



CPA ALBERTA



ANNUAL REPORT 2021/2022



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Rachel Miller FCPA, FCA



Damian Zapisocky CPA, CA, CIA, MBA, ICD.D

Message from the Chair and CEO

For CPA Alberta, 2021/22 was the second full year of operating under the unique circumstances brought about by the COVID-19 pandemic. Over the course of the fiscal year, the CPA Alberta team continued to deliver all services remotely and online without interruption. And, like most organizations, CPA Alberta also began planning for the lifting of pandemic restrictions and a return to open offices and in-person events and activities in this fiscal year.

A key part of this planning process for the CPA Alberta Board was the development of a new multi-year strategic plan for the organization. That new plan—which becomes the road map for the organization for three years beginning in 2022/23—builds on the achievements of the last five years as well as the organization’s primary mandate to protect the public. Readers can learn more about the new strategic plan in this annual report as well as on the CPA Alberta website.

Operationally, 2021/22 was a notably successful year for CPA Alberta. As outlined in this annual report, key results were achieved in all areas of the organization despite the challenges posed by the pandemic. Over the course of the year, the CPA Alberta team continued to respond with innovation and purpose to pandemic-related obstacles, and we thank them for their perseverance through two very unusual years.

Through the pandemic, CPAs demonstrated that their skills and resilience were more vital than ever to businesses, public sector bodies, and other organizations as the province worked through these difficult years.

Of course, the experiences of CPA Alberta over the year mirror the experiences of Alberta CPAs and businesses throughout the province. Through the pandemic, CPAs demonstrated that their skills and resilience were more vital than ever to businesses, public sector bodies, and other organizations as the province worked through these difficult years. As the province emerges from the pandemic in very promising shape, Alberta CPAs will continue to serve essential leadership and strategic roles in the post-pandemic environment.

On behalf of the entire Board and staff of CPA Alberta, we extend our thanks to Alberta CPAs for all they did through 2021/22 in support of the province, its businesses, and its people. We are grateful for their openness and flexibility as CPA Alberta was called upon to deliver its services to them in new ways and for the words of encouragement we received over the year from CPAs in all corners of the province. We look forward to seeing and thanking CPAs in person in the months ahead.

Sincerely,

Damian Zapisocky CPA, CA
Chair

Rachel Miller FCPA, FCA
Chief Executive Officer

CPA Alberta Board

Governance and Structure

The CPA Alberta Board consists of elected Alberta CPAs as well as public members appointed by the Government of Alberta.

The CPA Alberta Board derives its authority from the *Chartered Professional Accountants Act* (CPA Act). Section 11 of the CPA Act states the Board's functions are:

- To govern the business and affairs of CPA Alberta;
- To fulfill the purposes of the CPA Act; and
- To exercise CPA Alberta's powers in the name of and on behalf of CPA Alberta.

The Board Chair and other executive positions are filled through elections by the Board.

As of March 31, 2022, the CPA Alberta board members are:



Damian Zapisocky CPA, CA
(Chair)



Maureen Moneta CPA, CA



Ruth McHugh FCPA, FCMA
(Vice-chair)



Dawn Sauvé CPA, CA



Michelle Balmer CPA, CA



Vincent Vavrek FCPA, FCA, CGA



Cecilia Chen CPA, CA



Karen Graham
(Public Member)



John Fuller CPA, CA



Diane Pettie QC
(Public Member)



Rachel Kucharski CPA, CA

The CPA Alberta Directives outline Board roles and duties in more detail. These roles and duties are focused on governance, leadership, ethics and integrity, meeting procedures, performance, strategic planning and budgets, and finance and risk management.

To help fulfill its roles and duties, and in accordance with the CPA Alberta Directives, the Board has established five non-statutory committees. As of March 31, 2022, these committees and their memberships were as follows:

Audit and Risk Committee

Michelle Balmer CPA, CA (Chair)
John Fuller CPA, CA
Rachel Kucharski CPA, CA
Vince Vavrek FCPA, FCA, CGA

Governance Committee

Ruth McHugh FCPA, FCMA (Chair)
John Fuller CPA, CA
Dawn Sauvé CPA, CA
Maureen Moneta CPA, CA

Human Resources Committee

Damian Zapisocky CPA, CA (Chair)
Michelle Balmer CPA, CA
Ruth McHugh FCPA, FCMA

Bylaw and Rules Committee

Rachel Kucharski CPA, CA (Chair)
Janice Anderson CPA, CA
Stephen Bergstrom CPA, CA
Brian Callaghan CPA, CMA
Tim Gilchrist CPA, CGA
Jody MacKenzie CPA, CA
Hilary Rose CPA, CA
John Stelter FCPA, FCA

CPA Assist Committee

Debbie Gorsline FCPA, FCMA (Chair)
Kyle Bullock CPA, CMA
Allyn Eger CPA
(Saskatchewan Representative)
Priti Laderoute CPA, CMA
Maureen Moneta CPA, CA
Liza Richer CPA, CA
Krystle Smith (Public Member)

Damian Zapisocky became CPA Alberta Board Chair in September 2021. He was featured on the cover of the Fall 2021/Winter 2022 edition of CPA Alberta's member magazine, *Dividends*.



Committees and Rosters

The CPA Alberta Board is assisted in its duties and responsibilities through the contribution of CPAs and members of the public who participate on committees and rosters. As of March 31, 2022, these committees and rosters were as follows:

Complaints Inquiry Committee

Jay Schmidt CPA, CA, CPA (IL, USA) (Chair)
Heather Murk CPA, CA (Vice-chair)
Glen Arnston CPA, CMA, CA
Kurtis Ashton CPA, CA
Norm Asuchak CPA, CGA
Chris Burrows CPA, CA, CPA (IL, USA)
Brian Farrell CPA, CA
Adrian Kottke CPA, CGA
Alfred Lee CPA, CGA, CA
Darcie Sabados CPA, CA
Gordon Thomas CPA, CMA
John Lindsay (public member)
Stuart Weatherill (public member)

Discipline and Appeal Tribunal Roster

I.E.W. McConnan FCPA, FCA
(Discipline Tribunal Roster Chair)
R. Matthews CPA, CA
(Appeal Tribunal Roster Chair)
Bev Brennan FCPA, FCA
(Appeal Tribunal Roster Vice-chair)
Brian Eric Alguire CPA, CMA
J. Steve Allan, FCPA, FCA, CA•CIRP
Nazz Baksh CPA, CMA
C. Fred Barth FCPA, FCA
B.D. Bateman CPA, CA
Russell A Bell CPA, CMA
D.J. Block CPA, CA
David Bodnarchuk FCPA, FCA
L.P. Bourget CPA, CA
Myles E. Bourke FCPA, FCA
John E. Boyd CPA, CA
W. John Brennan FCPA, FCA
Darren Buma CPA, CA
Fred Callaway CPA, CA

George W Campbell CPA, CGA
Calvin Carpenter CPA, CA
George Chan CPA, CGA
Donald W. Chandler FCPA, FCA
J.J. Colleaux FCPA, FCA
C. Crawford FCPA, FCA, CA•CBV
Donald M. Dart CPA, CA
Joan B Davies CPA, CGA
J.R. Demcoe FCPA, FCA
John Den Hoed FCPA, FCMA
F. Wayne Ellis CPA, CA
R. Andy Farvolden FCPA, FCA
Gordon Flynn QC, FCPA, FCA
A.T. Follinglo CPA, CA, ICD.D
J.R. Friesen CPA, CA
Peter R. Garrett FCPA, FCA
David D. Guebert CPA, CA
Robert Hahn FCPA, FCA
Grant Edwin Hanna CPA, CMA
Greg Hirtle CPA, CA
C. Alan Holt FCPA, FCA
Richard Iwaniuk FCPA, FCA
C.A. Janz CPA, CA
J.B. Jorgensen CPA, CA
J.L. Kavanagh FCPA, FCA, CPA (IL, USA)
Gary Richard Keen FCPA, FCMA
Leo R. Kelly FCPA, FCA, CA•IFA
Ian R.W. Kinnel FCPA, FCA
Kam Laraway CPA, CGA
Darla J Lutness FCPA, FCGA
Michael Mannas FCPA, FCGA
Daniel McKinley FCPA, FCA
Sean R.J. Monaghan CPA, CMA
Al Mondor FCPA, FCA
William J. Nield FCPA, FCA
Tom Orysiuk CPA, CA
Stella M. Penner FCPA, FCGA, CA

K.D. Porter FCPA, FCA
 N.B. Ramsay CPA, CA
 Jayda Rosenthal CPA, CA
 Allan Schroeder CPA, CA
 M.D. Shabada CPA, CA
 Don E. Sieben FCPA, FCA
 F.R.N. Snell FCPA, FCA
 W. Dale Somerville FCPA, FCA
 J.D.A. Struck QC, FCPA, FCA
 Z.P. Talavia CPA, CA
 D.A. Tien FCPA, FCA
 K. Tober CPA, CA
 Barry J. Walker FCPA, FCA
 W.E. Whitford CPA, CA

Public Member Roster

(The Lieutenant Governor in Council appointed the following persons as public members, each for a three-year term lasting until November 26, 2021 or when replaced by the Government of Alberta.)

Funmi Abiiba
 Steven Armstrong
 Michael D. Baron
 Erika Bottcher
 Geoff Chow
 Charmaine Coutinho
 Shari-Anne Doolaege
 Leo Flaman
 Stephanie Fleck
 Shari LaPerle
 Adam O. (Olen) Letourneau, QC
 John G. (Gordon) Lindsay
 Jim McCartney
 Tammy McCorkell

Barbara McKinley
 Sharon McMullan-Baron
 Thomas Pickard
 Debi Lynn Piecowye
 Helen Rice
 Stuart J. Weatherill
 Patricia Wheadon
 Randall Yatscoff, PhD

Practice Review Committee

Phoebe Elliot CPA, CA (Chair)
 Megan Brett CPA, CA
 Karl Hendrickson CPA, CA
 Christopher Jurkschat CPA, CA
 Sallie Klein CPA, CA, CPA (IL, USA)
 Douglas Kroetsch CPA, CA
 Andrew Lee CPA, CA
 Kevin Napady CPA, CA
 Julie Oliver CPA, CA
 Kara Penno Mah CPA, CA
 James Trites CPA, CA
 Henrietta Wildeman CPA, CA
 JT Dhoot AACI, CBV (public member)

Registrations Committee

Kendra Gowdy CPA, CGA (Chair)
 Damara Casper CPA, CA
 Ross Haffie CPA, CA
 Preetika Karval CPA
 Candace Moody CPA, CA
 Al-Nur Pradhan CPA, CMA
 Robert Vandervelde CPA, CGA
 Jim Smith P.Eng, FEC, ICD.D
 (public member)

CPA Alberta Achievement Awards Review Committee

Jim Downie FCPA, FCMA (Chair)
Sandip Lalli FCPA, FCMA (Vice-chair)
Robert Andrews CPA CMA
Joan Dunne FCPA FCA
Joe Gagliardi FCPA, FCMA
Saqib Jalil CPA, CA
Deanna Muise FCPA, FCA
Stella Penner FCPA, FCGA, CA
Frank Potter CPA, CMA
Elisha Sharma CPA
Elmien Wingert CPA, CA
Bruce Thurston FCPA, FCMAA

CPA Alberta Achievement Awards Nomination Committee

Lance Bick CPA, CA (Chair)
Angela Loo CPA, CA (Vice-chair)
Farah Albert, CPA, CA
David Amona CPA, CMA
Roger Arcand CPA, CMA
Alex Beis CPA, CA
Neil Cockburn FCPA, FCA
Dayna Cruz CPA, CGA
Ian Folinsbee CPA, CMA
Darrell Mathews CPA, CMA
Ian McDonald FCPA, FCA
Janine Rogan CPA
Rebecca Sanford CPA, CA
Chioma Ufodike FCPA, FCMA
Tracey Zehl FCPA, FCA



THANK YOU
to all CPA Alberta volunteers!



cpa CHARTERED PROFESSIONAL ACCOUNTANTS ALBERTA

Let a deserving colleague know how super they are.

The **CPA Alberta Achievement Awards** recognize Alberta CPAs have brought honour to the CPA profession in Alberta.

[NOMINATE A CPA](#)



cpa CHARTERED PROFESSIONAL ACCOUNTANTS ALBERTA

Shine a spotlight on a deserving colleague

The **CPA Alberta Achievement Awards** recognize Alberta CPAs have brought honour to the CPA profession in Alberta.

[NOMINATE A CPA](#)

The CPA Alberta Achievement Awards rely on nominations from Alberta CPAs. Consider making a nomination today!



HONOURING THE BEST OF THE PROFESSION

HONOURING THE BEST OF THE PROFESSION

In 2021/22, CPA Alberta honoured and celebrated those who brought distinction to themselves and the CPA profession in Alberta through their outstanding accomplishments.

These individuals demonstrate the best of the profession and reflect the strong legacy of distinctive achievement and volunteerism that has characterized the designated accounting profession's history.

Lifetime Achievement Awards

The Lifetime Achievement Award is awarded to those CPAs who have demonstrated continual commitment to the betterment of their profession, their communities, and the organizations they have served.

- Janice Rennie FCPA, FCA
- Mike Shaikh FCPA, FCA



Janice Renee FCPA, FCA



Mike Shaikh FCPA, FCA

Fellows of the Chartered Professional Accountants

Fellowship is granted to those Alberta CPAs who have rendered exceptional service to the profession or whose achievements in their careers, the community, and/or the profession have earned them distinction and brought honour to the profession.

- Robert Borrelli FCPA, FCA
- Sherif Elbarrad FCPA, FCMA
- Ray Hawrelak FCPA, FCA
- Kent Kaufield FCPA, FCA
- Deb MacPherson FCPA, FCA
- Derek Malcolm FCPA, FCA, CA•IFA
- Margaret McKenzie FCPA, FCA
- Colin Miller FCPA, FCA
- David Niebach FCPA, FCGA
- Shannon Ryhorchuk FCPA, FCA
- Janet Segato FCPA, FCMA
- Bradley Severin FCPA, FCA
- Jerry Snukal FCPA, FCA
- Leontine van Leeuwen-Atkins FCPA, FCA

Distinguished Service Awards

The Distinguished Service Award recognizes an Alberta CPA or supporter of the profession for a significant achievement or achievements within the past five years.

- Jeffrey Allison CPA, CA
- Phoebe Elliot CPA, CA
- Richard Gil CPA, CA
- Cheryl Gray CPA, CMA
- Calvin Klontz CPA, CGA
- Hetal Kotecha CPA, CA
- Obed Maurice CPA, CA
- Wayne Morgan CPA, CA
- Mehriban Salimova CPA, CMA
- Darcy Yamada CPA, CA

Early Achievement Awards

The Early Achievement Award is awarded to those who have had their designation for 10 or fewer years and have demonstrated exceptional service, contributions, or achievements through the early stages of their professional career.

