



CPA ALBERTA  
ANNUAL REPORT

2017

# THE 2016/17 ACHIEVEMENT AWARD RECIPIENTS

See page 21 for more information about the recipients and their awards.



From top to bottom:  
 Randy Garvey *FCPA, FCMA*  
 Brian Hesje *FCPA, FCA*

From top to bottom:  
 David Bryan *FCPA, FCA, CA-CIRP*  
 Gordon Panas *FCPA, FCA*  
 Everett Duerksen *CPA, CA*  
 Sandy Lyons *CPA, CA-CIRP*  
 Matt Calnan *CPA, CMA*  
 Paula Overguard *CPA, CA*

From top to bottom:  
 Stephen Clark *FCPA, FCMA*  
 Debbie Stein *FCPA, FCA*  
 Robyn Eeson *CPA, CA*  
 Dave Minhas *CPA, CA*  
 Ian Follinsbee *CPA, CMA*  
 Natalie Pon *CPA*

From top to bottom:  
 Rob Heron *FCPA, FCA*  
 Angelo Toselli *FCPA, FCA*  
 Charles Evans *CPA, CA*  
 Tammie Belanger *CPA, CA*  
 Kira Gregson *CPA, CA*  
 Taylor Rolheiser *CPA, CA*

From top to bottom:  
 Richard Iwaniuk *FCPA, FCA*  
 David Brunetta *CPA, CMA*  
 Barb King *CPA, CA*  
 Amanda Blair *CPA, CA*  
 Loretta Lieverse *CPA, CA*  
 Nicole Sakaria *CPA, CA*

From top to bottom:  
 Barry Munro *FCPA, FCA*  
 Jason Ding *CPA, CA*  
 Donna Kline *FCPA, FCA*  
 Tyler Brack *CPA, CA*  
 Thomas Lui *CPA, CA*  
 David Bentley *FCPA, FCA*  
 and Janet Bentley

