

**The Edmonton Pipe Industry  
Health and Welfare Fund  
Financial Statements  
For the year ended December 31, 2023**

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## Independent Auditor's Report

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### To the Trustees of The Edmonton Pipe Industry Health and Welfare Fund

#### Qualified Opinion

We have audited the financial statements of The Edmonton Pipe Industry Health and Welfare Fund (the "Fund"), which comprise the statement of financial position as at December 31, 2023, and the statement of changes in net assets available for benefits for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023, and its changes in net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans.

#### Basis for Qualified Opinion

As agreed to by the Trustees of the Fund and in common with many benefit fund audits, the scope of our audit was limited to the records of the Fund and therefore, did not extend to an examination of the payroll records of the contributing employers. Accordingly, our verification of contribution revenue was limited to the amounts recorded in the records of the Fund and we were not able to determine whether any adjustments might be necessary to contribution revenue and increase (decrease) in net assets for the years ended December 31, 2023 and 2022, assets and liabilities as at December 31, 2023 and 2022 and net assets available for benefits as at January 1 and December 31 for both the 2023 and 2022 years.

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 Fund 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 of our qualified audit opinion.

#### Other Matter

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 11, 2023.

**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 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

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

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## Independent Auditor's Report (Continued)

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### 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 Fund'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 Fund'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 Fund 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  
Oakville, Ontario  
May 30, 2024

**The Edmonton Pipe Industry Health and Welfare Fund  
Statement of Financial Position**

<b>December 31</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash	\$ 4,636,656	\$ 2,800,119
Investments (Note 2)	108,463,731	107,920,509
Contributions receivable	1,863,570	1,796,980
Accounts receivable	2,179,795	722,416
Prepaid expenses	2,416,745	2,416,649
Due from Edmonton Pipe Industry Pension Trust Fund (Note 3)	88,529	50,980
	<b>119,649,026</b>	<b>115,707,653</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	2,622,216	2,403,378
Self funded benefits payable	500,568	511,041
Hour Bank (Note 5)	22,706,287	20,834,416
	<b>25,829,071</b>	<b>23,748,835</b>
<b>Net assets available for benefits (Note 6)</b>	<b>\$93,819,955</b>	<b>\$ 91,958,818</b>

On behalf of the Board:

\_\_\_\_\_ Trustee

\_\_\_\_\_ Trustee

The accompanying notes are an integral part of these financial statements.

## The Edmonton Pipe Industry Health and Welfare Fund Statement of Changes in Net Assets Available for Benefits

For the year ended December 31	2023	2022
<b>Increase in assets</b>		
Contributions	\$ 24,159,241	\$ 20,675,950
Reciprocal transfers, net	4,180,720	2,801,677
	<b>28,339,961</b>	23,477,627
Investment and other income (Note 7)	5,559,577	380,401
Income tax recovery	-	576,086
	<b>33,899,538</b>	24,434,114
<b>Decrease in assets</b>		
Benefit costs		
Health, dental, vision and short-term disability claims	22,877,984	21,903,135
Long-term disability premiums	1,917,043	1,994,918
Life insurance premiums	1,799,768	1,497,046
Accidental death and dismemberment premiums	191,020	188,102
Claims experience deficit	893,824	687,426
Out-of-country insurance premiums	409,954	403,734
Members' optional life insurance premiums	25,962	26,899
	<b>28,115,555</b>	26,701,260
Increase in hour bank (Note 5)	1,871,871	2,143,424
Decrease in provision for unpaid claims	(10,473)	(75,169)
Total benefit costs	<b>29,976,953</b>	28,769,515
Fund management expenses (Note 8)	1,693,617	1,557,083
Investment services and custodial fees	367,831	363,631
Total expenses	<b>2,061,448</b>	1,920,714
	<b>32,038,401</b>	30,690,229
<b>Increase (decrease) in net assets</b>	<b>1,861,137</b>	(6,256,115)
<b>Net assets available for benefits, beginning of year</b>	<b>91,958,818</b>	98,214,933
<b>Net assets available for benefits, end of year</b>	<b>\$ 93,819,955</b>	\$ 91,958,818

The accompanying notes are an integral part of these financial statements.

