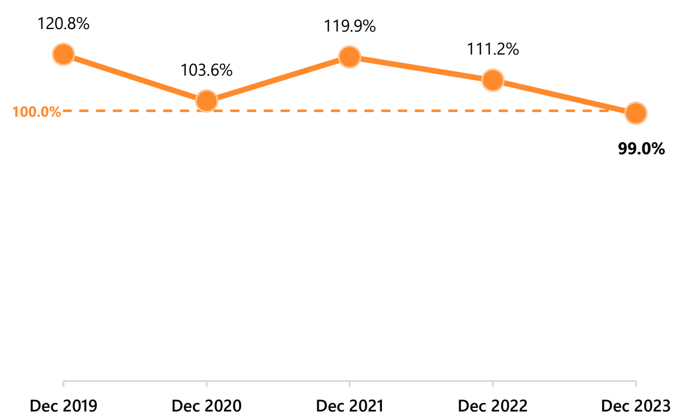
Rate adjustments, recommended by the Plan Actuary and approved by the Trustees, were driven by increased utilization of Extended Healthcare Services, including a significant surge in demand for prescription drugs and paramedical services, as well as a notable rise in mental health-related claims.

Premium Subsidy



A subsidy occurs when approved premium rates are set below the breakeven rates calculated by the Plan Actuary. For the 2023 year, the approved rates were almost two percentage points lower than the breakeven rates, resulting in a $5 million subsidy. Since 2020, the Plan has provided a total of $71 million in premium subsidies, which have been funded by drawing from surplus reserves.

Incurred Loss Ratio



Total net benefit claims for the year reached $337.1 million, resulting in an incurred loss ratio of 99.0 per cent. Overall, loss ratios have improved, suggesting premium rate increases were effective, though work remains to ensure consistent management of claim costs and usage.

For the year, Extended Disability Benefits (EDB) claims payments saw a 4.4 per cent decrease, marking the first decline in five years. More claims were closed than opened, accounting for a 14-percentage-point improvement against the budgeted paid loss ratio.

Extended Health Care (EHC) losses were higher than expected primarily due to an 8.1 per cent increase in claims, doubling the five-year growth average of 4.4 per cent, and rising costs across drug and paramedical expenses. Prescription drugs, accounting for about 60 per cent of EHC costs, saw rising costs within mental health.

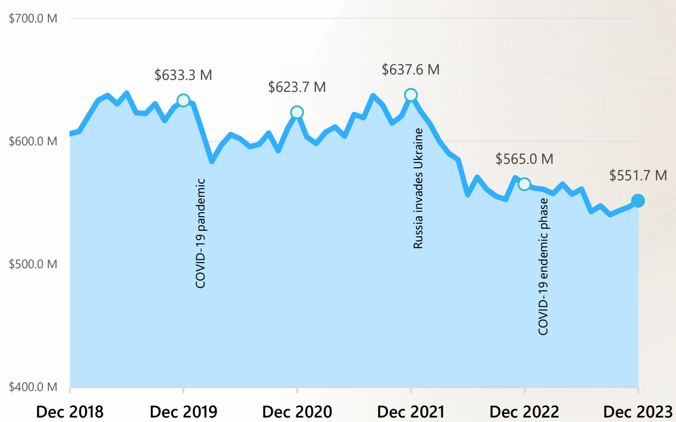
Administrative costs were tightly controlled, ending the year at $44.8 million, 9.5 per cent below budget. This reflects our ongoing efforts to manage costs while ensuring the effective delivery of services to members.

The implementation of cost-containment measures, including plan design changes and strategic partnerships, while balancing the needs of our covered members continues to be a priority in maintaining financial stability.

Investment Performance and Market Volatility

The Plan's investment portfolio demonstrated resilience with a market value of $551.7 million, despite a slight 1.3 per cent ($7.5 million) year-over-year decrease primarily due to additional investment redemptions required to fund premium subsidies. Investment income contributed a net $36.3 million, delivering a one-year return of 6.5 per cent.

Investment Portfolio



Overall, the investment markets remain volatile, exacerbated by global tensions and economic instability, emphasizing the importance of our diversification strategy, a key element in our sustainability efforts.

Looking Ahead

As we move into another financial year, ASEBP remains focused on sustainability and our mission to promote, protect, and improve the health of our covered members and their dependants. While the future holds uncertainties, our strategic approach, financial stewardship, and dedication to serving the education sector position us well to navigate the road ahead.