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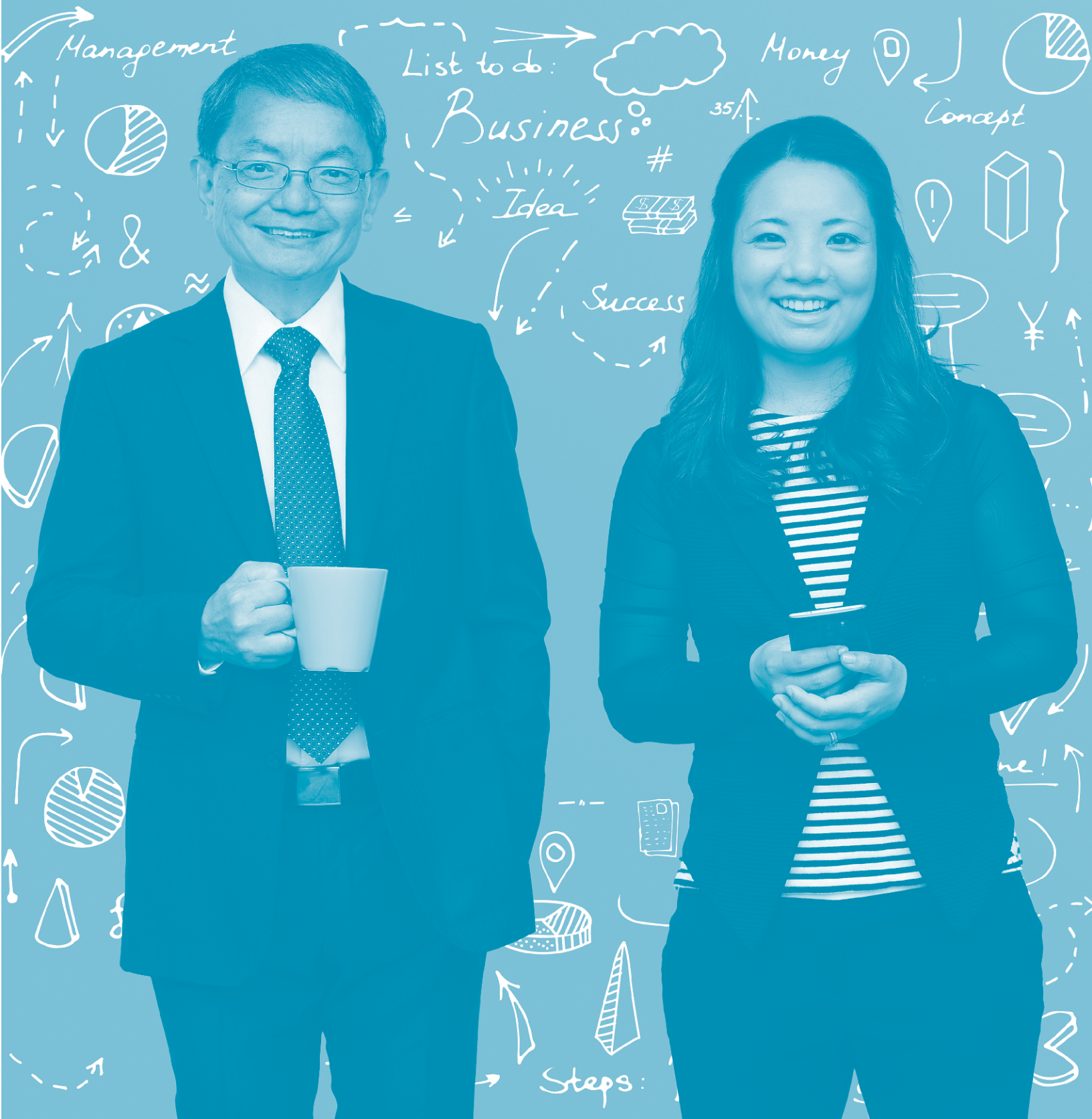
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Becoming a CPA is often an intergenerational trend. Father Tom Gee FCPA, FCA and daughter Melissa Gee CPA, CA were featured in the Fall 2016 issue of CPA Alberta's *Capitalize* magazine as examples of how one generation of accountants inspires the next.



## MESSAGE FROM THE CHAIR



With all the recent technological, economic, political and social changes, our world is rapidly evolving with regards to the way we do business. Chartered Professional Accountants have an important role to play in understanding and navigating these changes. The public relies on CPAs for their expertise and for their guidance: how CPAs interpret the past, understand the landscape of today, and anticipate the advancements of tomorrow makes them essential partners in business.

So how does the CPA Alberta Board ensure that the mission, vision and organizational purpose of CPA Alberta stay true and relevant throughout these ever changing times? How can we ensure that we are protecting the public and supporting Alberta CPAs in the work they do? By using our vision—one that is shared with national and provincial bodies—as unwavering guidance.

In order to be the pre-eminent, internationally recognized Canadian accounting designation and business credential that best protects and serves the public interest, the CPA Alberta Board of Governors endorsed a strategic plan with five key strategic priorities that were the focus and the roadmap for CPA Alberta from 2014-2017.

In 2016/17, CPA Alberta completed its last year of being guided by this three-year strategic plan (discussed in the MD&A section). I am proud to say the Board is confident that CPA Alberta has excelled in the five priority areas identified in the strategic plan that supports this vision.

On behalf of my colleagues on the CPA Alberta Board, I am honoured to present the 2016/17 CPA Alberta Annual Report— a publication that demonstrates CPA Alberta's commitments and activities of the past year. In presenting this report, I note with emphasis that the achievements captured in this report would not have been possible without the support and inspiration the Board received from Alberta's 28,000 Chartered Professional Accountants. We acknowledge with thanks their contributions and commitment to building the profession in Alberta.