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# The Edmonton Pipe Industry Health and Welfare Fund

## Notes to Financial Statements

December 31, 2023

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### 1. Significant Accounting Policies

#### **Purpose of the Fund**

The United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Local 488 (the "Union") and the Construction Labour Relations - an Alberta Association Mechanical (Provincial) Trade Division Pursuant to Registration Certificate No. 27 (the "Party Employers") entered into an agreement and declaration of trust dated May 7, 1965 which has been amended and restated as of August 13, 2007. It provides for the establishment, maintenance, investment and administration of a fund known as The Edmonton Pipe Industry Health and Welfare Fund (the "Fund"), created pursuant to The Edmonton Pipe Industry Health and Welfare Plan (the "Health and Welfare Plan") which includes all restatements and amendments to July 1, 2023. The Health and Welfare Plan itself was established pursuant to a collective agreement between the Union and the Party Employers dated May 7, 1965 (the "Collective Agreement"). A new Collective Agreement was signed on November 20, 2022 and is effective until April 30, 2025.

The purpose of the Fund is to provide benefits to members of the Health and Welfare Plan upon eligibility as further described in Note 11.

#### **Basis of Presentation**

These financial statements are prepared using Canadian accounting standards for pension plans, which are applicable to all benefit plan financial statements. For accounting policies that do not relate to the Fund's investment portfolio, the Fund has elected to apply Canadian accounting standards for private enterprises.

#### **Contributions**

Contributions are recognized on an accrual basis in the accounts on the basis of hours reported by the employers at rates set in the collective agreements.

#### **Investments**

Investments of the Fund are stated at fair value with any realized and unrealized gain reported in the Statement of Changes in Net Assets Available for Benefits. Transaction costs are expensed.

Where ascertainable, fair values are based on public market prices or quotations from investment managers.

The fair value of cash and cash equivalents approximates cost plus accrued interest due to their short-term nature. Pooled fund investments are valued at the unit values supplied by the pooled fund administrator, which represent the Fund's proportionate share of underlying net assets at fair values. Limited partnership and other investments are valued based on net assets or partnership unit values obtained from the investment administrator and are reviewed by management.

Investment transactions are recorded on a trade date basis.

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# The Edmonton Pipe Industry Health and Welfare Fund

## Notes to Financial Statements

December 31, 2023

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### 1. Significant Accounting Policies (Continued)

#### **Investments** (continued)

Investment income includes interest, dividends, gain (loss) on sale of investments and fair value year end adjustments. Dividend income is recognized based on the ex-dividend date. Interest income is recognized on the accrual basis as earned. The gain (loss) on sale of investments is determined by the excess (shortfall) of proceeds over the average cost of investments sold. The fair value adjustments represent the unrealized appreciation (depreciation) in fair value of investments held at year end less the related unrealized appreciation (depreciation) as at the previous year end.

#### **Self-funded Benefits Payable**

The self funded benefits payable represents an estimate of the amounts payable at year end for amounts incurred, but not yet reported. Amounts are determined by the Fund's administrator/consultant.

#### **Hour Bank**

The Hour Bank liability is calculated by dividing the accumulated Hour Bank hours as at December 31, 2023 by the monthly take-out to determine a "months of benefit" number, which is then multiplied by the monthly benefit cost as at December 31.

#### **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments are reported at fair value and all other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

#### **Income Tax Status**

The Fund is an Employee Life and Health Trust pursuant to the provisions of the Income Tax Act. Accordingly, the net investment income earned by the Fund is subject to income tax to the extent investment income exceeds allowable expenses. In the year, there were sufficient deductions to result in no taxable income.

#### **Foreign Currency**

Foreign currency investments are translated to Canadian dollars as follows:

At the transaction date, each investment, income or expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, the investments are translated into Canadian dollars by using the exchange rate in effect at that date and the resulting foreign exchange gains and losses are included in investment income in the current period.