- Jennifer Freitas CPA, CA
- Levonne Grier CPA, CMA
- Danielle Marcucci CPA
- Kristen Miners CPA
- Faezeh Moeini CPA
- Katrina Neufeld CPA, CMA
- Scott Perry CPA, CA
- Roy Twinn CPA
- Cathy Wheeler CPA, CA
- Brit White CPA, CA
- Justin Woodroofe CPA, CA



CPA Assist Wellness Conference



During the fiscal year, CPA Alberta continued to offer professional learning opportunities virtually so Alberta CPAs and others could increase their professional skills. This included a number of well-received conferences, including the Innovation, Technology and Accounting Conference, held in February 2022 and the CPA Wellness Conference held in December 2021.

Be Future Ready



Innovation, Technology, and Accounting Conference

February 15-16, 2022





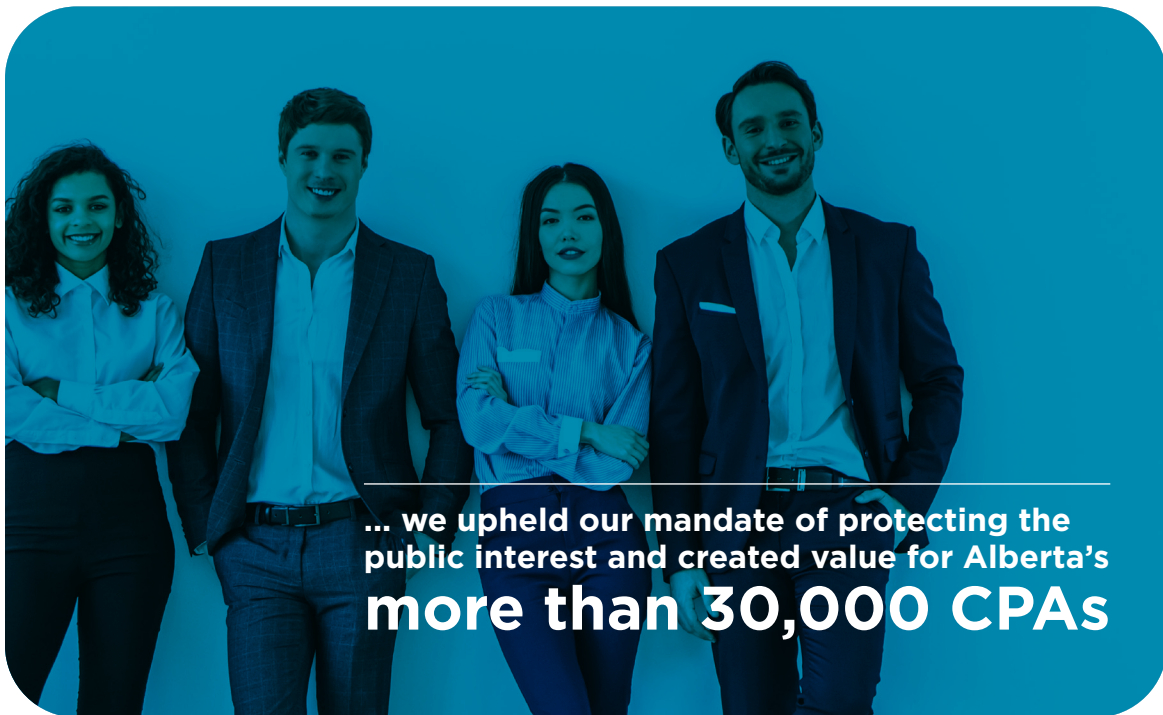
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal 2021/22 marked the fifth and final year of the implementation of CPA Alberta's five-year strategic plan. This plan, developed and endorsed by the CPA Alberta Board, outlined five strategic priorities for the organization:

1. Protecting the public
2. Understanding the Alberta landscape
3. Dealing with disruption
4. Achieving smart growth
5. Maintaining fiscal accountability

This Management's Discussion and Analysis (MD&A) reports on the key highlights and achievements toward fulfilling those priorities in the 2021/22 fiscal year. The analysis concludes with a look ahead to what the organization expects to focus on during 2022/23 and the new multi-year strategic plan for the organization.

The MD&A is an overall review of CPA Alberta's performance—how we upheld our mandate of protecting the public interest and created value for Alberta's more than 30,000 CPAs—and is a complement to the organization's—and it should be considered in conjunction with the organization's audited financial statements.



STRATEGIC PRIORITY #1:

Protecting the Public

Focus of the priority: CPA Alberta will continue to fulfill its mandate to protect the integrity of the profession, to promote and increase the competence of registrants, and to regulate the conduct of registrants.

Registrations

One of CPA Alberta's essential roles in protecting the public is assisting and monitoring the nearly 40,000 CPA Alberta registrants, which include CPAs, candidates, professional accounting firms, professional corporations, and professional service providers. The Registrations department ensures compliance with the CPA Act and governing documents, provides accurate and informative responses to questions or concerns about any registrant or registration matter, monitors Continuing Professional Development (CPD) reporting and verifies members' CPD submissions, and takes appropriate remedial action in instances of non-compliance.

In 2021/22, the Registrations department continued to share best practices, optimize the use of resources, and find efficiencies in managing its regulatory work. As part of this, senior team members represented CPA Alberta on national and regional committees and best practice working groups. The team also continued to strengthen CPA Alberta's relationship with the provincial government through regular communication with government officials.

In 2021/22, the total late CPD declaration penalties were reduced by approximately 40 per cent, and overall registrant cancellation was reduced by approximately 15 per cent.

CPA Alberta also implemented the revised CPD Exemption Matrix for the 2022 CPD reporting year. This matrix is clearer and more streamlined than previous versions. It also emphasizes the requirement that those members providing public accounting services are not exempted from CPD for any reason. As a result, Alberta CPAs can better know when CPD is required.

Number of registrants as of March 31

	2022	2021
Members	30,717	30,355
Candidates	4,670	4,780
Professional accounting firms	1,770	1,720
Professional corporations	2,923	2,892
Professional service providers	25	29
TOTAL	40,105	39,776

Number of applicants

	2021/22	2020/21
Members	860	904
Candidates	965	1,107
Professional accounting firms	117	115
Professional corporations	167	131
Professional service providers	0	8

Conduct and Discipline

As trusted advisors to the public, all CPA Alberta registrants (including members, candidates, professional accounting firms, professional corporations, and professional services providers) are accountable for and manage critical and confidential financial information. CPA Alberta's Conduct and Discipline department manages all complaints about registrants in accordance with the processes set out under the CPA Act. These processes are, in part, meant to ensure the public is protected and practice standards and rules of professional conduct are enforced.

In total, the Conduct and Discipline department dealt with 221 reported breaches of the CPA Act in 2021/22 using measures available in the Act.

In 2021/22, the Conduct and Discipline department launched comprehensive training for members of the Discipline Appeal Tribunal Roster. The purpose of the training was to enable roster members to best perform their duties set out in the CPA Act, including facilitating a fair and transparent hearing process that adheres to the principles of natural justice. So far, 34 members have completed the training.

This year, the Complaints Inquiry Committee (CIC) met four times to review investigation reports related to 59 complaint files. On behalf of CPA Alberta, the CIC also entered into 13 Sanction Agreements to settle matters where allegations of unprofessional conduct were referred to a Discipline Tribunal for a hearing.

Number of complaints

	2021/22	2020/21
Received	120	83
Referred to the complaint resolution process (s. 71)	0	0
Dismissed	47	37
Referred to Discipline Tribunal Roster Chair for a hearing	49	30
Referred back to the Complaints Inquiry Committee from appeal	0	0

	2021/22	2020/21
Registrants temporarily suspended during a disciplinary process (s.107)	2	0
Monitoring files – Self-reported Bankruptcy or Insolvency (Rule 601)	16	15

Number of hearings

	2021/22	2020/21
DISCIPLINE TRIBUNALS		
Referred to Discipline Tribunal Roster Chair for hearing	49	30
Rescinded	1	1
<i>Completed Hearings</i>		
Resolved through a Sanction Agreement	13	18
Findings of Unprofessional Conduct	4	0
No Finding of Unprofessional Conduct	0	0
Stayed/Discontinued	0	0
Cancellation of registration (pursuant to s.108)	0	1
APPEAL TRIBUNALS		
Appealed from Discipline Tribunal decision	1	1
<i>Completed Appeal Hearings</i>		
Confirmed decision of Discipline Tribunal	1	0
Discipline Tribunal's decision varied	1	0
Referral back to Complaints Inquiry Committee	0	0
Referral to Discipline Tribunal Roster Chair for hearing	0	0
Dismissal of Complaints Inquiry Committee appealed	5	8
<i>Completed Appeal Hearings</i>		
Confirmed decisions of the Complaints Inquiry Committee	3	4
Reversed the dismissal and referred the matter back for further investigation or to a hearing	0	0
Appeal withdrawn	1	1

*The number of complaints resolved does not equal the number of complaints received because complaints are received and resolved in different fiscal years.

Appeal of CPA Alberta decision to the Court of Appeal	2	0
Appeal Restored by Court of Appeal	0	0
<i>Completed Appeal Hearings</i>		
Appeal Dismissed	1	0
Appeal Struck	0	0
Matter returned to Discipline Tribunal	0	0
CLOSED HEARINGS		
<i>Hearings closed to the public</i>		
Closed in whole	0	0
Closed in part	0	0

Practice Review

CPA Alberta's Practice Review department continues to play an essential role in protecting the public. Practice Review assesses firms' compliance with professional standards under the National Harmonized Practice Review Program and provides an educational experience for firms. To mitigate risk, follow-up reviews are completed within 12 months of the initial practice review.

In December 2021, an article focused on Practice Review was published in the CPA Alberta Regulatory e-newsletter to help practitioners better perform high-quality engagements.

Number of practice reviews

	2021/22	2020/21
Comply	481	407
Non-comply	43	44
Total reviews assessed	524	451
Referrals to the Complaints Inquiry Committee	8	3

CPA Competency

Another core role of CPA Alberta is to help the profession maintain the competency of Alberta CPAs, who are then able to best serve the public. From the practical experience component of the CPA Certification program to professional development offerings and mental health services, CPA Alberta provides a number of opportunities for learning, networking, and career development.

Practical Experience

Practical experience is a mandatory and integral component of the CPA Certification program. Through practical experience, candidates in the CPA Professional Education Program (CPA PEP) develop their ethical and professional behaviour and problem-solving, decision-making, communication, teamwork, and leadership skills. This helps them best serve the public when they graduate as CPAs.

In 2021/22, the Practical Experience department began offering monthly live and recorded webinars for candidates in the experience verification route. The goal was to better support candidates in the reporting of their practical experience and in gaining relevant practical experience. An average of 200 candidates attended each webinar, and the average satisfaction rating was 86 per cent.

This year, CPA Alberta evaluated and recommended to membership 634 candidates.

Professional Development

In 2021/22, CPA Alberta continued to implement valuable changes to the Professional Development Program, including offering all synchronous learning and course materials through the learning management system. Nine new asynchronous course bundles on a variety of sector- and position-specific topics were added to the program. The most popular package was Ethics and Risk: For Senior Management and Leaders, which had just under 100 registrations.

This year, CPA Alberta provided 326 live virtual seminars, 329 on-demand offerings, seven executive program offerings, and three conferences for a total of 16,040 registrations. The transition to virtual professional development greatly improved accessibility and flexibility for learners, resulting in an 11-per-cent increase in registrations compared to last year.

Additionally, CPA Alberta offered nine free live webinars and 11 free on-demand products in a variety of competencies to provide value to members. A total of 9,927 attendees accessed these free products.

REPORT TO ALBERTA CPAs

BE
FUTURE
READY

CPA CAREERS:
Transitions and Transformations

The centrepiece of the organization's Be Future Ready initiative was a report detailing disruptions and opportunities facing Alberta CPAs. Special thanks to Janice Kobelskey, FCPA, FCMA for authoring the report and her commitment and dedication in helping make the initiative a reality

 **CPA** CHARTERED
PROFESSIONAL
ACCOUNTANTS
ALBERTA

This year, CPA Alberta introduced Be Future Ready, an initiative designed to help CPAs and candidates build the skills of the future, engage with CPA Alberta resources, and proactively plan for career transitions or transformations. The initiative includes a report highlighting key disruptors impacting the accounting profession, a microsite to increase access to CPA Alberta resources, a new free career self-reflection program (CPA Build®), and live webinars. In total, there have been 3,850 registrations in various elements of this initiative so far.

In 2021/22, executive programming was delivered virtually to 151 participants. These senior-level programs target a wide variety of industries and are designed for existing or aspiring controllers and chief executive officers.

In 2021/22, more than 33 per cent of Alberta CPAs engaged in a CPA Alberta professional development product, a three-per-cent increase in engagement from 2020/21, thanks to greater course accessibility, new program content, and free learning options.

Member Engagement

Keeping members engaged in the profession and the professional standards is an important component to ensuring their competency.

In 2021/22, the Technical Advisory team responded to more than 2,000 inquiries from members and the public on topics including ethical dilemmas, practice management, independence, conflicts of interest, and accounting and auditing standards.

Peer-to-Peer Forums continued to provide an opportunity for Alberta CPAs and CPA candidates to share their experience and knowledge around a common topic and help each other tackle issues and challenges they may be facing. In 2021/22, the forums focused on data analytics and automation and had approximately 400 attendees.

The energy and utilities member advisory groups established last year completed their work around competency needs and emerging topics impacting their sectors. CPA Alberta will use this input to create resources in the identified areas and further support CPAs in these sectors.

CPA Alberta initiated a formal program of identifying and engaging CPA subject matter experts in key competency areas to create opportunities for CPAs to gain perspective in emerging topics in the accounting profession. CPA Alberta engaged these CPAs in various roles, including statutory, advisory and other committee members; conference speakers, panelists and moderators; Peer-to-Peer Forum facilitators; podcast guests; online discussion board facilitators; instructors and course authors; editorial writers and interviewees; and speakers at CPA Assist, career services, chapter, or practitioners' events.

Career Services

CPA Alberta continues to support Alberta CPAs with career services, including a job board, job search tips, webinars and workshops, a mentorship program, and other resources.