Sincerely,

Lucian Schulte

Lucian Schulte, Chief Innovation & Finance Officer

FINANCIAL STATEMENTS AND NOTES

December 31, 2023

MANAGEMENT'S STATEMENT OF RESPONSIBILITY

Management is responsible for the preparation and presentation of the accompanying financial statements for the Alberta School Employee Benefit Plan (the Organization or ASEBP) in accordance with Canadian Accounting Standards for Pension Plans.

The Organization's third-party Actuary values the benefit plan liabilities of ASEBP as presented in the statements of financial position, changes in benefit plan obligations and changes in net assets available for benefits. Management retains ultimate responsibility for the amounts determined by the Actuary.

Financial statements are not precise, as they include certain amounts based on estimates and judgments. When alternative methods exist, management has chosen those which it deems most appropriate to ensure the financial statements are presented fairly, in all material respects, in accordance with Canadian Accounting Standards for Pension Plans.

Management 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 and reliable, and that the Organization's assets are appropriately accounted for and adequately safeguarded. The ASEBP Trustees ensure management fulfills its responsibilities for financial reporting and internal control through an Audit and Risk Committee. This committee meets periodically with management and the external auditors to discuss internal controls, audit matters, and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Audit and Risk Committee reviews the financial statements and reports to the ASEBP Trustees. The external auditors have full and direct access to the Audit and Risk Committee.

Signed,

Jocelyn Plakas-Lock

Jocelyn Plakas-Lock
Acting Chief Executive Officer

Nazz Baksh, MBA, CPA, CMA
Director, Financial Services

KPMG LLP
2200, 10175 – 101 Street
Edmonton, AB T5J 0H3
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Telephone 780-429-7300
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INDEPENDENT AUDITOR’S REPORT

To the Covered Members of Alberta School Employee Benefit Plan

Opinion

We have audited the financial statements of Alberta School Employee Benefit Plan (the Plan), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of changes in net assets available for benefits for the year then ended
- the statement of changes in plan obligations for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2023, and its changes in net assets available for benefits and its changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

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 auditor’s report.

We are independent of the Plan 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 pension plans, 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 Plan'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 Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan’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 the 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 Plan'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 material doubt on the Plan'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 Plan 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.

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

KPMG LLP

Chartered Professional Accountants

Edmonton, Canada

September 20, 2024

KPMG LLP
2200, 10175 – 101 Street
Edmonton, AB T5J 0H3
Canada
Telephone 780-429-7300
Fax 780-429-7379

INDEPENDENT AUDITOR'S REPORT

To the Covered Members of Alberta School Employee Benefit Plan

Opinions, including Qualified Opinion on the Changes in Net Assets Available for Benefits

We have audited the financial statements of Alberta School Employee Benefit Plan (the Entity), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of changes in net assets available for benefits for the four-month period then ended
- the statement of changes in plan obligations for the four-month period then ended
- and notes to the financial statements, including a summary of material accounting policy information.

(Hereinafter referred to as the "financial statements").

Unmodified Opinion on the Financial Position and Changes in Pension Obligation

In our opinion, the accompanying statement of financial position and statement of changes in plan obligations present fairly, in all material respects, the financial position and changes in pension obligations of the Entity as at December 31, 2022 in accordance with Canadian accounting standards for pension plans.

Qualified Opinion on the Changes in Net Assets Available for Benefit

In our opinion, except for the possible effects of the matter described in the "***Basis for Opinion, including Basis for Qualified Opinion on the Change"*** section of our auditor's report, the accompanying statement of changes in net assets available for benefits presents fairly, in all material respects, the changes in net assets available for benefits of the Entity for the four-month period ended December 31, 2022 in accordance with Canadian accounting standards for pension plans.

Basis for Opinion, including Basis for Qualified Opinion on the Changes in Net Assets Available for Benefits

We were not able to obtain sufficient appropriate audit evidence over the fair value of the Entity's opening investments as at September 1, 2022.

Therefore, since the fair value of investments as at September 1, 2022 enter into the determination of the changes in net assets available for benefits we were not able to determine whether adjustments might be necessary to:

- increase in net assets available for benefits in the statement of changes in net assets available for benefits for the four-month period ended December 31, 2022,
- net unrealized gain on investments in the statement of changes in net assets available for benefits for the four-month period ended December 31, 2022; and

As a result, our opinion on the changes in net assets available for benefit for the four-month period ended December 31, 2022 is qualified because of the possible effects of this limitation in scope.