#### **Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of changes in net assets available for benefits during the reporting period. Management estimates include the reserve for adverse claims fluctuations, reserve for future plan benefits and self-funded benefits payable. Actual results could differ from management's best estimates as additional information becomes available in the future.



# The Edmonton Pipe Industry Health and Welfare Fund

## Notes to Financial Statements

**December 31, 2023**

### 2. Investments

	2023	2022
(a) Investments by investment manager		
CBRE Investment Management Fund S.à.r.l.		
Global Investment Partners Global Alpha Fund	\$ 10,293,337	\$ 11,034,635
FCP FIS - Global Alpha Open Ended Fund	9,345	4,172
Cash and cash equivalents	10,302,682	11,038,807
Northleaf Capital Partners (Canada) Ltd.		
Northleaf Senior Private Credit LP	12,494,391	11,483,065
RBC Global Asset Management Inc. (PH&N Institutional)		
Mortgage Pension Trust Fund	18,482,161	20,900,546
Short Core Plus Bond Fund	18,396,678	15,546,518
	36,878,839	36,447,064
TD Asset Management Inc.		
TD Emerald Low Volatility Canadian Equity Pooled Fund Trust	22,476,362	21,255,482
TD Emerald Low Volatility Global Equity Pooled Fund Trust	26,311,457	27,696,091
	48,787,819	48,951,573
	\$108,463,731	\$107,920,509

### (b) Statement of Investment Policies and Procedures

	Fund Policy	Target	2023	2022
	Range	Allocation	%	%
	%	%	%	%
Canadian equities	0 - 50	20.0	20.7	19.7
Foreign equities	0 - 50	25.0	24.3	25.7
Short term fixed income	10 - 40	15.0	17.0	14.4
Alternative fixed income	0 - 20	10.0	11.5	10.6
Mortgages	15 - 40	20.0	17.0	19.4
Real estate	0 - 20	10.0	9.5	10.2
		100.0	100.0	100.0

# The Edmonton Pipe Industry Health and Welfare Fund

## Notes to Financial Statements

**December 31, 2023**

### 3. Due from Edmonton Pipe Industry Pension Trust Fund

The amount due from The Edmonton Pipe Industry Pension Trust Fund (the "Pension Fund") primarily represents shared expenses between the Fund and the Pension Fund for which the Fund remits payment for on behalf of both entities. The Fund and the Pension Fund are related by common board membership.

### 4. Accounts Payable and Accrued Liabilities

The Fund has entered into reciprocal agreements with other health and welfare funds. These agreements provide that contributions received on account of employees working in a jurisdiction other than their local union are remitted on a monthly basis to the local union of which they are a member. Included in accounts payable and accrued liabilities are \$45,759 (2022 - \$76,601) of reciprocal transfers payable.

### 5. Hour Bank

	2023	2022
<b>Balance</b> , beginning of year	<b>\$ 20,834,416</b>	\$ 18,690,992
Increase for the year	<b>1,871,871</b>	2,143,424
<b>Balance</b> , end of year	<b>\$ 22,706,287</b>	\$ 20,834,416

### 6. Net Assets Available for Benefits

Net assets available for benefits is comprised of the following:

**Year Ending December 31, 2023**

	Reserve for Adverse Claims Fluctuations	Reserve for Future Plan Benefits	Unallocated	Total
<b>Balance</b> , beginning of year	<b>\$ 3,285,470</b>	<b>\$ 14,922,898</b>	<b>\$ 73,750,450</b>	<b>\$ 91,958,818</b>
Increase in net assets	-	-	1,861,137	1,861,137
Transfers between funds	163,157	3,782,485	(3,945,642)	-
<b>Balance</b> , end of year	<b>\$ 3,448,627</b>	<b>\$ 18,705,383</b>	<b>\$ 71,665,945</b>	<b>\$ 93,819,955</b>