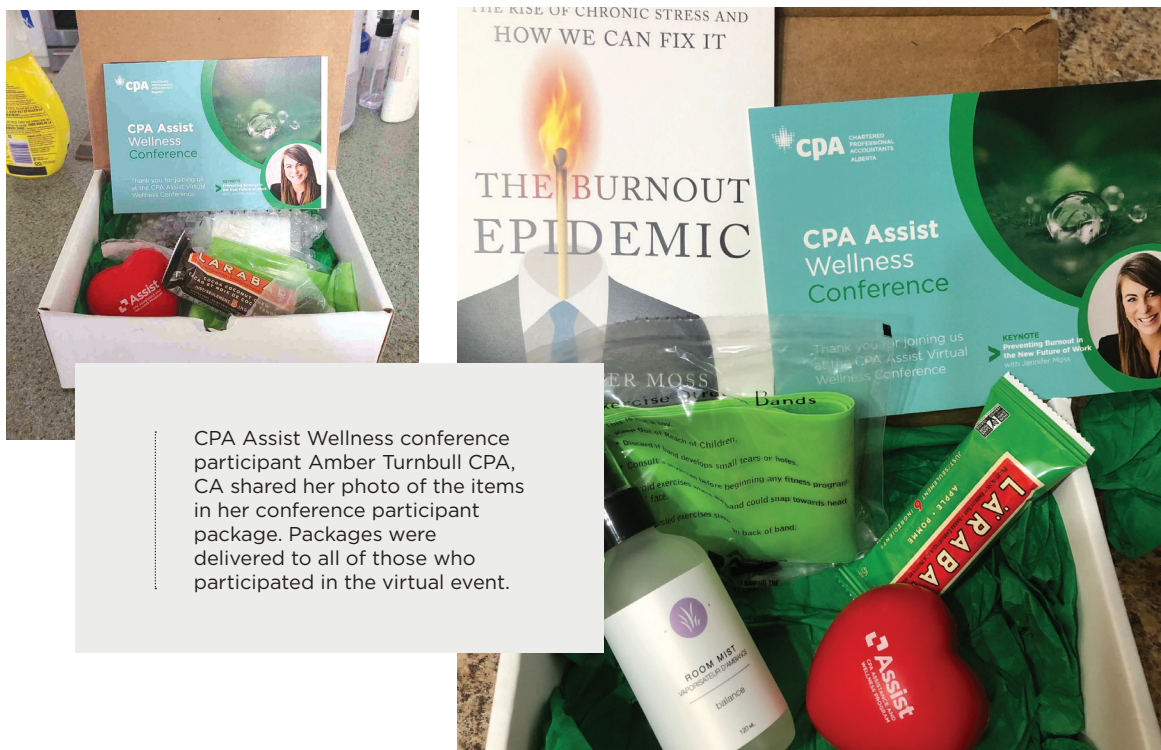
This year, the Career Services team provided personal advising support to just under 1,700 Alberta CPAs and candidates in many areas, including career planning, career guidance, personal branding, job search, employment contract negotiations, and when to seek legal advice.

Volunteering

Participation in CPA Alberta's Volunteer Tax Clinic Program, which assists low-income Albertans in preparing their personal tax returns, was again impacted by the COVID-19 pandemic for the 2020 taxation year. The Member Engagement team once again collaborated with community partners and volunteers to deliver the program virtually using a secure online portal to store taxpayer data and e-filing returns.

Approximately 135 CPA Alberta volunteers worked with 35 community partner organizations to prepare and e-file more than 1,200 returns for low-income Albertans.

CPA Alberta also continued to collaborate with CPA Canada in the delivery of the profession's Financial Literacy Program presentations. Alberta CPAs volunteered to deliver 98 sessions in 2021/22, with a total of 2,786 attendees.



CPA Assist

CPA Assist provides confidential counselling services and 24/7 crisis support to Alberta and Saskatchewan CPAs, candidates, and their immediate families. One of CPA Assist's goals is to raise awareness of their services as a potential mitigating measure for mental health issues that could lead to a CPA or candidate breaching the rules of profession conduct.

This year, CPA Assist's confidential counselling services saw 863.5 hours used in Alberta and 57.5 hours used in Saskatchewan.

CPA Assist also hosted and recorded seven webinars on a variety of topics related to mental health and wellness, including strengthening couples' relationships, positive self-talk, and the intersections of mental health and racism. In total, 2,161 individuals attended or watched these webinars with an average number of live attendees of 243, an increase from last year's 206.

The second-annual CPA Assist Virtual Wellness Conference in December 2021 was a collaborative effort by CPA Alberta and CPA Saskatchewan. The keynote topic was on burnout, and 420 attendees participated in the conference.

Launched last fiscal year, during 2021/22 CPA Assist completed the first full year of collecting anonymous online surveys with Forbes Psychological Services to measure satisfaction with the program. The survey found:

- 97 per cent of clients were very satisfied or satisfied with the level of services in setting up their first appointment
- 52 per cent of clients waited fewer than three days from the time of calling to booking their first appointment; 100 per cent in three weeks or fewer
- 77 per cent of clients are likely to refer the CPA Assist program to a friend or colleague

CPA Assist has initiated a mental health research project in both Alberta and Saskatchewan with results expected early next fiscal year.

Regulatory Report

CPA Alberta continues to update and disseminate the quarterly Regulatory Report, which was launched in 2019/20 to keep all Alberta CPAs up-to-date on the organization's efforts to protect the public. This continues to be a collaborative effort across departments, including Registrations, Conduct and Discipline, Practice Review, and Communications.

97%

of clients were very satisfied or satisfied with the level of services in setting up their first appointment with CPA Assist.

CPA Alberta sponsored a number of virtual events to increase awareness of the organization's work and mandate.



Communications

Clear and consistent communication with Alberta CPAs ensures they are aware of professional standards and CPA Alberta offerings. Similarly, communicating with the public is highly important so they know the value of working with CPAs and how CPA Alberta works to protect them.

In 2021/22, CPA Alberta was the Presenting Sponsor of high-profile events featuring Travis Toews, CPA, CMA, Alberta's President of Treasury Board and Minister of Finance, and Rick Wilson, Alberta's Minister of Indigenous Relations. CPA Alberta also sponsored the Alberta Chambers of Commerce's MLA Dinner, which enabled attendees to meet one-on-one with key government leaders and have their questions answered. These events increased the awareness of CPA Alberta's regulatory work and how the organization fulfills its mandate to protect the public.

In December 2021, CPA Alberta also sent all Alberta MLAs an issue of The Asset e-newsletter, which highlighted CPA Alberta's work to protect the public and fulfill its legislative mandate.

STRATEGIC PRIORITY #2:

Understanding the Alberta Landscape

Focus of the priority: CPA Alberta will have a solid and broad comprehension of the forces shaping Alberta today and in the near future. With that comprehension, the profession can best ensure it and its members remain relevant, valued, and essential to the province.

Regulatory

CPA Alberta continually evaluates its regulatory process to ensure it fulfills the statutory mandate to protect the public but also ensures the processes are effective. This includes reviewing the existing regulatory burden on registrants and minimizing or eliminating processes or rules that are not proportionate to their intended outcome.

To that end, in 2021/22, the requirements related to the registration of a professional accounting firm were reviewed and certain regulatory burdens on registrants were removed or amended if it was determined they did not necessarily add protections.

Learning Opportunities

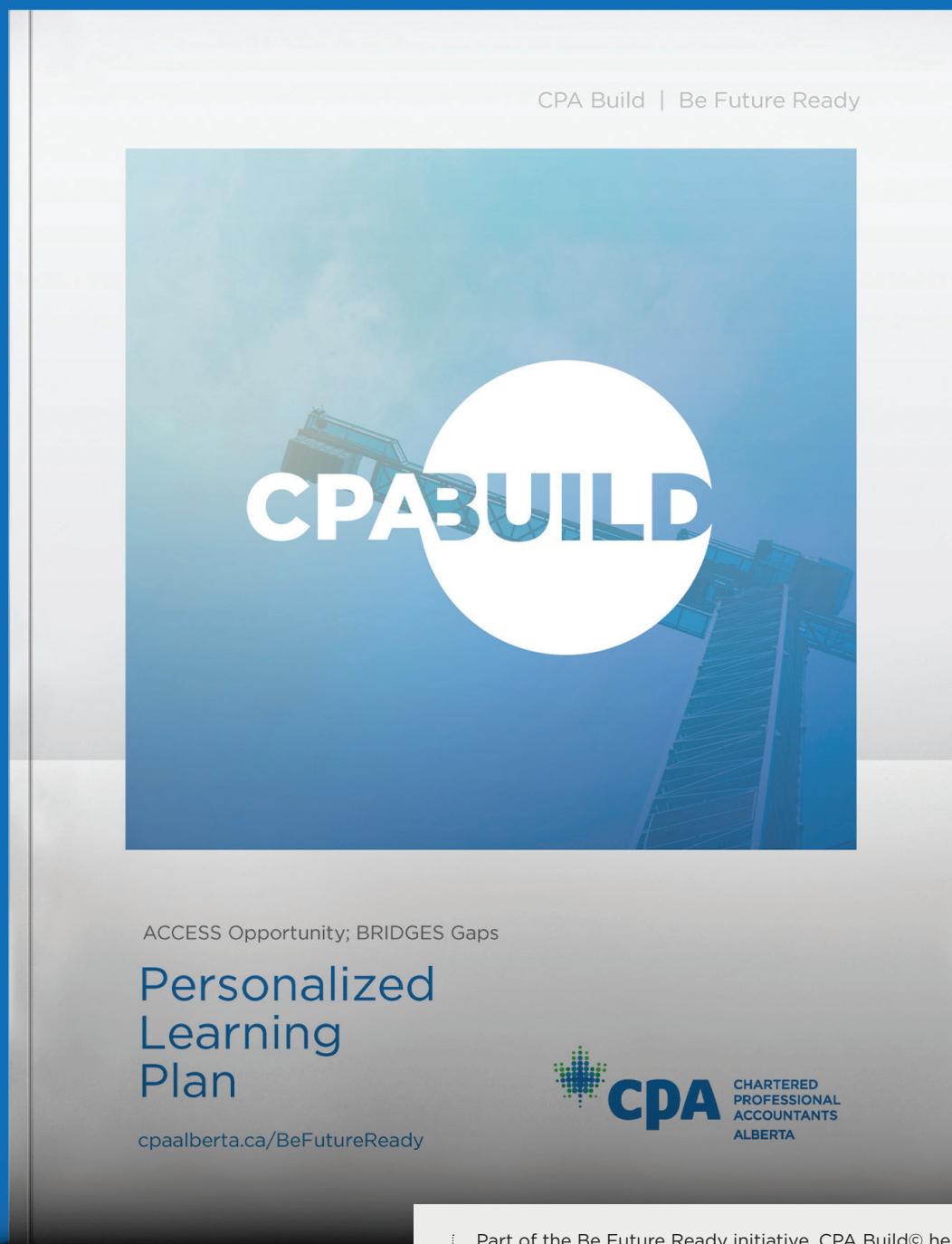
In 2021/22, CPA Alberta was able to increase member access to professional development across the province through virtual delivery of all learning products. Attendees from outside Calgary and Edmonton represented 25 per cent of seminar and conference participants.

CPA Alberta delivered the 2021 Oil and Gas Conference and five post-conference sessions, resulting in 225 CPAs registering for sector-specific learning. Expansion into the broader scope of energy will be a focus for the next fiscal year.

CPA Alberta's Mentorship Program was expanded to include additional support in mentoring for diversity, equity, and inclusion (DEI). Participants could self-disclose their preferred criteria for mentor-matching, including race, religion, and LGBTQ2S+. Additional training with a facilitated DEI session was provided to mentors and mentees. As a result of these enhancements, 71 mentor/mentee pairs were matched, doubling last year's participation.



Recognizing the key role Alberta plays in the country's oil and gas sector, CPA Alberta this year took over holding the national Oil & Gas Conference. This year's theme was "Energized for the Future." CPA Alberta



Part of the Be Future Ready initiative, CPA Build® helps ensure Alberta CPAs are ready for change, to meet aspirations.

In 2021/22, CPA Alberta introduced CPA Build®, a self-directed career reflection and future-readiness program. Free to Alberta CPAs and candidates, the framework was designed to provide updates on what's relevant to an individual's unique career demands, challenges, and aspirations, as well as provide participants with an opportunity to consider future career change. To date, more than 365 participants have accessed CPA Build®.

CPA Alberta continued to support local chapters, practitioner groups, and the Community Ambassador groups in using virtual platforms to engage members. More than 4,300 members attended 53 virtual events in 2021/22, demonstrating the expanded reach available in a virtual setting. The events covered a wide variety of topics, including mental health, technology, ethics, personal finance, entrepreneurship, and new accounting standards.

The organization also provided sessions on data analytics and strategic event planning for all chapter executive member volunteers. These professional development opportunities provided skills to assist the volunteers in meeting the needs of their chapter members.

CPA Alberta's online resource centre for Alberta CPAs and the public was further refined and expanded to cover emerging areas impacting the profession, such as anti-money laundering, assurance and related services, automation, blockchain, cryptocurrency, cybersecurity, data analytics, data governance, DEI, ethics, and practice management. It is a one-stop shop for members to find resources and assist their organizations in dealing with the rapid pace of change.

Additionally, CPA Alberta launched an online discussion board project for CPAs to share information. The project started with the volunteer tax preparers in the Tax Clinic program as a primary means of communicating with the volunteers and saw high engagement. The board has since been expanded to Career Services' mentorship program, and other groups will be added in the future.

Member Engagement

CPA Alberta's Achievements Awards nomination process was further automated in 2021/22, allowing CPAs to collaborate in nominating exceptional individuals that embody the core principles of the CPA profession and whose commitment, activities, and accomplishments bring honour to and strengthen the reputation of all CPAs.

In 2021/22, CPA Alberta launched the Inspired Leaders program, where CPAs who are 35 years of age and younger and passionate about building community and shaping the future of the CPA profession can engage and build their networks, share their knowledge, and participate in formal ambassador opportunities with the profession.

CPA Alberta also completed its bi-annual Comprehensive Member Survey to better understand the needs, challenges, and perceptions of Alberta CPAs.

STRATEGIC PRIORITY #3:

Dealing with Disruption

Focus of the priority: CPA Alberta will understand the impacts of disruption on the CPA profession and implement strategies to respond positively to those impacts.