**Greg Draper** FCPA, FCGA

Chair

CPA Alberta Board

# CPA ALBERTA BOARD— GOVERNANCE AND STRUCTURE



From left to right:

Damian Zapisocky CPA, CA  
Ruth McHugh FCPA, FCMA  
John Fuller CPA, CA  
Joel Gehman PhD, Public Member  
Greg Draper FCPA, FCGA, Chair  
Curtis Palichuk FCPA, FCA, Vice Chair

Debbie Gorsline FCPA, FCMA  
Rob Quilley FCPA, FCA  
Darrell Jones FCPA, FCMA, 2nd Vice-Chair  
Diane Pettie QC, Public Member  
Jim Dewald PhD, Public Member  
Barth Bradley FCPA, FCA



During 2016/17, the terms of three CPA Alberta Board members expired. These Board members were (from left to right): Tom Sullivan FCPA, FCGA; Len Samletzki FCPA, FCMA; and Pat Bieleny CPA, CA. CPA Alberta thanks these members for their service.

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The CPA Alberta Board consists of members drawn from the legacy CMA, CGA, and CA Boards and Council, with three members elected as part of the first CPA Alberta Board vote in September 2016. The Board also comprises three public members who were named by the Government of Alberta.

The CPA Alberta Board derives its authority from the CPA Act. Section 11 of the Act defines the Board's functions as:

- Governing the business and affairs of CPA Alberta.
- Fulfilling the purposes of the Act, and
- Exercising CPA Alberta's powers in the name of and on behalf of the CPA Alberta.

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

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 these roles and duties, and in accordance with the CPA Alberta Directives, the Board has established five none-statutory committees. These committees and their memberships are as follows:

- **Governance Committee:** Curtis Palichuk FCPA, FCA (Chair); Darrell Jones FCPA, FCMA; Debbie Gorsline FCPA, FCMA; Rob Quilley FCPA, FCA.
- **Audit and Risk Committee:** Barth Bradley FCPA, FCA (Chair); Debbie Gorsline FCPA, FCMA; Rob Quilley FCPA, FCA.
- **Human Resources Committee:** Greg Draper FCPA, FCGA (Chair); Darrell Jones FCPA, FCMA; Curtis Palichuk FCPA, FCA.
- **Bylaws and Rules Committee:** Barth Bradley FCPA, FCA (Chair); Tom Gee FCPA, FCA; Tim Gilchrist CPA, CGA; Jody McKenzie CPA, CA; Ross McNichol CPA, CA; Lorn Stanners CPA, CMA; John Stelter CPA, CA.
- **Premises Planning Committee:** Tom Sullivan FCPA, FCGA (Chair), Len Samletzki FCPA, FCMA.

# 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, 2017, these Committees and Rosters were as follows:

## Committees and Rosters Established under the Chartered Professional Accountants Act

### Complaints Inquiry Committee

Dereka Thibault FCPA, FCA (Chair)  
 Chris Burrows CPA, CA  
 Michelle Cameron CPA, CA  
 Brian Farrell CPA, CA  
 Pam Gill Public Member  
 Morley Hirsch FCPA, FCA  
 Heather Murk CPA, CA  
 Jay Schmidt CPA, CA  
 Randy Yatscoff, Public Member  
 Paul Dytham CPA, CGA  
 Norm Asuchak CPA, CGA  
 Stuart Weatherill, Public Member  
 Adrian Kotke CPA, CGA  
 Alfred Lee CPA, CGA, CA  
 Ron Allen CPA, CMA  
 Glen Arnston CPA, CMA, CA  
 Gordon Thomas CPA, CMA  
 Phyllis Phan CPA, CMA