## The Edmonton Pipe Industry Health and Welfare Fund Notes to Financial Statements

**December 31, 2023**

### 6. Net Assets Available for Benefits (Continued)

Year Ending December 31, 2022

	Reserve for Adverse Claims Fluctuations	Reserve for Future Plan Benefits	Unallocated	Total
Balance, beginning of year	\$ 3,127,159	\$ 13,844,700	\$ 81,243,074	\$ 98,214,933
Decrease in net assets	-	-	(6,256,115)	(6,256,115)
Transfers between funds	158,311	1,078,198	(1,236,509)	-
Balance, end of year	\$ 3,285,470	\$ 14,922,898	\$ 73,750,450	\$ 91,958,818

#### Reserve for Adverse Claims Fluctuations

The Fund has established a reserve for adverse claims fluctuations to consider the risk that future claims in the aggregate will be higher than the amount supported by current funding rates. The reserve for adverse claims fluctuations has been established at approximately 15% of benefit claims paid in the most recent fiscal year. The balance in this reserve may or may not be adequate to provide the coverage required.

#### Reserve for Future Plan Benefits

The Fund has established a reserve for future plan benefits to support the payment of benefits to retired, disabled and spouses of deceased members. The reserve for future plan benefits is based on the the average monthly actual cost of benefits for such group of persons for the 12 months ended December 31, 2023 multiplied by 60 months. These benefits are provided at the discretion of the Board of Trustees based on the financial position of the Fund. In the event that adjustments are required, the Trustees may amend benefits or allocate funds to/from the reserve.

### 7. Investment and Other Income

	2023	2022
CBRE Investment Management Fund S.à.r.l.		
Investment and other income	\$ 55,689	\$ 54,018
Realized gains	332,237	421,709
Unrealized fair value adjustments	(1,072,438)	407,823
	(684,512)	883,550
Northleaf Capital Partners (Canada) Ltd.		
Investment and other income	1,224,842	822,769
Realized gains	(111,643)	(27,912)
Unrealized fair value adjustments	5,599	590,714
	1,118,798	1,385,571

## The Edmonton Pipe Industry Health and Welfare Fund Notes to Financial Statements

**December 31, 2023**

### 7. Investment and Other Income (Continued)

	2023	2022
RBC Global Asset Management Inc. (PH&N Institutional)		
Investment and other income	1,401,511	1,212,938
Realized gain (loss)	(625,586)	(472,076)
Unrealized fair value adjustments	1,567,844	(2,481,577)
	<b>2,343,769</b>	<b>(1,740,715)</b>
TD Asset Management Inc.		
Investment and other income	1,590,545	1,731,549
Realized gain (loss)	2,344,002	5,793,484
Unrealized fair value adjustments	(1,581,330)	(7,736,754)
	<b>2,353,217</b>	<b>(211,721)</b>
Bank interest	255,771	63,716
Other interest	172,534	-
	<b>428,305</b>	<b>63,716</b>
	<b>\$ 5,559,577</b>	<b>\$ 380,401</b>

### 8. Fund Management Expenses

Common expenses are allocated 60% to the Pension Fund and 40% to the Health and Welfare Fund.

	2023	2022
Direct expenses:		
Administration - claims	\$ 889,010	\$ 810,581
- regular	488,601	459,445
Independent trustees' fees	43,155	40,110
Audit (recovery)	(20,141)	40,480
Investment and other consulting fees	67,624	26,356
Fiduciary insurance	19,440	23,085
Computer maintenance	9,252	11,405
Office and general	37,666	17,919
Legal	1,730	-
	<b>1,536,337</b>	<b>1,429,381</b>

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## The Edmonton Pipe Industry Health and Welfare Fund Notes to Financial Statements

**December 31, 2023**

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### 8. Fund Management Expenses (Continued)

	2023	2022
Common expenses shared with the Pension Fund:		
Rent	127,932	127,932
Office expenses	138,964	99,527
Postage	53,189	43,059
Annual report to members	27,137	23,612
Travel, conferences and meeting expenses	37,896	20,645
Other shared expenses	7,627	3,730
Insurance	455	750
	393,200	319,255
Less Pension Fund share	(235,920)	(191,553)
	157,280	127,702
Total	\$ 1,693,617	\$ 1,557,083

The Fund has engaged McAteer - Employee Benefit Plan Services Limited to provide administration services to the Fund.