Professional Development and Learning Opportunities

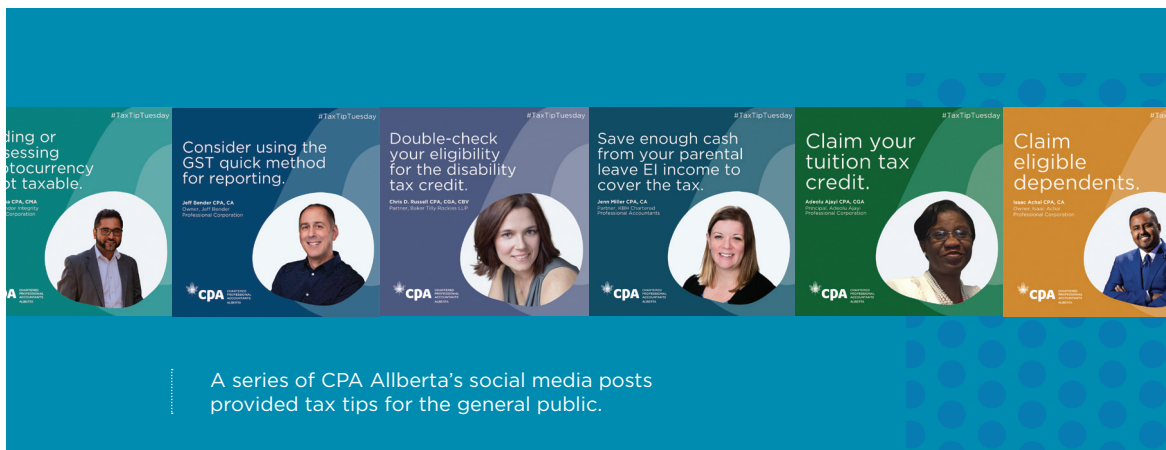
In response to the increasing market focus on environmental, social, and governance (ESG) reporting, CPA Alberta partnered with the other western provincial CPA bodies to offer a free live webinar on ESG. The panel discussion-style session had more than 700 participants.

In 2021/22, CPA Alberta continued to support CPAs in understanding and managing the impact of disruption in the profession, including the virtual delivery of the third-annual Innovation, Technology, and Accounting Conference to more than 180 participants.

In 2021/22, the Career Services team continued to provide webinars on timely topics to support CPAs with employment challenges and help them navigate the changing marketplace. Webinar topics included job search strategy, the art of negotiation, 2021 hiring trends, and understanding and supporting neurodiversity in the workplace. A total of 2,884 Alberta CPAs participated in more than 40 webinars, meetups, and workshops.

Communications

CPA Alberta published more than 200 articles, social media posts, and other communication focused on helping Alberta CPAs deal with disruption to ensure they are well-positioned to lead their organizations, clients, and community through an uncertain environment.



STRATEGIC PRIORITY #4:

Achieving Smart Growth

Focus of the priority: CPA Alberta will gain an understanding of the emerging needs for CPAs in the marketplace and set growth strategies to meet these needs.

Recruitment and Communications

In 2021/22, 938 Alberta candidates entered CPA PEP, 429 individuals entered CPA preparatory courses, and 831 candidates passed the two 2021 Common Final Examinations (CFEs) held in May and September.

The Recruitment team started a new initiative focusing on further engaging Alberta high school students. CPA Accelerate will provide high school students with additional information and insights in a CPA career through engaging experiences and interactions with Alberta CPAs. Additionally, annual High School Open Houses will provide high school students, parents, and educators with the opportunity to learn more about the benefits of and steps involved in obtaining the CPA designation.

CPA Alberta is also undertaking a number of research activities to better understand the perceptions of prospective entrants to the CPA profession. The information gleaned from this research will inform the Recruitment team's activities in the future.

Capitalize, CPA Alberta's student recruitment magazine, continues to focus on the key benefits of pursuing a CPA designation and how a CPA designation is relevant to the career aspirations of high school and post-secondary students across the province. The Fall 2021 issue was themed "The big ideas of CPAs" and featured how CPAs are at the forefront of using innovation and emerging technologies to do things differently; the Winter 2022 issue used a video game theme to showcase how students can use the CPA designation to take on any role in their career. Posts focused on *Capitalize* articles are consistently some of CPA Alberta's most-liked and most-engaged-with content on all social media platforms, and the online version of the magazine reached 110,670 visitors in 2021/22.

CPA Alberta also launched the Capitalize Campus Stars program this year to acknowledge outstanding post-secondary students across Alberta. The program is intended to solidify the ambition of selected stars in pursuing their CPA designation after they graduate, inspire other accounting students by showcasing what their peers are achieving, and highlight the CPA profession as a community of success and achievement at all stages. The inaugural class of Campus Stars was announced in 2021/22.

The Capitalize Campus Stars recognizes amazing Alberta post-secondary students who are dreaming of one day becoming CPAs. Congratulations to (clockwise from top left) Brennan O'Yeung, Arvie Justin B. Isidro, Kelsey MacLeod, Angelica Okeynan, Priya Joshi, and Frederick Enorme.





The campaign was
retweeted and
**shared more than
2,700 times**
and had a
**reach of 161,949
individuals.**

This year, CPA Alberta produced two fun video series to showcase the CPA brand to external audiences. The first series showcased dynamic and charismatic CPAs playing a game of “Never Have I Ever” by answering a broad range of questions, such as “Have you ever busted a myth about accounting?” and “Have you ever creatively solved a business problem?” The second series, “The Faces of the Profession,” highlighted a group of CPAs changing the face of the profession, Alberta businesses, and more. CPAs in this series represented the faces of auditing, women in the profession, non-profits, and entrepreneurship.

To mark Black History Month in February, CPA Alberta ran a #IAmACPA social media campaign that amplified the voices of Black CPAs, shared their experiences as professionals, and showcased their contributions to the growth and success of the profession. The campaign was retweeted and shared more than 2,700 times and had a reach of 161,949 individuals.

CPA Alberta also ran a #TaxTipTuesday campaign on social media from mid-March to late April to help Albertans filing their tax returns during tax season. The campaign highlighted tips from Alberta CPAs targeted at a broad range of audiences, including students, small business owners, people with disabilities, and more.

CPA Alberta sponsored 20 business and community-focused events in 2021/22. CPA Alberta promoted the profession and the CPA designation at the Junior Achievement Business Hall of Fame, Avenue Magazine’s Top 40 Under 40 celebrations, the Alberta Business Awards of Distinction, and Small Business Week events hosted by the Edmonton and Calgary Chambers of Commerce.

CPA Alberta sponsored 18 business and community-focused events in 2021/22. CPA Alberta promoted the profession and the CPA designation at the Junior Achievement Business Hall of Fame event, *Avenue Magazine’s* Top 40 Under 40 celebrations, the Alberta Business Awards of Distinction, and at events featuring Premier Jason Kenney and Tiff Macklem, Governor of the Bank of Canada.



CPA Alberta produced two new video series during the fiscal year. "The Faces of Auditing" video introduced viewers to some Alberta CPAs expanding the traditional nature of the audit role.

Employer Relations

The Employer Relations team continues to provide Alberta employers with resources and information to better help them support their CPA candidates.

In 2021/22, the team developed 50 informative resources for candidates and employers, including publications, events, blog posts, and e-newsletters. These resources included five virtual information sessions for Alberta employers about the path to becoming a CPA and five opportunities for experience verification route and pre-approved program route employers to virtually connect and share best practices and techniques for training candidates. The team connected with and supported 2,235 employers and candidates in 2021/22.

The Employer Relations team also launched its first supports for CPA candidates in elective modules and held CPA PEP Talks speaker events to provide tips to candidates in all four elective modules: Tax, Assurance, Finance, and Performance Management. The team also launched its Speed Coffee Chat event, which enabled CFE writers to have their CFE-related questions answered in a 10-minute, one-on-one chat with a recent successful writer.

Practical Experience

The Practical Experience team created or made material modifications to 21 pre-approved programs at employers across Alberta. The team's focus this year was on providing existing pre-approved program leaders with more support and connection with CPA Alberta amid uncertain times.

Helping prospective CPAs reach their goal of entering the profession continued to be a priority. CPA PEP Talks provided tips for those candidates taking the elective modules.

The graphic is a dark red rectangular poster with white and light red text and graphics. At the top right is the CPA logo (a stylized maple leaf) followed by 'CPA' in large white letters and 'CHARTERED PROFESSIONAL ACCOUNTANTS ALBERTA' in smaller white letters below it. The main title 'CPA PEP TALKS' is in large, bold, white sans-serif font. Below it, 'SPEED COFFEE CHATS' is in a smaller white font. Underneath that, in even smaller white text, is 'One-on-one chats with recent successful CFE writers'. To the right of the text is a white line-art illustration of a coffee cup on a saucer with steam rising from it. Next to the cup is a circular badge with a white border containing the text '10 MINUTES TOTAL' in white. At the bottom right, in white text, is 'Registration deadline: WEDNESDAY, MAY 4'. The background of the poster has a pattern of light red circles of varying sizes on the left side.

STRATEGIC PRIORITY #5:

Maintaining Fiscal Accountability

Focus of the priority: CPA Alberta will maintain and demonstrate fiscal accountability.

Corporate Strategy and Risk

In 2021/22, the Corporate Strategy and Risk team's goal was to sustain organization capacity and bolster a resilient CPA Alberta.

CPA Alberta deployed the ReQlogic requisitions and purchase order modules to provide a centralized procurement process with greater transparency in our purchase and contract obligations and strengthen internal controls. ReQlogic's functions continue to be explored to advance the organization's unique business needs.

The Enterprise Risk Management program continues to mature with the creation of an enterprise risk register and improvements to operational risk registers.

Office Services

CPA Alberta's Office Services team continued to ensure the organization's facilities are maintained and staff are supported with essential services through a second pandemic year of primarily remote work.

In 2021/22, outdated Xerox equipment was replaced with a modern high-resolution digital press to better meet CPA Alberta's printing needs. The new equipment reduces CPA Alberta's environmental impact, equipment downtime, and printing costs. While many resources are available digitally, it is expected the demand for print products will continue in the medium term, especially for high-quality documents.

Internal Projects

During the fiscal year, CPA Alberta designed a succession planning framework and implemented a critical role assessment to understand the level of risk the organization faces in and the priorities to be put in place to alleviate the risks in this realm.

The organization also implemented a leadership development program for all senior leaders and managers, including a 360-degree competency feedback tool. As well, CPA Alberta mandated mental health awareness training to ensure all people leaders have consistent foundational knowledge and awareness to support their teams.

CPA Alberta also built on the success of telecommuting over the last couple of years to finalize the organization's longer-term telecommuting strategy. The Telecommuting Policy was implemented to enhance CPA Alberta's Flexible Work Program and enable employees to better maintain work/life harmony.

The organization also continued its diversity, equity, and inclusion (DEI) initiatives. In addition to the work of the Anti-Racism Advisory Group—which seeks to recommend and support the development of anti-racism support programs, products, and services for Alberta CPAs—CPA Alberta continues to address these issues internally. The Anti-racism Working Group continued its work on the organization's internal DEI efforts, which were further enhanced by the hiring of a human resources professional with expertise in and a focus on DEI.

Business Systems

On the cyber security front, CPA Alberta's Business Systems team continues to update best practices and guidance for members and make that information readily available on CPA Alberta's website.

The Business Systems department completed the one-year security enhancement 2.0 follow-up to the two-year security enhancement project 1.0 based on the Center for Internet Security's top 20 controls.

The department also developed a three-year cybersecurity road map that will start in 2022/23.

CPA Alberta's response to the COVID-19 pandemic

Like most organizations around the world, CPA Alberta was called upon to change the way it delivered services with very little notice in 2020.

On March 18, 2020, CPA Alberta closed its physical offices in Calgary and Edmonton, and the offices remained closed for all of 2020/21 and 2021/22. CPA Alberta staff worked quickly to pivot to remote working conditions, deliver vital services virtually, and remain committed to fulfilling its mandate while ensuring the health and safety of staff, CPAs, and all Albertans.

The following are some of the significant changes CPA Alberta made or continued in 2021/22 due to the pandemic:

- Provided staff with information, tools, and resources to enhance physical, emotional, and mental well-being during the pandemic and while working remotely.

- Ensured staff had the necessary technology and infrastructure to effectively work from home. The organization provided laptops and obtained additional licenses and network capacity to support a 100% work-from-home model, and implemented additional security measures to protect staff.
- Human Resources completed all interviews virtually and introduced best practices for putting candidates at ease in this new format.
- All staff were on-boarded virtually, which required additional tools and resources to ensure new hires were set up for success in a remote workplace.
- Conduct and discipline tribunals were held virtually.
- CPA Assist offered online counselling sessions and built a COVID-19 and employer resource section on its website.
- CPA Alberta actively sought new online sponsorship opportunities to promote the CPA brand to key audiences.
- Employer Relations ran its employer roundtables and the Case Writing and Marking Party virtually, enabling more employers and candidates to participate in these popular activities, including employers in rural municipalities.
- Communications grew Capitalize's online presence. The online readership was also enhanced by the announcement of the inaugural class of Capitalize Campus Stars, an award program intended to honour outstanding students on their campus.
- Many signature events were held virtually, including the Annual General Meeting. In cases where hosting a virtual event was not feasible, the organization established alternative forms of recognition and celebration, including in the online space.

Case writing and marking parties were another tool used to support those in CPA PEP as they pursued their designation.





MEET YOUR EMPLOYER

cpaalberta.ca/meetyouremployer

A virtual event for post-secondary students and recent graduates seeking relevant work experience for the CPA Professional Education Program (CPA PEP).

Alberta North (Red Deer and North of Red Deer)

September 9 | 9 a.m. – 12 p.m.

September 10 | 1 p.m. – 4 p.m.

Alberta South (South of Red Deer)

September 9 | 1 p.m. – 4 p.m.

September 10 | 9 a.m. – 12 p.m.

*Business attire recommended



Signature CPA Alberta events, including those like Meet Your Employer targeted at post-secondary students, continued to be held virtually during the fiscal year.

- Recruitment continued to serve the needs of students and keep the CPA profession top-of-mind by holding virtual events, such as the Meet Your Employer career fair and information sessions.
- The organization hosted six offerings to support Alberta CPAs in dealing with the COVID-19 pandemic, including webinars on dealing with financial uncertainty during COVID-19, performing reviews and compilations during COVID-19, and working at home.
- The volunteer Tax Clinic Program continued virtually, and volunteers were able to prepare and e-file more than 1,200 2020 returns for low-income Albertans.
- CPA Alberta supported various local chapters, practitioner groups, and the Community Ambassador groups to implement virtual programs and engage members.
- All professional development learning, career services advising, and webinars were delivered online. Implementation of a new learning management system the year prior provided an automated and seamless experience for learners to access synchronous and asynchronous learning.
- Practical Experience hosted nine live webinars for candidates, allowing them to connect with the profession and gain additional understanding of the practical experience requirements.
- Most practice reviews were performed remotely and all practice reviews met internal and legislative timelines.

2022/23 Outlook

CPA Alberta will focus on three main priorities in 2022/23: transitioning operations to reflect a new, endemic COVID phase; implementing the organization's new strategic plan; and working with the Government of Alberta on changes to our governing legislation.