### Discipline and Appeal Tribunal Roster

Harold M. Kingston FCPA, FCA  
 (Discipline Tribunal Roster Chair)  
 G.J. Daunheimer CPA, CA  
 (Discipline Tribunal Roster Vice-Chair)  
 R. Matthews CPA, CA  
 (Appeal Tribunal Roster Chair)  
 Bev Brennan FCPA, FCA  
 (Appeal Tribunal Roster Vice-Chair)  
 F.F. Abbott FCPA, FCA  
 Shelley J. Abray CPA, CGA  
 Brian E. Alguire CPA, CMA  
 E.B. Allan FCPA, FCA  
 J. Steve Allan FCPA, FCA  
 Doug N. Baker FCPA, FCA  
 Nazaam Baksh CPA, CMA  
 C. Fred Barth FCPA, FCA  
 B.D. Bateman CPA, CA  
 Russell A. Bell CPA, CMA

J.A. Bennis FCPA, FCA  
 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  
 W.D. Burch FCPA, FCA  
 Fred Callaway CPA, CA  
 George W. Campbell CPA, CGA  
 Calvin Carpenter CPA, CA  
 George Chan CPA, CGA  
 Donald W. Chandler FCPA, FCA  
 H. Bruce Childs CPA, CA  
 J.J. Colleaux FCPA, FCA  
 C. Crawford FCPA, FCA, CA•CBV  
 Donald M. Dart CPA, CA  
 Jayprakash Dattani CPA, CGA  
 Joan B. Davies CPA, CGA  
 J.R. Demcoe FCPA, FCA  
 John Den Hoed FCPA, FCMA  
 J. Joseph Doolan FCPA, FCA  
 J. Ian Douglas FCPA, FCA  
 John C. Eadie CPA, CA  
 R.E. Edwards CPA, CA  
 F. Wayne Ellis CPA, CA  
 R. Andy Farvolden FCPA, FCA  
 Gordon Flynn FCPA, FCA  
 A.T. Follinglo CPA, CA, ICD.D  
 A.D. Friesen CPA, CA  
 J.R. Friesen CPA, CA  
 Barry R. Gardniner FCPA, FCA  
 Peter R. Garrett FCPA, FCA  
 Michael Gibbins FCPA, FCA  
 Eldon C. Godfrey FCPA, FCA  
 Tim O. Gore-Hickman CPA, CA  
 W.D. Grace FCPA, FCA  
 David D. Guebert CPA, CA

Robert H. Hahn CPA, CA  
 D. Harvey Hall CPA, CA  
 Grant E. Hanna CPA, CMA  
 Greg P. Hirtle CPA, CA  
 D.A. Hoffmann FCPA, FCA  
 C. Alan Holt FCPA, FCA  
 Richard Iwaniuk FCPA, FCA  
 W.R. Jacobson FCPA, FCA  
 C.A. Janz CPA, CA  
 L.O. Johannesen CPA, CA  
 J.B. Jorgensen CPA, CA  
 J.L. Kavanagh CA, CPA (IL, USA)  
 Gary R. Keen FCPA, FCMA  
 Leo R. Kelly FCPA, FCA, CA•IFA  
 Sandra King FCPA, FCGA  
 Ian R.W. Kinnell FCPA, FCA  
 Kasey K.C. Kozicky CPA, CA  
 Kam Laraway CPA, CGA  
 George A. Leblanc CPA, CGA  
 Murray R. Lindsay FCPA, FCMA  
 Darla J. Lutness FCPA, FCGA  
 Michael Mannas FCPA, FCGA  
 I.E.W. McConnan FCPA, FCA  
 Daniel McKinley FCPA, FCA  
 W.J. McNaughton CPA, CA  
 Heather R. Mechalski FCPA, FCGA  
 Ursula M. Mergny FCPA, FCMA  
 Sean R.J. Monaghan CPA, CMA  
 Al Mondor FCPA, FCA  
 William J. Nield FCPA, FCA  
 Tom Orsyuk CPA, CA  
 John M. Partridge CPA, CA  
 Garry M. Paulson CPA, CA  
 R.D. Penner FCPA, FCA  
 Stella M. Penner FCPA, FCGA, CA  
 K.D. Porter FCPA, FCA  
 G.F. Quinlan CPA, CA  
 E.N. Rahal CPA, CA  
 N.B. Ramsay CPA, CA