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### 9. Financial Instrument Risks

The Fund may be exposed to a variety of direct and indirect financial risks including credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). These risks have not changed from the prior year.

#### Credit Risk

*Credit risk* is the risk that the counterparty to a financial instrument will fail to discharge an obligation that is entered into with the Fund. The risk of default on transactions in listed securities is considered minimal, as the trade will fail if either party to the transaction does not meet its obligation. The Fund also has credit risk to the extent that contributions receivable are not collectible. The Fund manages this risk by closely monitoring delinquent contributors and ensuring late contributions and deviations are pursued.

## The Edmonton Pipe Industry Health and Welfare Fund Notes to Financial Statements

December 31, 2023

### 9. Financial Instrument Risks (Continued)

#### Credit Risk - (continued)

While the Fund may be exposed to credit risk with respect to bonds and mortgage investments within the PH&N pooled funds, it manages this risk by diversifying fixed income investments in accordance with the Fund's investment policy approved by the Trustees. As at December 31, the Fund's interest bearing investments by credit rating within the PH&N pooled funds are as follows:

	2023		2022	
	Interest-bearing Investments	% of Total	Interest-bearing Investments	% of Total
AAA	\$ 5,993,310	16	\$ 3,995,789	11
AA	928,981	3	1,288,260	4
A	3,138,302	10	3,768,342	10
BBB	5,640,113	15	5,058,420	14
< BB	800,212	2	968,014	3
Mortgages	16,190,774	43	17,407,411	47
Cash and short-term	4,187,147	11	3,990,828	11
	<b>\$ 36,878,839</b>	<b>100</b>	<b>\$ 36,477,064</b>	<b>100</b>

#### Liquidity Risk

The Fund is also exposed to *liquidity risk* in the event that investments must be sold quickly. The Fund's assets are invested in securities that are traded in an active market and can be readily disposed of as liquidity needs arise, assuming orderly markets.

The Fund's investments in real estate, private debt and mortgages may be exposed to a higher degree of liquidity risk.

#### Market Risk

*Interest rate risk* arises from the possibility that changes in interest rates will affect the fair value of financial instruments. It arises when the Fund invests in interest-sensitive investments such as bonds and other fixed income investments that will fluctuate due to changes in prevailing levels of market interest rates. The Fund mitigates this risk by investing in interest-bearing investments with varying maturity dates.

As at December 31, the terms to maturity of interest-bearing investments within the PH&N pooled funds is as follows:

2023 (millions)	Less than 1 year	1 - 5 years	5 - 10 years	Total
Fixed income	\$ 7	\$ 22	\$ 8	\$ 37
	Less than 1 year      1 - 5 years      5 - 10 years      Total			
2022 (millions)	Less than 1 year	1 - 5 years	5 - 10 years	Total
Fixed income	\$ 8	\$ 20	\$ 8	\$ 36

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# The Edmonton Pipe Industry Health and Welfare Fund

## Notes to Financial Statements

December 31, 2023

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### 9. Financial Instrument Risks (Continued)

#### **Market Risk** (continued)

As at December 31, 2023, had prevailing interest rates on the interest-bearing investments raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$1.0 million (2022 - \$1.0 million). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the underlying investments in the pooled fund fixed income portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

*Currency risk* is the risk that the value of a financial instrument will fluctuate due to changes in foreign currencies. As at December 31, 2023, had the Canadian dollar appreciated or depreciated by 5% relative to other currencies, with all other variables held constant, net assets available for benefits would have decreased or increased, respectively by approximately \$1.1 million (2022 - \$1.1 million).