As the COVID pandemic enters its third year, many jurisdictions across the globe, including Alberta, have begun to ease restrictions and update recommendations designed to protect health. As such, it is anticipated CPA Alberta will reopen its physical offices and return to some in-person activities. However, the last two years have demonstrated the value of alternative methods of working and engaging Alberta CPAs. These learnings will be reflected in the implementation of a hybrid work program for CPA Alberta and a blend of virtual and in-person programming that will reach more CPAs in more communities and smaller communities.

The pandemic was one of the external forces considered in the development of CPA Alberta's new three-year strategic plan. The plan also considered notable strengths and primary risks that will likely impact the profession and the organization over the next three years and beyond.

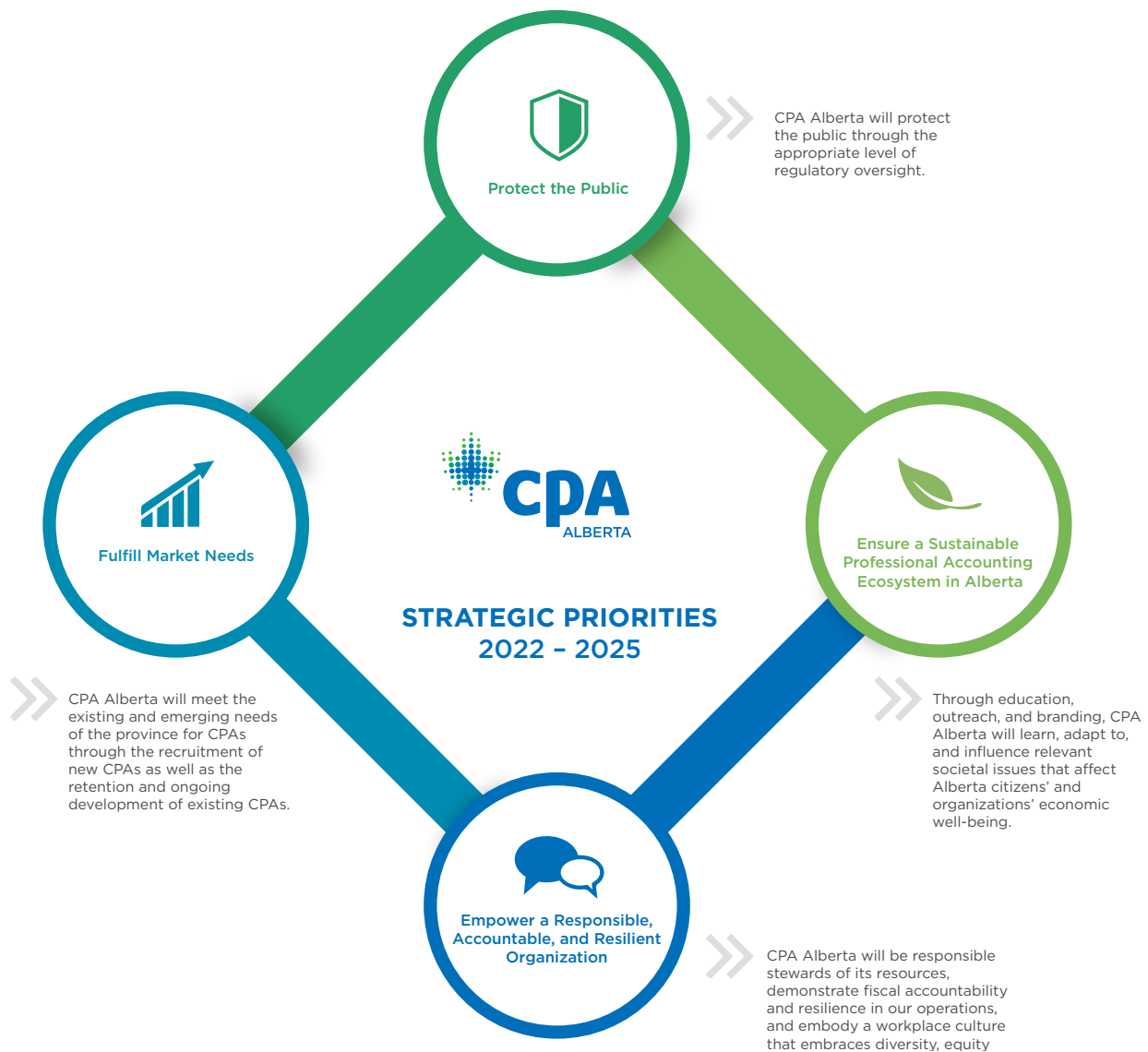
From these starting points, four strategic priorities were developed. They are:

- **Protect the public:** CPA Alberta will protect the public through the appropriate level of regulatory oversight.
- **Ensure a sustainable professional accounting ecosystem in Alberta:** Through education, outreach, and branding, CPA Alberta will learn, adapt to, and influence relevant societal issues that affect Alberta citizens' and organizations' economic well-being.
- **Fulfill market needs:** CPA Alberta will meet the existing and emerging needs of the province for CPAs through the recruitment of new CPAs and the retention and ongoing development of existing CPAs.
- **Empower a responsible, accountable, and resilient organization:** CPA Alberta will be responsible stewards of its resources, demonstrate fiscal accountability and resilience in its operations and embody workplace culture that embraces diversity, equity, and inclusion.

The new strategic plan will guide business planning and operations through the end of 2024/25.

Finally, the organization will collaborate with the Government of Alberta on legislative changes that will combine 22 professional regulatory organizations, including CPA Alberta, under one act. This action is part of the government's initiative to reduce red tape and streamline regulatory processes. The new legislation is anticipated to come into effect in early 2023 and is not expected to have a significant impact on the organization nor individual CPA Alberta registrants.

CPA Alberta Strategic Priorities: 2022-2025





Capitalize is a key recruitment tool, raising awareness of and interest in the profession.



FINANCIAL DISCUSSION

Overview

The second year of the pandemic found CPA Alberta navigating through the year with more stable footing than last year. While in-person events such as Convocations, the annual Elevate Awards Gala, and classroom-based professional learning operations were cancelled for the second year in a row, the organization has adapted to the “new normal” operations.

With restrictions still in place for most of the fiscal year, CPA Alberta saw an opportunity to develop and expand virtual offerings. Conferences and Executive programs resumed virtually, and additional online programs were offered. Virtual offerings also meant wider member audience reach, which was evident in the increase in professional development program revenues.

While the fiscal year planned a balanced budget, the actual financial results reported a surplus of \$478K. This resulted primarily from a reduction in costs from the cancellation of in-person events.

The investments provided a source of revenue when aggregating the investment income, realized and unrealized gains and losses. The comparisons of CPA Alberta’s results year over year will be discussed in further detail in this financial discussion, along with the provision of a financial outlook for the 2021/22 fiscal year.

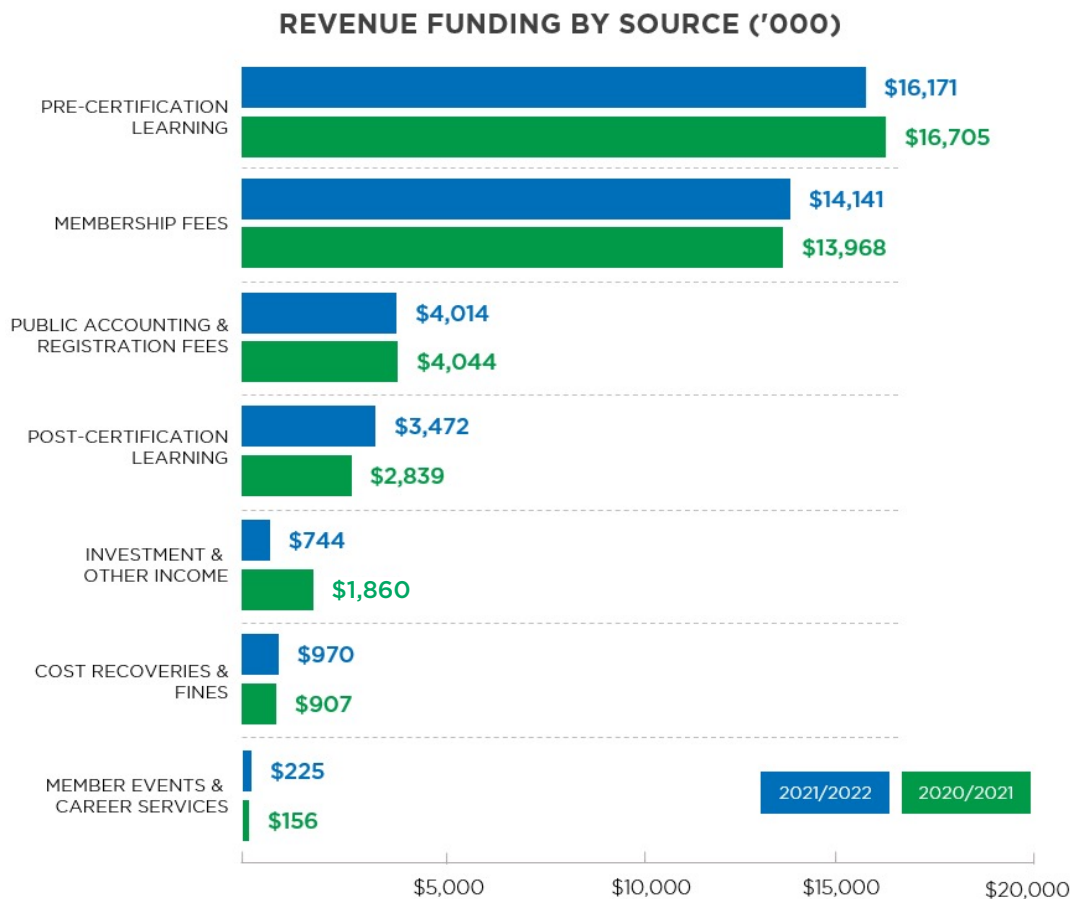
Financial Results

CPA Alberta reported a surplus of \$478K compared to a surplus in the prior year of \$4.44M, for an overall decrease of \$3.96M. This was predominantly driven by an increase in expenses. The primary contributors to the changes in revenue and expenses will be discussed in more details.

Financial Results ('000)	2021/22	2020/21	Increase/ (Decrease)
Revenue	\$39,737	\$40,480	(\$743)
Expenses	39,259	36,040	(3,219)
Total	\$478	\$4,440	(\$3,962)

Revenue

CPA Alberta is funded through various sources of revenue, so the organization can fulfill its mandate under the CPA Act. These revenues support the various activities and programs provided by CPA Alberta and allow the profession to self-regulate.



Total revenues of \$39.7M lagged behind the prior year revenue of \$40.4M by \$0.7M. The decline in the investment markets (\$917K) is offset by gains made in Post-certification learning, resulting from higher number of virtual offerings compared to prior year.

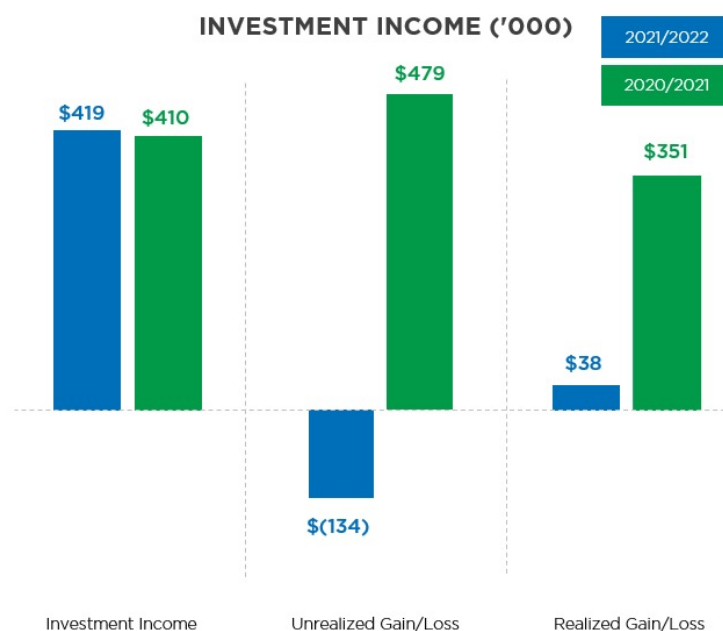
Investments and Other Income

Investments and other income reported revenues of \$744K, for a decrease of \$1.1M over the prior year.

Investment & Other Income ('000)	2021/22	2020/21	Difference
Investment Income	\$323	\$1,239	(\$916)
Shared Programs & Other Income	421	621	(200)
Total Investment & Other Income ('000)	\$744	\$1,860	(\$1,116)

- *Investment income* decline is primarily due to market downturn this year.

The management of the funds is governed by the Investment Policy Statement (IPS) approved by the Board of Directors in June 2020. The IPS has been designed to generate income and long-term capital growth. The IPS is reviewed by the Audit and Risk Committee on a regular basis.



- *Shared Programs and Other Income* includes revenue recovered through shared national or provincial programs such as CPA Assist and the national education program. These amounts vary by fiscal year depending on the nature of the shared programs and service agreements with the provincial bodies or CPA Canada.

The national shared education program surplus is expected to be used for future enhancements of the education program in the next two fiscal years.

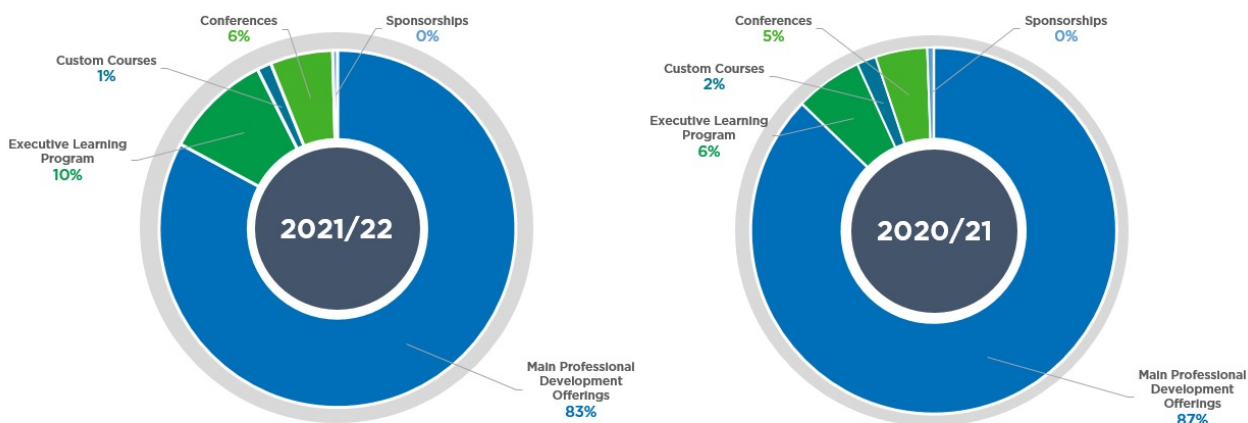
Member Products, Services, and Events

The COVID-19 pandemic continued to affect the post-certification learning, member events, and career services areas due to restrictions on in-person events. While historically CPA Alberta in-person offerings have been very popular, the inability to offer these sessions negatively influenced revenues in the member events, executive, and conference areas. However, in fiscal 2022, this was offset as online offerings for the main program were successful. A further outcome of the pandemic was an increase in the number of members seeking employment or a change, leading to the increase in the utilization of the organization's career services resources.