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 auditor's report.

We are independent of the Entity 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 unmodified opinion on the financial position as at December 31, 2022 and our qualified opinion on the changes in net assets available for benefit for the four-month period ended December 31, 2022.

Emphasis of Matter

We draw attention to Note 19 to the financial statements ("Note 19"), which explains that certain opening balances presented for the period ended December 31, 2022 have been restated.

Note 19 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter

As part of our audit of the financial statements for the period ended December 31, 2022, we also audited the adjustments that were applied to restate certain opening balances for the period ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

Our opinion is not modified in respect of this matter.

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 pension plans, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Edmonton, Alberta

September 20, 2024

ACTUARY’S REPORT

To the Covered Members of the Alberta School Employee Benefit Plan:

I have valued the benefit plan of the Alberta School Employee Benefit Plan for its statement of financial position as at December 31, 2023 and December 31, 2022, and changes in net assets available for benefits and changes in plan obligations for the periods then ended. These valuations were carried out in accordance with accepted actuarial practice, using appropriate assumptions and methods. In my opinion, the amount of benefit plan liabilities makes appropriate provisions for all Covered Members’ obligations. The results are also fairly presented in the financial statements and the notes thereto.

DocuSigned by:
Isabel Boyer
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Canadian Institute of Actuaries
Aon Solutions Canada Inc.

Edmonton, Alberta

STATEMENT OF FINANCIAL POSITION

As at December 31
(Thousands of Canadian dollars)

		2023	2022
Assets			
Operating assets	Cash and cash equivalents	**14,295**	9,678
	Receivables	**18,864**	15,038
	Prepaid expenses	**1,914**	2,689
Total operating assets		**35,073**	27,405
Assets held in trust	Cash and cash equivalents held for spending accounts	**22,627**	23,064
Invested assets	Cash and cash equivalents	**1,488**	7,263
	Investments	**550,216**	557,739
Total invested assets		**551,704**	565,002
Capital assets	Tangible capital assets and right-of-use asset	**10,044**	11,051
	Intangible capital assets	**5,766**	4,669
Total capital assets		**15,810**	15,720
Total assets		**625,214**	631,191
Liabilities			
	Trade and other payables	**3,505**	3,586
	Right-of-use lease liability	**9,353**	10,320
	Spending account obligations	**22,627**	23,064
	Other benefit plan liabilities	**14,443**	11,017
Total liabilities		**49,928**	47,987
Provision for future policy benefits	Reserves	**440,684**	447,815
	Incurred but not reported provisions	**30,844**	29,822
Total future policy benefits		**471,528**	477,637
Capital adequacy reserve		**103,758**	105,567
Net assets available for benefits		**-**	-

Commitments and contingencies
Restatement related to premium subsidy

On behalf of the Trustees:

Chair: ______________________

Vice-Chair: ______________________

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 2023,
with comparative information for the period from September 1, 2022 to December 31, 2022

(Thousands of Canadian dollars)

		2023 (12 months)	2022 (4 months)
Increase in net assets:			
Benefit plan contract revenues	Benefit premiums	**340,519**	107,599
Investments	Interest and dividends	**21,163**	5,418
	Other income	**3,339**	1,159
Change in fair value	Net unrealized gain on investments	**36,350**	7,714
	Net realized gain from investment sales	**-**	1,177
Decrease in provision for future policy benefits	Reserves	**7,131**	6,830
	Incurred but not reported provisions	**-**	1,523
		408,502	131,420
Decrease in net assets:			
Benefit plan contract expenses	Benefit claims incurred	**343,202**	101,512
Investments	Management fees and other expenses	**3,604**	1,066
Change in fair value	Net realized loss from investment sales	**17,658**	-
Increase in provision for future policy benefits	Incurred but not reported provisions	**1,022**	-
Administration expenses		**44,825**	14,294
		410,311	116,872
Increase (decrease) in net assets available for benefits		**(1,809)**	14,548
Net assets available for benefits, beginning of year		**-**	-
Transfer from (to) capital adequacy reserve		**1,809**	(14,548)
Net assets available for benefits, end of year		**-**	-

Capital adequacy reserve (CAR)	**2023 (12 months)**	2022 (4 months)
Beginning of year	**105,567**	91,019
Transfer from (to) net assets available for benefits	**(1,809)**	14,548
End of year	**103,758**	105,567