## Committees and Rosters Established under the CPA Act (continued)

S. Romanovsky FCPA, FCA  
 Jayda Rosenthal CPA, CA  
 Allan D. Schroeder CPA, CA  
 M.D. Shabada CPA, CA  
 H. Arnold Sherman CPA, CA  
 Don E. Sieben FCPA, FCA  
 O.J. Silzer CPA, CA  
 Fred R.N. Snell FCPA, FCA  
 W. Dale Somerville CPA, CA  
 W.G. Stephen FCPA, FCA  
 J.D.A. Struck FCPA, FCA  
 Z.P. Talavia CPA, CA  
 D.A. Tien FCPA, FCA  
 K. Tober CPA, CA  
 M.G. Troke CPA, CA  
 P.F. Turner CPA, CA  
 Barry J. Walker FCPA, FCA  
 W.E. Whitford CPA, CA  
 Michael A. Williams FCPA, FCA

### Public Member Roster

*(The Lieutenant Governor in Council appointed the following persons as public members, each for a three-year term expiring on June 30, 2018)*

Alistair Anderson  
 James (Jim) Bailey, I.S.P  
 Rick Balbi  
 Michael Baron  
 Laurie Bowes, QC  
 Glen Buick  
 Geoff Chow  
 Leo Flaman, P.Eng., FEC  
 Douglas Fletcher  
 Bill Forbes  
 Pam Gill  
 Nancy Hack  
 Dolores Herman  
 John A (Tony) Howard  
 Velma Hubbard  
 William L. Kaufmann  
 Robert Kuling  
 Ken Levins  
 Barry Massing

Jim McCartney  
 Ronald McIntosh, P. Geol  
 Sharon McMullan-Baron  
 James Miles, Q.C.  
 Frank Nieboer  
 Lynn Patrick  
 Thomas Pickard  
 William Redmond  
 Don Sibbald  
 B.A.R. (Quincy) Smith, Q.C.  
 Bruce Symons  
 Douglas Taylor, P. Ag.  
 John Voorhorst  
 Philip Wazonek  
 Patricia Wheadon  
 Randall Yatscoff, PhD

### Practice Review Committee

Kim Wallin CPA, CA (Chair)  
 Mark J. DeBlois CPA, CA  
 Phoebe Elliot CPA, CA  
 Ken Hankinson CPA, CMA  
 Brenda Hill CPA, CGA  
 Christopher Jurkschat CPA, CA  
 Douglas Kroetsch CPA, CA  
 Meghan McConnan CPA, CA  
 Debbie Ooms CPA, CA  
 Paige Shaw CPA, CA  
 Paul Spiller (Public Representative)  
 James Trites CPA, CA  
 Ian Woodman CPA, CGA

### Registration Committee

Jason Mutschler CPA, CA (Chair)  
 Kurtis Ashton CPA, CA  
 Faye K. Brown CPA, CA  
 Jennifer Garg CPA, CA  
 Kendra Gowdy CPA, CGA  
 Rob Harding CPA, CMA  
 Al-Karim Moloo CPA, CMA  
 Jim E Smith P.Eng, FEC, ICD.D  
 Geeta Tucker FCPA, FCMA  
 Robert Vandervelde CPA, CGA

## Other Committees Established by the Board

### CPA Alberta Awards Review Committee

Donald W. Chandler FCPA, FCA (Chair)  
 J. Steve Allan FCPA, FCA  
 Nazz Baksh CPA, CMA  
 Todd Robert Cook, CPA, CA  
 Jim Downie FCPA, FCMA  
 Benedict Dy CPA, CGA  
 David Inhaber FCPA, FCGA  
 Colette Anne Miller FCPA, FCA  
 David Niebach CPA, CGA  
 Jason Schwab FCPA, FCMA  
 Fred Robert Neal Snell FCPA, FCA  
 Mark Woltersdorf FCPA, FCA, CGA, CMA  
 Joe Gagliardi FCPA, FCMA (Ex-officio)