Member Products, Services, and Events	2021/22	2020/21	Difference
Post-Certification Learning	\$3,472	\$2,839	\$633
Member Events and Career Services	225	156	69
Total	\$3,697	\$2,995	\$702

- *Post-certification learning* encompasses a comprehensive program of professional development programs, conferences, and custom courses. With the continuation of restrictions, the professional development team built its program with a focus on mostly online offerings with some in-person plans and ample flexibility to respond as necessary. Even with softer demand for Executive and Conferences, revenues increased by \$702K from the prior year.

POST-CERTIFICATION LEARNING
REVENUE BY PROGRAM ('000)

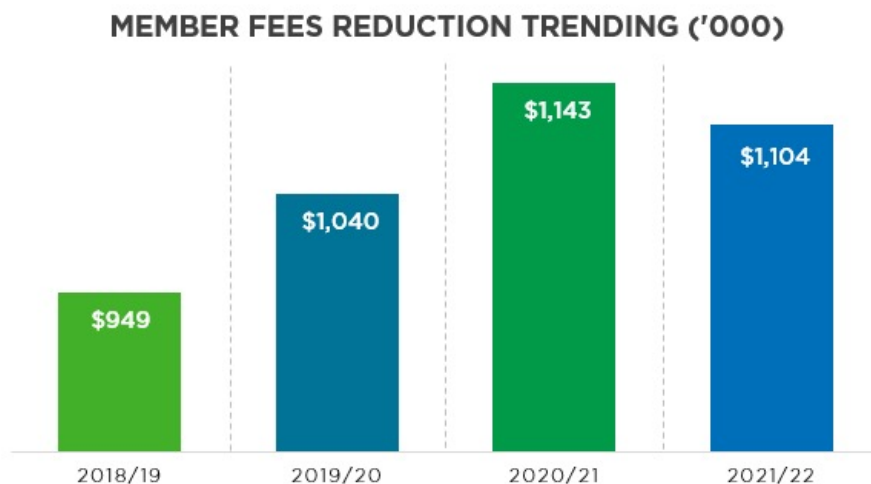


- *Member Events and Career Services.* This fiscal year once again saw the cancellation of large events like the annual Convocation, Elevate Awards Gala, and member recognition events, leading to significant declines in revenues for a second year. Given the significance of these events for the new members, cancelled Convocations were deferred to the spring of fiscal 2022-23. Meanwhile, career services saw an increase in member utilization, with revenues doubling last year and exceeding pre-pandemic sales levels.

Membership Fees

Member fees were relatively comparable to the prior year, showing slightly better results than the fiscal 2021.

Through the CPA Alberta fee reduction program, Alberta CPAs can apply for a fee reduction provided certain criteria are met. The objective of the program is to support members that are not active in the accounting profession or have reduced income for a variety of reasons. The economic downturn in Alberta over the past number of years has increased the use of this program. Fee waiver applications continue to remain above historical levels, though a lower number of applications were received compared to the prior year.



Although it is inevitable that some Alberta CPAs were negatively impacted by the pandemic, overall, Alberta CPAs fared well as an essential service whose work was able to transition to a remote work environment. CPA Alberta will continue to offer fee reductions and fee deferral programs for CPAs that are experiencing financial hardship.

Pre-certification Education – 2021/22 saw a slower intake of new registrations in the Professional Education Program. Management is monitoring this trend. As a result of COVID-19 and the uncertainty around it, candidates may have opted to defer registering. It is expected that this is a temporary shift downwards and enrollment will recover post-pandemic.

Expenses

Expenses have increased, as several initiatives and/or activities that were put on hold as the organization navigate through the pandemic, were restarted.

Expenses ('000)	2021/22	2020/21	Increase/ (Decrease)
Pre-certification learning	\$14,430	\$13,629	\$801
Administration	11,360	10,902	458
Regulatory	6,031	5,424	607
Member services	4,710	4,032	678
Communications and recruitment	2,728	2,053	675
Total	\$39,259	\$36,040	\$3,219

Pre-Certification learning – these expenses are for the delivery of the Professional Education Program (PEP) and Preparatory Programs (PREP). The program is delivered on behalf of the western provinces by the CPA Western School of Business (“CPAWSB”) through an operating agreement effected on April 1, 2019. This year’s increase primarily relates to higher PEP program expenses in response to the additional CFE exam held in May 2021.

Administration – primarily consisting of costs to operate the Calgary and Edmonton locations, support services, governance, and the costs of amortization. Increased focus on cybersecurity monitoring as well as expanding data centers to accommodate the member management system were primary factors of the increase this year.

Regulatory – these expenses remained relatively comparable to the prior year and are required to fulfill CPA Alberta’s mandate under the CPA Act. Costs include Practice Review, Practical Experience, Conduct and Discipline, and Member/Corporate Registrations. There is a general trend in the conduct-related cases being more contested and lengthier, therefore incurring higher legal costs.

Member services – the increase in virtual offerings resulted in higher delivery costs in comparison to prior year. While in-person offerings are still limited, the ability to deliver online programs have expanded the number of offerings and the ability to reach wider member audiences.

Communications and recruitment – recruitment efforts continue to support and engage with prospective members interested in pursuing the CPA designation. There was an increased spending on sponsorships this year to support post-secondary institutions’ capital projects and publications to promote brand awareness.

Human Capital

CPA Alberta prides itself on high service standards and support to its members. This high level of support continued throughout the pandemic to assist members with:

- navigating the changes in professional development offerings and the move to a virtual environment,
- applying for fee reductions or deferrals, for those experiencing financial hardship
- providing career advisory services and additional supports,
- registering as new members or assisting prospective members,
- renewing their personal or corporate registrations, and
- many other services as described throughout the annual report.

Accordingly, as a service organization, salaries and benefits continue to be CPA Alberta's most significant expense. CPA Alberta completes a market assessment every two years to ensure compensation and benefits remain comparable to similar organizations.

CPA Alberta has optimized staffing levels while ensuring a high performing and effective team by strategically positioning itself as an employer of choice. CPA Alberta offers a competitive salary and benefits program compared to similar not-for-profit and public service entities. To ensure employees remain competent and engaged, CPA Alberta invests in a corporate training program to develop the skills and competencies required in the various roles and job families, and an internal Leadership Development program designed to assess, evaluate, and develop specific leadership skills and competencies.

Employees are recognized for meeting strategic objectives through a performance management program that measures success towards goals and contribution to the workplace. In addition, CPA Alberta has a number of other initiatives within its rewards program, including peer-to-peer recognition and long-term service awards. CPA Alberta also supports team building and social responsibility through its volunteer social committee, which provides events to employees throughout the year. The social committee was instrumental in continuing to make CPA Alberta a great place to work by offering virtual events to the team regularly throughout the pandemic. CPA Alberta employees also pride themselves in giving back to the community and this year focused their donations to support local food banks.

While the hiring suspension was lifted during the fiscal 2021-22, staffing levels continue to remain at approximately 120-130 full-time equivalents over the past five years.

Financial Stewardship

System and Processes

CPA Alberta maintains a high-quality system of accounting and administrative controls that is consistent with reasonable cost. The system is designed to provide reasonable assurance that the financial information is reliable and accurate, and the assets are appropriately accounted for and adequately safeguarded. CPA Alberta is confident that there are no deficiencies that would impair its ability to provide reliable, timely disclosure or affect its ability to execute its strategic plan.

Non-Financial Resources

CPA Alberta relies heavily on experienced volunteers and employees to enable it to carry out its mandate. The organization has an experienced team of directors, managers, staff and volunteers that can be redeployed to meet changing market needs and support the organization in implementing its strategies.

Capital Resources ('000)

At March 31, 2022, CPA Alberta had a cash balance of \$9,009, compared to \$5,211 at March 31, 2021. The increase is primarily from cash inflow in March 2022 from member fees for the upcoming 2022/23 billing year and higher payment received during 2021-22 year for student revenue from 2020/21 year.

Long Term Investments ('000)

Long-term Investments include fixed income securities and common shares based on the asset allocation in the Investment Policy Statement ("IPS"). The IPS and investment advisor performance is reviewed annually by the Audit and Risk Committee. The objective of the IPS is to focus on wealth preservation and some long term growth to retain the real (inflation adjusted) value of the portfolio. The risk profile of the portfolio is low- to moderate-risk. The long-term investments balance at March 31, 2022 was \$8,133, compared to \$8,227 in the prior year. Investments were discussed in more detail earlier in the financial discussion.

Tangible and Intangible Capital Assets ('000)

At March 31, 2022, CPA Alberta held tangible capital assets with a net book value of \$4,150, compared to \$4,947 in the prior year. The decrease was due to the depreciation and amortization on the assets. Included in Intangible Assets are phase II of the development costs for the new member management system as well as a new practice review system that commenced during the year. Both projects are expected to be completed in fiscal 2022-23.

Capital Assets ('000)	2021/22	2020/21
Tangible	\$4,150	\$4,947
Intangible	\$4,376	\$3,540

Working Capital ('000)

The working capital position at March 31, 2022, which is defined as current assets minus current liabilities, is \$4,181, which remains comparable to prior year levels at \$4,256. The organization believes that the current cash position and anticipated cash flows from operations is sufficient to meet future working capital and capital expenditure requirements, while closely monitoring the inflation's impact to the organization's operations.

Net Assets ('000)

CPA Alberta has a Net Assets Policy in place to ensure sufficient net assets are available to respond to adverse business conditions and to mitigate revenue and expense fluctuations year to year.

The Board has restricted a portion of Net Assets for capital assets, wellness programs for members, future development of the CPA Education program, implementation of technical upgrades and to to cover cost fluctuations from regulatory areas.

- CPA Assist Fund supports mental health initiatives for members.
- Education Fund supports a high quality, relevant learning environment for students and candidates, as well as serves to respond to significant fluctuations in revenue and expenses relating to program enrollment.
- Applications and Technology Fund was internally restricted to support the future development, and implementation of technological upgrades by ensuring adequate funds are available for development of large customizations and staying current with technological changes, as well as to ensure mature cybersecurity measures are in place.
- Regulatory fund supports the complexity of the regulatory processes and any related unforeseen costs which fluctuate annually.

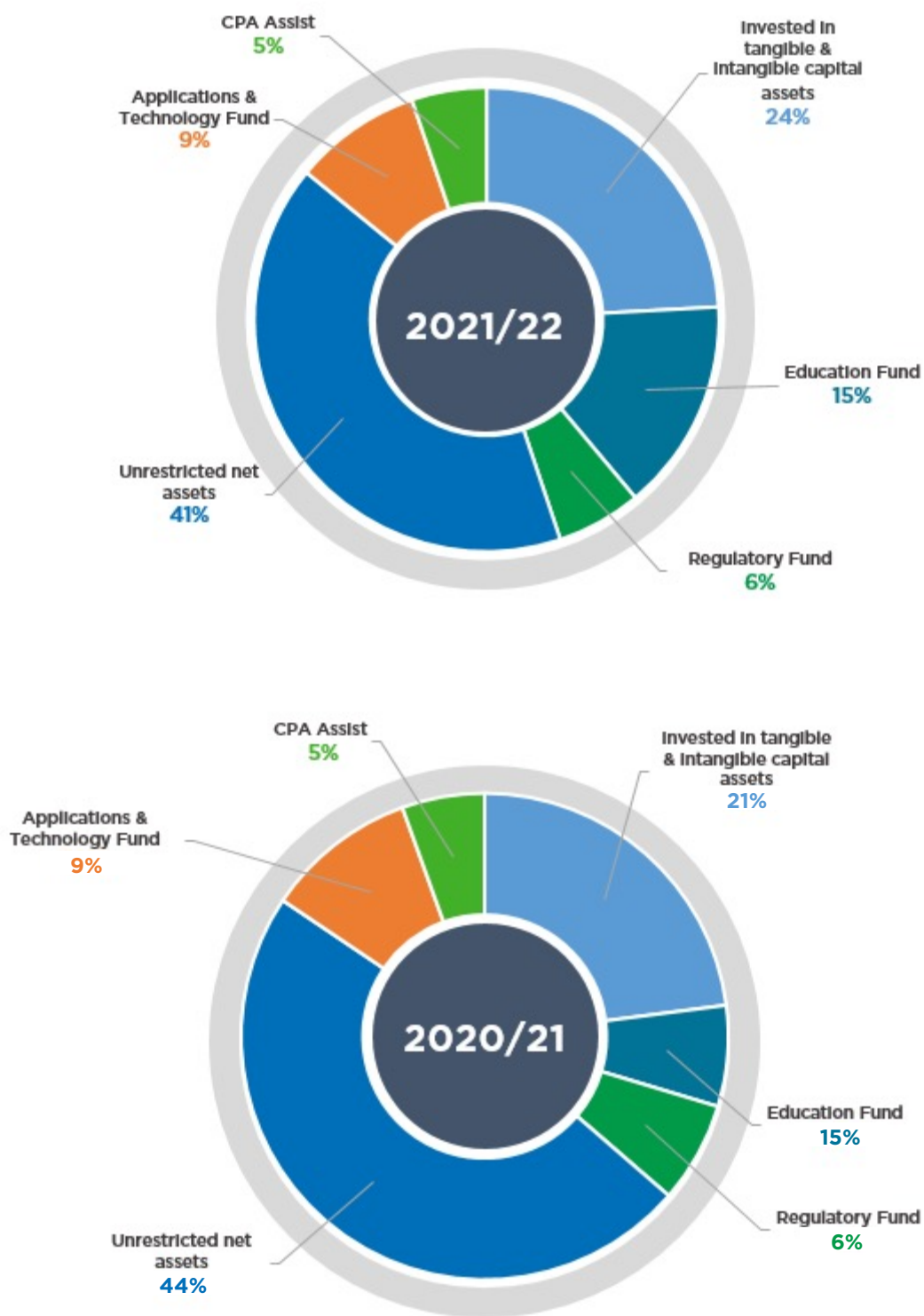
See the graphs on next page for more details on the distribution of net assets.

Risks and Opportunities

CPA Alberta has several control systems in place to mitigate risk and to ensure resources are optimized.

Financial Close

Financial close software streamlines the month and year end financial close and minimizes manual tasks. The system improves transparency across the entire finance team and will continue to improve the financial close process with future enhancements.