STATEMENT OF CHANGES IN PLAN OBLIGATIONS

For the year ended December 31, 2023, with comparative information for the period from September 1, 2022 to December 31, 2022

(Thousands of Canadian dollars)

2023 (12 months)

	Plan obligations, beginning of year	Benefits accumulated	Benefits paid	Interest on obligation	Impact of assumption changes	RITE[1] impact	Plan experience adjustments[2]	Plan obligations, end of year
Extended disability	408,064	(1,028)	(68,789)	19,915	-	(16,964)	52,850	**394,048**
RITE[1]	10,841	-	(2,732)	522	-	2,584	448	**11,663**
Extended health care	55,056	4,393	(10,371)	2,642	-	(1,366)	11,730	**62,084**
Dental	1,343	1,458	(1,343)	-	-	-	-	**1,458**
Vision	254	273	(254)	-	-	-	-	**273**
Life insurance	2,079	-	-	33	-	-	(110)	**2,002**
Total	**477,637**	5,096	(83,489)	23,112	-	(15,746)	64,918	**471,528**

2022 (4 months)

	Plan obligations, beginning of year (Restated Note 19)	Benefits accumulated	Benefits paid	Interest on obligation	Impact of assumption changes	RITE[1] impact	Plan experience adjustments[2]	Plan obligations, end of year
Extended disability	416,188	(125)	(26,594)	6,607	-	(9,197)	21,185	**408,064**
RITE[1]	6,906	-	(714)	107	-	4,581	(39)	**10,841**
Extended health care	58,288	3,781	(7,143)	859	-	(2,456)	1,727	**55,056**
Dental	1,962	1,343	(1,962)	-	-	-	-	**1,343**
Vision	529	254	(529)	-	-	-	-	**254**
Life insurance	2,117	-	-	33	-	-	(71)	**2,079**
Total	**485,990**	5,253	(36,942)	7,606	-	(7,072)	22,802	**477,637**

(1) Retirement incentives for extended disability benefit recipients

(2) Includes net experience gains (losses), changes in the claims fluctuation reserve and gains (losses) on IBNR

SUPPLEMENTARY INFORMATION - STATEMENT OF CASH FLOWS

For the year ended December 31, 2023,
with comparative information for the period from September 1, 2022 to December 31, 2022

(Thousands of Canadian dollars)

	2023 (12 months)	2022 (4 months)
Cash flows (used in) from operating activities		
(Decrease) increase in net assets available for benefits	**(1,809)**	14,548
Items not impacting cash:		
Amortization and depreciation	**878**	1,449
Interest from lease liability	**396**	141
Realized loss (gain) on disposal of investments	**17,658**	(1,177)
Unrealized gain on investments	**(36,350)**	(7,714)
	(19,227)	7,247
Changes in non-cash operating working capital:		
Receivables	**(3,826)**	(1,562)
Prepaid expenses	**775**	3,700
Trade and other payables	**(81)**	528
Spending account obligations	**(437)**	2,832
Reserves	**(7,131)**	(6,830)
Incurred but not reported provisions	**1,022**	(1,523)
Other benefit plan liabilities	**3,426**	1,824
Total cash flows (used in) from operating activities	**(25,479)**	6,216
Cash flows used in financing activities		
Lease payments	**(1,364)**	(455)
Repayment of line of credit - net	**-**	(250)
Total cash flows used in financing activities	**(1,364)**	(705)
Cash flows (used in) from investing activities		
Purchases of investments	**(87,524)**	(3,256)
Reinvested interest and dividend income	**(21,163)**	(5,418)
Proceeds on sale of investments	**133,045**	12,702
Limited partnership management fees	**1,857**	492
Purchase of tangible and intangible capital assets	**(967)**	(1,003)
Total cash flows from investing activities	**25,248**	3,517
Net (decrease) increase in cash and cash equivalents	**(1,595)**	9,028
Cash and cash equivalents, at beginning of period	**40,005**	30,977
Cash and cash equivalents, at end of period	**38,410**	40,005
Cash and cash equivalents consists of:		
Invested cash and cash equivalents	**1,488**	7,263
Operating cash and cash equivalents	**14,295**	9,678
Cash and cash equivalents held for spending accounts	**22,627**	23,064
Total cash and cash equivalents, at end of period	**38,410**	40,005

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