*Other price risk* is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

The Fund manages market risk by investing amounts in accordance with the Fund's investment policy approved by the Board of Trustees. If market prices of equity, real estate and private debt investments had increased or decreased by 5% on December 31, 2023, the net assets available for benefits of the Fund would have increased or decreased, respectively, by approximately \$3.6 million (2022 - \$3.6 million).

#### **Financial Instruments Fair Value Hierarchy**

Disclosure of a three-level hierarchy for fair value measurements is based upon transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

##### Level 1:

For securities valued based on unadjusted quoted prices in active markets for identical assets.

##### Level 2:

For securities valued based on inputs, other than quoted prices included in Level 1, that are observable for the asset, either directly or indirectly.

##### Level 3:

For securities valued based on inputs that are based on unobservable market data.

## The Edmonton Pipe Industry Health and Welfare Fund Notes to Financial Statements

**December 31, 2023**

### 9. Financial Instrument Risks (Continued)

#### Financial Instruments Fair Value Hierarchy (continued)

As at December 31, the following table represents a summary of investments held by level:

	2023	2022
Level 1 - cash and cash equivalents and equity pooled funds	<b>\$ 48,797,164</b>	\$ 48,951,573
Level 2 - fixed income pooled funds	<b>18,396,678</b>	15,546,518
Level 3 - mortgage and real estate funds	<b>41,269,889</b>	43,422,418
	<b>\$108,463,731</b>	\$107,920,509

The schedule below presents a reconciliation of Level 3 investments measured at fair value using unobservable inputs during the year. Realized and unrealized gains are included in investment income.

	2023	2022
Balance, beginning of year	<b>\$ 43,422,418</b>	\$ 41,302,933
Reinvested distributions	<b>2,158,992</b>	876,787
Sales	<b>(3,762,000)</b>	-
Realized gains (losses)	<b>(303,513)</b>	244,161
Unrealized fair value adjustments	<b>(246,008)</b>	998,537
	<b>\$ 41,269,889</b>	\$ 43,422,418

### 10. Capital Management

The Fund considers its capital to be its net assets available for benefits. The Fund's objective when managing its capital is to safeguard its ability to continue as a going concern so it can continue to provide benefits to eligible members. The Trustees monitor the Fund's financial position and adjust benefits as required to ensure its objective is met.

There have been no changes in what the Fund considers to be its capital and there have been no significant changes to the Fund's capital management objectives, policies and processes in the year.



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# The Edmonton Pipe Industry Health and Welfare Fund

## Notes to Financial Statements

**December 31, 2023**

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### **11. Fund Information**

Description of the Plan benefits:

Actual benefits, including conditions and limitations thereto, are governed by the provisions of the Plan and reference should be made to the Plan documents for more detailed information.

The benefits of the Plan are provided to eligible members of the Plan and their dependants. Members and dependants are covered on the first day of the month following the month in which 320 hours have been accumulated in a member's Hour Bank. Such members are continuously covered provided that their Hour Bank contains at least 130 hours. Coverage is terminated when a member's Hour Bank falls below 130 hours with two exceptions: it is not terminated if the member makes self-contributions to the Fund, and it is not terminated in the event of disability under the Disability Credit Policy as the Plan credits the member's Hour Bank to maintain eligibility for a period of up to twenty four months at which point the member is then eligible to self pay. After termination, members can become eligible for benefits again by accumulating a balance of at least the monthly draw down amount in their Hour Bank. The maximum number of hours that members may accumulate in their Hour Bank is 2,600 hours.

The benefits of the Plan can be summarized as follows:

- (1) Life insurance
- (2) Accidental death and dismemberment
- (3) Weekly indemnity - members only (self-funded)
- (4) Long term disability - members only
- (5) Emergency travel assistance
- (6) Major medical (self-funded)
- (7) Dental (self-funded)
- (8) Vision care (self-funded)

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### **12. Comparative Amounts**

Certain of the comparative amounts have been reclassified to conform with the current year's financial statement presentation.