Procurement and Contract Management

The procurement and contracts management program ensures that procurement activities of the organization are transparent and value is optimized. Through vendor negotiations and formal requests for proposals, CPA Alberta has realized cost savings and improvements in service and value. Contracts management has also improved transparency through implementation of a central contracts library with automated workflows. CPA Alberta implemented a requisition and purchase order system to reduce risk, increase transparency, and improve workflow. In addition to process improvement for procurement optimization, the system supports related processes such as vendor onboarding and financial forecasting.

Internal Controls

CPA Alberta has a formal program established to enhance and protect organizational value through fraud risk assessment and risk-based and objective assurance, advice, and insight, building on the existing enterprise risk management program. CPA Alberta continues to enhance and protect the organization from risks through the review of processes and new systems. As part of the process, a detailed entity-level control and fraud risk assessment have been completed. Efforts are currently focused on cybersecurity in identifying risks and ensuring adequate controls are in place. Further to this, compliance monitoring processes are currently in development.

Project Management

The Project Management Office (PMO) oversees significant projects at CPA Alberta and reports to Senior Leadership. The PMO provides project management training and makes available change and project management tools to assist employees in managing projects of all sizes.

Enterprise Risk Management

An Enterprise Risk Management Program (ERMP) based on the ISO: 31000 standard is in place to identify, assess, treat, and report on strategic and operational risks. In CPA Alberta's governance structure, the Audit & Risk Committee, on behalf of the Board, has the responsibility for oversight of risk management. This responsibility includes reviewing guidelines and policies to understand the process by which risk management is handled and to obtain assurance on the adequacy and effectiveness of risk management.

CPA Alberta monitors several strategic risks, including ensuring:

- CPA Alberta and the profession maintains its positive and strong reputation,
- CPA Alberta fulfills its mandate and will continue in its self-regulatory role,
- Members are competent and continue to be respected by the public for professional accounting and advisory services and high ethical standards,
- Members continue to see value in CPA Alberta's services and its ability to self-regulate,
- CPA Alberta continues to understand the unique Alberta Landscape and the impact on its members,

- Disruptive forces to the organization and its members are monitored and addressed where necessary,
- Member private information is secured through increased cybersecurity programs and continual monitoring and awareness of the cyber environment, and
- The organization's assets are safeguarded and its long-term viability is secure.

Looking Ahead

CPA Alberta's 2022/23 corporate business plan outlines the goals and strategies for the organization, guided by the new 2022-2025 three-year strategic plan.

A detailed budget was prepared in support of the 2022/23 plan and the Board's strategic priority to empower a responsible, accountable, and resilient organization.

2022/23 is an unusual budget cycle. With all health restrictions lifted, it has been assumed that CPA Alberta's in-person events will fully resume this year. As a result, there are several one-time expenditures and increased costs from deferred events (deferred from prior years) due to pandemic restrictions (these deferred costs resulted in a surplus in both the 2020/21 and 2021/22 years). Management anticipates a balanced budget for its core operations, with a deficit to utilize prior year surpluses to fund these additional costs.

It is worth noting that the record-high inflation (in April 2022, Canada's inflation rate spiked to 6.7%, its biggest jump since 1991) will add cost pressure to CPA Alberta this upcoming year. CPA Alberta maintains a healthy net asset position that is in line with its Net Asset Policy. This healthy net asset position will help the organization to continue to withstand potential adverse business conditions.

CPA Alberta strives to operate as efficiently as possible, while ensuring adequate funds are available to meet its mandate, provide services of value to members, and secure the long-term viability of the profession. For the 2022/23 year, Provincial fees will increase by \$20 (primarily resulting from inflationary pressures in the prior and current year), and National member fees will remain the same.

Looking ahead, although there is still uncertainty, there is much optimism with a return to activities at pre-pandemic levels. The organization will continue to navigate the uncertainties, while looking for opportunities and utilizing the learning from the pandemic to streamline its processes and enhance its products and services.

Post-certification learning opportunities such as these help Alberta CPAs maintain their competence and ability to serve Albertans



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
ALBERTA

MEMBER ENGAGEMENT TOUR

JUMPSTART JUMPSTART

CULTIVATING A
FUTURE-READY MINDSET

Making the Numbers Come Alive

Storytelling for Accountants

February 14 and 15
9:00 AM - 12:30 PM

Virtual Seminar

Quality Management

Overview of CSQM 1 and 2 for
Providers of Assurance Services
New Standards

February 17
9:00 AM - 12:30 PM

Virtual Seminar



FINANCIAL STATEMENTS

For the year ended March 31, 2022

FINANCIAL STATEMENTS

Management's Responsibilities for Financial Reporting

The accompanying financial statements of the Chartered Professional Accountants of Alberta ("CPA Alberta") and all the information in this annual report are the responsibility of management.

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate under the circumstances to ensure that the financial statements are presented fairly in all material respects. Management has prepared the financial information presented elsewhere in the Annual Report and has ensured that it is consistent with that in the financial statements.

CPA Alberta maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that CPA Alberta's assets are appropriately accounted for and adequately safeguarded.

The CPA Alberta Board of Directors (the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for the financial statements. The Board carries out this responsibility principally through its Audit and Risk Committee (the "Committee").

The Committee, which is comprised of certain board members, reviews the financial statements and other information contained in the annual report and recommends them to the Board for approval. The Committee meets with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issues, to satisfy itself that each party is discharging its responsibilities properly, and to review the financial statements, and the external auditor's report. The Committee also recommends the appointment of the external auditor, which is appointed by the members at the Annual General Meeting.

The financial statements have been audited by Grant Thornton LLP, in accordance with Canadian generally accepted auditing standards, on behalf of the members. Grant Thornton LLP has full and free access to the Committee.

Rachel Miller FCPA, FCA
Chief Executive Officer
June 16, 2022

Min Yao, CPA, CMA
Chief Financial Officer

Independent Auditor's Report

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To the Members of the
Chartered Professional Accountants of Alberta

Opinion

We have audited the financial statements of the Chartered Professional Accountants of Alberta (the "Organization"), which comprise of the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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 Chartered Professional Accountants of Alberta as at March 31, 2022, and 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

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

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

Independent Auditor's Report (Continued)

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

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

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (Continued)

- 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 Organization'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 Organization 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.

Calgary, Canada
June 16, 2022

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

Chartered Professional Accountants of Alberta

Statement of Financial Position

As at March 31, 2022

	2022	2021
Assets		
Current Assets		
Cash	\$ 9,008,998	\$ 5,211,337
Accounts receivable (Notes 6-7)	8,675,522	10,658,019
Prepaid expense	374,733	425,317
Deposits	215,926	145,622
	<u>18,275,179</u>	<u>16,440,295</u>
Non-Current Assets		
Long term investments (Note 3)	8,133,428	8,226,702
Tangible capital assets (net) (Note 4)	4,150,096	4,947,313
Intangible capital assets (net) (Note 4)	4,375,936	3,539,827
	<u>16,659,460</u>	<u>16,713,842</u>
	\$ 34,934,639	\$ 33,154,137
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 6, 8-10)	\$ 4,225,583	\$ 3,153,736
Deferred revenue (Note 6b)	9,868,459	9,030,830
	<u>14,094,042</u>	<u>12,184,566</u>
Non-Current Liabilities		
Deferred lease incentives (Note 9)	3,948,426	4,555,347
	<u>3,948,426</u>	<u>4,555,347</u>
	18,042,468	16,739,913
Net Assets		
Invested in tangible and intangible capital assets	4,076,842	3,422,336
Internally restricted (Note 11)		
Regulatory Fund	1,000,000	1,000,000
CPA Assist	879,878	819,200
Education Fund (Note 12)	2,500,000	2,500,000
Application and Technology Fund (Note 13)	1,500,000	1,500,000
Unrestricted net assets	6,935,451	7,172,688
	<u>16,892,171</u>	<u>16,414,224</u>
	\$ 34,934,639	\$ 33,154,137

Commitments (Note 5)

Approved on behalf of the CPA Alberta Board

Damian Zapisocky, CPA, CA
Board Chair

Rachel Miller, FCPA, FCA
Chief Executive Officer

Chartered Professional Accountants of Alberta

Statement of Operations

For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
Revenues		
Pre-certification learning (Note 6)	\$ 16,171,471	\$ 16,705,449
Membership fees	14,140,538	13,968,084
Public accounting and registration fees	4,014,044	4,044,052
Post-certification learning (Note 6)	3,471,688	2,839,297
Cost recoveries and fines (Note 6)	969,857	907,429
Member events and career services (Note 6)	225,284	155,629
Investment and other income (Notes 3, 6)	744,284	1,859,997
	<u>39,737,166</u>	<u>40,479,937</u>
Expenses		
Pre-certification learning (Note 6)	14,429,964	13,628,946
Administration (Note 4)	11,360,016	10,902,221
Regulatory	6,030,836	5,424,397
Member services	4,709,928	4,031,599
Communications and recruitment	2,728,475	2,052,958
	<u>39,259,219</u>	<u>36,040,121</u>
Excess of revenues over expenses	<u><u>\$ 477,947</u></u>	<u><u>\$ 4,439,816</u></u>

Chartered Professional Accountants of Alberta

Statement of Changes in Net Assets For the year ended March 31, 2022

	Invested in tangible and intangible capital assets	Internally restricted	Unrestricted	2022	2021
Balance, beginning of year	\$ 3,422,336	\$ 5,819,200	\$ 7,172,688	\$16,414,224	\$11,974,408
(Deficiency) excess of revenue over expenses	(807,371)	60,678	1,224,640	477,947	4,439,816
Purchase of capital assets, net of disposals	1,461,877	-	(1,461,877)	-	-
Balance, end of year	\$ 4,076,842	\$ 5,879,878	\$ 6,935,451	\$16,892,171	\$16,414,224

Internally restricted fund comprises of:

	Regulatory Fund	CPA Assist	Education Fund	Technology and Application Fund	2022	2021
Balance, beginning of year	\$ 1,000,000	\$ 819,200	\$ 2,500,000	\$ 1,500,000	\$ 5,819,200	\$2,697,439
Excess of revenue over expenses	-	60,678	-	-	60,678	121,761
Inter-fund transfer (Notes 12, 13)	-	-	-	-	-	3,000,000
Balance, end of year	\$ 1,000,000	\$ 879,878	\$ 2,500,000	\$ 1,500,000	\$ 5,879,878	\$5,819,200

Chartered Professional Accountants of Alberta

Statement of Cash Flows

For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
<i>Operating</i>		
Excess of revenue over expenses	\$ 477,947	\$ 4,439,816
Non-cash adjustments:		
Amortization of tangible and intangible capital assets	1,422,921	1,408,486
Amortization of deferred lease incentives	(615,615)	(339,799)
Loss on disposal of capital assets	65	4,076
Unrealized loss (gain) on investments	133,493	(478,539)
Realized gain on investments	(37,964)	(350,974)
	1,380,847	4,683,066
Changes in non-cash working capital accounts (Note 14)	3,880,946	(2,128,070)
	5,261,793	2,554,996
<i>Investing</i>		
Purchase of capital assets	(1,461,877)	(793,330)
Purchase of investments	(861,484)	(2,511,432)
Proceeds on sale of investments	859,229	2,176,126
	(1,464,132)	(1,128,636)
Increase in cash	3,797,661	1,426,360
Cash, beginning of year	5,211,337	3,784,977
Cash, end of year	\$ 9,008,998	\$ 5,211,337

Chartered Professional Accountants of Alberta

Notes to Financial Statements

For the year ended March 31, 2022

1 Incorporation and nature of operations

The Chartered Professional Accountants of Alberta ("CPA Alberta") is a professional regulatory organization established by the Chartered Professional Accountants Act ("the Act"), and the purpose of CPA Alberta is to protect the interest of the public, protect the integrity of the profession, promote and increase the competence of registrants, and regulate the conduct of registrants.

As a not-for-profit organization under the Income Tax Act (Canada), CPA Alberta is not subject to income taxes.

2 Significant accounting policies

The financial statements of CPA Alberta ("financial statements") have been prepared in accordance with Part III of the CPA Canada Handbook, Canadian Accounting Standards for Not-for-Profit Organizations ("Part III"). Significant accounting policies are described below:

Cash

Cash includes bank balances and cash held in a high-interest savings account.

Measurement uncertainty

The preparation of financial statements in conformity with Part III 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 revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of the tangible and intangible capital assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

Revenue recognition

CPA Alberta follows the deferral method of accounting. Revenue is recognized when evidence of an arrangement exists, the service has been rendered, the price is determinable, and collection is reasonably assured, as follows:

- Membership, public accounting, and registration fees are recognized as revenue in the year to which they relate. Fees received in advance of the membership year to which they relate are recorded as deferred revenue. Included in public accounting and registration fees are practice review fees that are recognized when practice review services are performed;
- Pre-certification learning fees and post-certification learning fees are recognized as revenue in the year to which they relate or when the courses are presented;
- Member events and career services registration fees, sponsorships and other related income are recognized when the event is held;

- Cost recoveries and fines resulting from hearings and appeals are recognized when decisions are made while operating cost recoveries from related parties are recognized when services are performed;
- Investment income is recognized as it is earned over the term of investment; and
- Other income is recognized as it is earned.

Tangible and Intangible assets

Capital assets (when a single asset, or multiple assets grouped together as appropriate, meets the capital asset criteria) are initially recorded at cost. Subsequently, they are recorded at cost less accumulated amortization and any provision for impairment. The cost of capital assets made up of significant separable component parts is allocated to the component part when practicable and when estimates can be made of the estimated useful lives of the separate components.

Amortization is calculated using the straight-line method over their estimated useful lives as follows:

	Rate
Furniture	5 to 10 years
Office equipment	5 years
Computer software and hardware	3 years
Leasehold improvements	Lease term
Artworks	Indefinite
Intangible capital assets	10 years

The expenditures incurred on internally generated intangible assets during the development phase of the new member management system and practice review systems are capitalized as intangible assets.

When conditions indicate a capital asset is impaired, the carrying value of the capital asset is written down to the asset's fair value or replacement cost. The write down of the capital asset is recorded as an expense in the statement of operations. A write down shall not be reversed.

Contributed materials and services

Contributed materials and services are recorded at fair value when the amount can reasonably be determined and would have been purchased by CPA Alberta if not contributed. Due to the difficulty of determining their fair value, volunteer services are not recognized in the financial statements. There were no contributed materials and services recorded for the years ended March 31, 2022 and March 31, 2021.

Deferred lease incentives

Lease incentives received, including rent-free periods and tenant inducements for leasehold improvements, are recognized on a straight-line basis over the term of the lease as a reduction in rental expense reported under administration expenses.