### CPA Alberta Awards Nomination Committee

Joe Gagliardi FCPA, FCMA (Chair)  
 Murray Bandura FCPA, FCGA  
 Alex G. Beis CPA, CA  
 Lance David Bick CPA, CA  
 Dennis Bourgeault CPA, CA  
 Robert Harrison CPA, CGA  
 Raymond Hawrelak CPA, CA  
 David Kastelic CPA, CMA  
 Esther Irene Link FCPA, FCMA  
 Terrance Stein FCPA, FCMA  
 Bruce Richard Thurston FCPA, FCMA  
 Sonya Christina Von Heyking CPA, CA•CIA

## MESSAGE FROM THE CEO



It's hard to imagine any year being more monumental for the accounting profession in Alberta than 2015/16, when proclamation of the Chartered Professional Accountants Act took place. This was the official beginning of CPA Alberta, but CPA Alberta and the CPA profession had been in the making for many years. In 2016/17, the writing of history continued, with new achievements for the profession and CPA Alberta—achievements that, in their own way, will be equally as significant to the evolution of the profession.

While reflecting back on 2016/17, and all the accomplishments that have been made, I've realized that we are concluding a transitional and important period of time for the profession—the final year of operation under CPA Alberta's inaugural strategic plan. That plan focused on completing the process of unification, building the framework for a truly unified regulatory body, and getting the “nuts and bolts” firmly in place so that the organization could fulfill its mandate under its new governing legislation and associated documents.

Over the last year, CPA Alberta has laid down a strong foundation for the organization and has embraced and built a new identity for the CPA profession and CPA Alberta. A large part of CPA Alberta's identity is directed at fulfilling our legislated mandate of: protecting the interest of the public; protecting the integrity of the profession; promoting and increasing the competency of registrants; and regulating the conduct of registrants.

We've found more efficiencies and opportunities to advance our organization and the services we provide to our members and the public. We worked hard to generate pride in the profession, and enhance the value of the CPA designation. Whether delivering relevant, cost-effective professional development, discovering innovative ways to provide member services and meet ever-changing needs, or identifying opportunities to enhance our relationships with stakeholders, we were seeking to distinguish ourselves and the CPA brand in all that we do.

We're excited to build off of this momentum as we look forward to our new five-year strategic plan starting in 2017/18. I would like to thank our high-performing CPA Alberta Board, our dedicated volunteer members across Alberta, and our devoted employees for their significant contributions during the past year.

**Rachel Miller FCPA, FCA**

Chief Executive Officer

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

In 2016/17, CPA Alberta concluded the last year of the 2014-2017 strategic plan, which outlined a consistent focus on five strategic priority areas endorsed by the CPA Alberta Board of Governors.

1. **CPA ALBERTA CULTURE**
2. **REGULATORY EXCELLENCE**
3. **EDUCATION (PRE AND POST DESIGNATION)**
4. **MEMBER RELEVANCE**
5. **OPERATIONAL EXCELLENCE**

CPA Alberta made significant progress in these areas and this Management's Discussion and Analysis (MD & A) will convey the key highlights and achievements from the 2016/17 fiscal year. We also anticipate what lies ahead of us in 2017/18 via a section that summarizes our outlook, as we begin the first year of our new five-year strategic plan.

The MD & A is an overall review of CPA Alberta's performance—how we upheld our mandate of protecting the public interest and how we created value for our over 28,000 members—and it should be considered in conjunction with our audited financial statements.



## 1

## 2014-2017 CPA ALBERTA STRATEGIC PLAN: ACHIEVEMENTS IN 2016/17

### STRATEGIC PRIORITY: CPA ALBERTA CULTURE

CPA Alberta is dedicated to developing and supporting a constructive and forward looking culture that embraces our operating principles—trust, excellence, respect, professionalism, integrity, accountability, and inspirational leadership.