Notes to Financial Statements

Financial instruments

CPA Alberta initially measures financial assets and financial liabilities at their fair value. CPA Alberta subsequently measures its financial assets and financial liabilities, other than investments, at amortized cost. The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. Investments are recorded at fair value.

With respect to financial assets measured at cost or amortized cost, CPA Alberta recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of operations in the period the reversal occurs.

3 Investments

Long-term investments consist of fixed income securities, preferred shares, and common shares that can be readily liquidated. The distribution of the long-term investments, and change in market value, are as follows:

	March 31, 2022		March 31, 2021	
	Fair Value	Cost	Fair Value	Cost
Fixed income	\$ 4,468,564	\$ 4,696,237	\$ 4,594,785	\$ 4,500,498
Canadian equity	1,659,052	1,271,574	1,497,988	1,312,527
International equity	2,005,812	1,823,517	2,133,929	1,938,084
	<u>\$ 8,133,428</u>	<u>\$ 7,791,328</u>	<u>\$ 8,226,702</u>	<u>\$ 7,751,109</u>

The aggregated fair value of the long-term investments balance includes an unrealized gain of \$342,100 (2021 – \$475,593). In fiscal 2022, a realized gain of \$37,964 (2021 – \$350,974) and an unrealized loss of \$133,493 (2021 – unrealized gain of \$478,539) are included in investment and other income. Annual interest rates on fixed income investments range from approximately 1.55% to 7.53% per annum, and mature at various dates from September 2022 to May 2048. (In 2021, the annual interest rates on bonds ranged from 1.57% to 7.53% per annum, and maturity dates ranged from June 2021 to November 2080).

For the year ended March 31, 2022, cash earned interest aggregating \$59,459 (2021 – \$36,973) and long-term investments earned interest aggregating \$359,060 (2021 – \$373,384). Annual interest rates on cash in 2022 ranged from 0.05% to 0.78% per annum (2021 – 0.20% to 0.55% per annum).

Notes to Financial Statements

4 Capital assets

	March 31, 2022			March 31, 2021
	Cost	Accumulated amortization	Net book value	Net book value
Furniture	\$ 2,080,231	\$ 1,309,160	\$ 771,071	\$ 935,516
Office equipment	791,283	715,525	75,758	82,541
Computer software and hardware	6,003,872	5,704,497	299,375	425,549
Leasehold improvements	6,260,069	3,283,317	2,976,752	3,476,567
Artworks	27,140	-	27,140	27,140
Tangible capital assets	\$ 15,162,595	\$ 11,012,499	\$ 4,150,096	\$ 4,947,313
Intangible capital assets	4,945,891	569,955	4,375,936	3,539,827
	<u>\$ 20,108,486</u>	<u>\$ 11,582,454</u>	<u>\$ 8,526,032</u>	<u>\$ 8,487,140</u>

Intangible assets of \$1,526,056 (2021 - \$347,964) in development have not been amortized. This mainly consists of the phase 2 implementation of the new member management system software and practice review systems.

Amortization amounted to \$1,422,921 for the year ended March 31, 2022 (2021 - \$1,408,486), and is included in administration expenses. CPA Alberta disposed of certain assets for a loss of \$65 reported in investment and other income (2021 - \$4,076).

During fiscal 2021, management concluded that there was a change in the estimated useful life of an intangible asset with a cost of \$415,876 from 10 years to 3 years due to the expected future use of this asset. Accordingly, an adjustment to accumulated amortization and amortization of tangible and intangible assets aggregating \$202,163 was reflected in the prior year balance.

5 Commitments

Contractual obligations

CPA Alberta has various leases for office space which expire between December 2022 and February 2032. The future minimum cash lease payments (exclusive of occupancy charges) for the year ending March 31 are as follows:

2023	\$ 1,394,427
2024	1,167,593
2025	1,204,628
2026	1,204,628
2027	944,530
Thereafter	3,111,790
	<u>\$ 9,027,596</u>

Notes to Financial Statements

Pledge Commitments

Effective March 31, 2022, CPA Alberta entered into arrangements with the Governors of the University of Calgary and the Governors of the University of Alberta to support various projects until November 2030, subject to the fulfilment of obligations detailed in the respective agreements, which will provide CPA Alberta a number of sponsorship and recognition opportunities. The future commitment amounts for the year ending March 31 are as follows:

2023	\$ 194,500
2024	194,500
2025	194,500
2026	194,500
2027	194,500
Thereafter	777,500
	<u>\$ 1,750,000</u>

6 Related Party Transactions

(a) CPA Education Foundation

CPA Education Foundation ("the Foundation") is the charitable arm of the CPA profession in Alberta with the mandate to strengthen the future of the accounting profession, through partnerships, by supporting business education and students, and the incubation of innovative ideas. It is a public foundation registered under the Income Tax Act (Canada) and is incorporated under the ***Societies Act of Alberta***, and as such is exempt from income taxes.

The Foundation is related to CPA Alberta through common management as its Executive Director is also the Chief Executive Officer ("CEO") of CPA Alberta. The CPA Alberta Board establishes the level of contributions to the Foundation by way of a component of fees assessed to members.

For the year ended March 31, 2022, CPA Alberta contributed \$1,721,648 (2021 - \$1,707,266) towards the Foundation's general revenue. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year ended March 31, 2022, CPA Alberta has recovered \$422,426 (2021 - \$406,394) for operating costs incurred on behalf of the Foundation and are included in cost recovery and fines. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts due from the Foundation at March 31, 2022 totaled \$16,436 (2021 - \$32,840), and are included in accounts receivable. Amounts due to the Foundation at March 31, 2022 totaled \$150 (2021 - \$56) and are included in accounts payable and accrued liabilities.

(b) CPA Western School of Business

CPA Western School of Business ("CPAWSB") is responsible for delivering pre-certification education for students in the western provinces and northern territories, in accordance with an agreement signed by the CPA bodies in Alberta, British Columbia, Saskatchewan, and Manitoba, collectively the "western provincial bodies", and CPAWSB effective September 29, 2015. The Board of Directors of the CPAWSB (the "CPAWSB Board") is comprised of the CEOs from the four western provincial bodies.

CPAWSB is a registered charity incorporated under the Canada Not-for-profit Corporations Act, and is not subject to income taxes. In the event of dissolution or winding up of the corporation, all of its remaining assets after payment of liabilities shall be distributed to qualified donees as defined in Section 149.1(1) as amended of the Income Tax Act (Canada), and therefore not available to the western provincial bodies/territories including CPA Alberta. Accordingly, no ownership interest of CPAWSB is reflected in the financial statements. If a provincial body withdraws from the agreement prior to operations ceasing, that body would have no right to any of the assets or other property of CPAWSB.

Effective April 1, 2019, under the operating agreement signed between CPAWSB and the four western provincial bodies, CPAWSB is an independent contractor that delivers education on behalf of each of the western provinces/territories. The revenue collected and incurred by CPAWSB is allocated to each of the four western provinces based on the number of learners in each province. The expenses incurred by CPAWSB are allocated to each of the four western provinces based on the percentage of total student revenues earned by each province.

During the year ended March 31, 2022, CPA Alberta recovered \$344,687 (2021 - \$343,010) for operating costs incurred on behalf of CPAWSB and are included in cost recovery and fines. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Pre-certification learning revenues at March 31, 2022 total \$16,171,471 (2021 - \$16,705,449) while related expenses total \$14,429,964 (2021 - \$13,628,946).

Student fees CPAWSB collected on behalf of CPA Alberta for the billing year 2022/23 at March 31, 2022 total \$5,369,758 (2021 - \$5,858,069) and are included in deferred revenue.

Amounts due from CPAWSB at March 31, 2022 totaled \$7,217,988 (2021 - \$9,042,393), and are included in accounts receivable.

Notes to Financial Statements

(c) CPA Insurance Plans West

CPA Insurance Plans West ("CPAIPW") provides insurance and other benefit programs exclusively to Chartered Professional Accountant firms, individual Chartered Professional Accountants and their dependents in Western Canada.

CPAIPW is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act and is not subject to income taxes. The CPA Alberta Board appoints two persons to serve on the eight person board of CPAIPW.

During the year ended March 31, 2022, CPA Alberta purchased benefit plan services for its employees from CPAIPW costing \$646,840 (2021 - \$573,300) and are included in salaries and benefits expense, which are allocated to four categories of business unit expenses. In addition, CPAIPW purchased advertising from CPA Alberta for \$9,524 (2021 - \$2,835) and provided sponsorships of \$29,250 (2021 - \$77,500). These are included in other income, post-certification learning, and member events and career services revenue, respectively. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts due to CPAIPW at March 31, 2022 totaled \$5,857 (2021 - \$0) and are included in accounts payable.

(d) Chartered Professional Accountants of Canada

CPA Alberta has an agreement with Chartered Professional Accountants of Canada ("CPA Canada") to work together to achieve a common mission and vision, administer their affairs in accordance with agreed principles, and to act in the spirit of utmost faith and trust to best serve the interests of the CPA profession and the public. Provincial bodies which govern Chartered Professional Accountants across Canada, such as CPA Alberta, fund the operations of CPA Canada through sharing national committee costs, marketing expenses, and collecting national member fees on its behalf.

Amounts due from CPA Canada at March 31, 2022 totaled \$319,162 (2021 - \$571,532) and are included in accounts receivable. Amounts due from CPA Canada relate to the recovery of expenses paid on behalf of CPA Canada, sponsorships, and surplus allocation of \$287,639 (2021 - \$521,859) which is included in other income. During the year, CPA Alberta incurred national committee costs of \$424,920 (2021 - \$338,283) and are included in CPA Canada shared committee and brand campaign costs which are allocated to four categories of business unit expenses. Amounts due to CPA Canada at March 31, 2022 totaled \$123,040 (2021 - \$17,775) and are included in accounts payable. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Notes to Financial Statements

7 Accounts receivable

Accounts receivable is net of an allowance for doubtful accounts of \$918,122 (2021 - \$953,667).

8 Member fees and other amounts received in advance

Included in accounts payable are member fees collected in March 2022 for the 2022/23 billing year (Note 6(a) and Note 6(d)). These are amounts owing to CPA Canada of \$1,665,396 (2021 - \$943,675), and to the Foundation of \$305,656 (2021 - \$172,791). Amounts due will be paid within the next fiscal year with no interest charged.

9 Deferred lease incentives

For the year ended March 31, 2022, rent expenses were reduced by \$615,614 (2021 - \$339,799) which represents the amortization of deferred lease incentives.

	March 31, 2022	March 31, 2021
Deferred lease incentive, beginning of year	\$ 5,064,804	\$ 5,404,603
Less: amortization	(615,615)	(339,799)
Deferred lease incentive, end of year	<u>\$ 4,449,189</u>	<u>\$ 5,064,804</u>
Current portion (included in accounts payable)	\$ 500,763	\$ 509,457
Long-term portion	\$ 3,948,426	\$ 4,555,347

10 Government remittances

Government remittances at March 31, 2022 consisted of \$285,754 payable to government authorities (2021 - \$222,969) mainly relating to Goods and Services Tax.

11 Internally restricted net assets

Internally restricted net assets represent amounts the Board of Directors internally restricted for the cost related to:

- support the complexity of the regulatory process and any related unforeseen costs,
- providing CPA Alberta members, candidates and their immediate families assistance in addressing their personal or professional issues through the CPA Assist program,
- future development of the CPA Education program (Note 12), and
- future development of applications and technologies to support CPA Alberta's regulatory mandate (Note 13).

These funds are not available for other purposes without the approval of the Board of Directors.

Notes to Financial Statements

12 Education Fund

The Education Fund is comprised of resources to support investment into the future development of the CPA education program, and to provide a high quality, relevant learning environment to students and candidates. The fund will also serve to respond to significant fluctuations in revenue and expenses based on unforeseen changes in program enrollment. The Board of Directors approved a total contribution of \$2,500,000 into this fund.

13 Applications and Technology Fund

The Applications and Technology Fund is comprised of resources for the future development of applications and implementation of technologies and upgrades to support CPA Alberta's regulatory mandate. This ensures that adequate funds are available for a one or two year development of a large customized application, CPA Alberta stays current with changes in technology, to ensure mature cybersecurity measures are implemented to protect member's private information, and to safeguard CPA Alberta's assets.

In March 2021, the Board of Directors approved the fund to not exceed \$3,000,000 with an initial contribution of \$1,500,000. The CEO has been authorized to withdraw up to \$100,000 per project, for projects that align with the purpose of this fund. All fund activity will be reviewed by the Audit and Risk Committee on a quarterly basis. The fund's status will be reviewed annually during the budget process.

14 Changes in non-cash working capital

	March 31, 2022	March 31, 2021
Change in:		
Accounts receivable	\$ 1,982,497	\$ (1,848,752)
Prepaid expense	50,584	(34,659)
Deposits	(70,304)	(121,294)
Decrease (increase) in current assets	1,962,777	(2,004,705)
Accounts payable and accrued liabilities	1,071,847	(759,340)
Add back: change in current portion of lease incentive	8,693	-
Deferred revenue	837,629	635,975
Increase (decrease) in current liabilities	1,918,169	(123,365)
Changes in non-cash working capital	\$ 3,880,946	\$ (2,128,070)

15 Financial Instruments

CPA Alberta's risk exposures related to its financial instruments are outlined as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. CPA Alberta's main credit risk relates to its cash and accounts receivable.

CPA Alberta mitigates its exposure to credit loss by placing its cash with major financial institutions. Accounts receivable are primarily from CPA Alberta's members, partners and CPA Canada. Management believes CPA Alberta's exposure to credit risk is not significant.

b) Liquidity risk

Liquidity risk is the risk that CPA Alberta will encounter difficulty in meeting obligations associated with financial liabilities. CPA Alberta is exposed to this risk mainly through its accounts payable and accrued liabilities. CPA Alberta mitigates its liquidity risk by monitoring its operating cash flow requirements to ensure it has sufficient funds to meet its obligations.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The investments of CPA Alberta are subject to interest rate risk because changing interest rates impact the market value of the fixed rate investments. Cash held in the bank has cash flow risk due to market interest rates.

d) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. CPA Alberta is exposed to currency risk through its investments in global markets.

e) Other price risk

Other price risk refers to the risk that the fair value of a financial instrument, or the future cash flows associated with the financial instrument, 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. CPA Alberta is exposed to other price risk through its investment in equity securities traded in an active market.

CPA Alberta manages its credit, interest rate and other price risk by restricting investments to a diverse range of corporate preferred shares, common shares and government and corporate fixed income securities with specified ratings and terms as prescribed by CPA Alberta Board resolution.

Notes to Financial Statements

16 Comparative figures

Certain comparative figures in the Statement of Operations have been reclassified to conform to financial presentation adopted for the current year.



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