#### Our Team

A significant achievement this year that contributed to enhancing organizational culture was moving Calgary employees from two separate offices to the one new location in the Barclay Centre in October 2016. A lease for a new Edmonton office was negotiated to provide employees and visitors with a space that provides a similar experience as the Calgary office and accommodate operational needs. Edmonton employees relocated to the new space in TD Tower in May 2017. Both new spaces offer a contemporary environment that is designed for optimal functionality and organizational performance. Further, the spaces reflect the CPA brand, the nature of our work, and our core values, with flexibility to take the organization into the future.

To bring together our Edmonton and Calgary staff, two all-staff meetings were held in Red Deer in 2016/17, with the focus of building rapport, communicating important developments, and soliciting feedback on various initiatives. To keep our staff connected on a more frequent basis, CPA Alberta also published monthly internal staff newsletters that contain important information and organizational updates.

In early 2017, CPA Alberta created an Innovation and Digital Strategy department that is responsible for working collaboratively with internal business units to discover opportunities to innovate current practices and processes. The department shares

industry best practices, recommends new technology solutions, and facilitates the adoption and implementation of new technology. This department plays a lead role in fostering a culture of innovation within CPA Alberta, which aligns with the “forward-looking culture” set out in the strategic plan.

Collaboration with our national and provincial counterparts is also important to the culture of CPA Alberta. In 2016/17, the entire CPA Alberta organization continued building its close relationship with national and regional partners—specifically with CPA Canada, which coordinates matters for the profession nationally and represents the Canadian accounting profession internationally.

One key group whose responsibility is to ensure that each of the provincial CPA bodies is well represented nationally on a variety of matters affecting the profession is the Council of Chief Executives (CCE). Effective January 1, 2017 CPA Alberta CEO Rachel Miller assumed the position of Chair of the CCE. In addition to that role, Rachel remained on the national Public Trust Committee. Additionally, CPA Alberta is pleased to be represented by other staff and approximately 100 volunteers on other national boards, committees, working groups and task forces. The work at CPA Canada could not be accomplished without the dedication of these staff and volunteers, and they bring a unique Alberta perspective to the table to ensure the voice of Alberta CPAs is heard.

Twice a year, CPA Alberta staff from Calgary and Edmonton gather in Red Deer for a day of professional development. Pictured at right: staff enjoy some networking time in Red Deer.



The CPA Life department at CPA Alberta has also been working more closely with CPA Canada and its Financial Literacy Program to develop strategies that engage and support the 450 Alberta CPAs who volunteered to support the spread of financial literacy to young Albertans. We also provided continuing support to this Community Ambassador group of volunteers to assist with their mission of connecting CPAs, particularly those early in their professional careers, to not-for-profit organizations in communities across Alberta.

### Our Community

It was also important to continue communicating the CPA brand value to our key stakeholders, including the Alberta business community and government. Throughout 2016/17, CPA Alberta sponsored 20 prominent business-focused events in order to increase awareness of the CPA profession. These events reached thousands of Alberta business leaders. Key sponsorships include the Alberta Chambers of Commerce Business Award of Distinction, the Edmonton Chamber's Premier's State of the Province address, and the Calgary Chamber's Conversation with the Prime Minister event.

CPA Alberta was pleased to host the Honourable Christina Gray, Alberta's Minister of Labour and Minister Responsible for Democratic Renewal, at the 2016 Achievement Awards Gala and the 2017 Convocation Dinner and Dance. This interaction with the minister responsible for CPA Alberta was just one part of the work CPA Alberta did in the past year to build an effective relationship with the provincial government, one of our most important stakeholder groups.



In 2016/17, CPA Alberta was proud to sponsor the Alberta Chambers of Commerce's Small Business Award of Distinction. Above, Rachel Miller, CEO, presents the 2017 award to representatives of ViewTrak Technologies Inc.



CPA Alberta also sponsored the Alberta Chambers of Commerce's annual Political Action Day and MLA Dinner. At the dinner, CPA Alberta guests had the opportunity to chat with Alberta's Deputy Premier Sarah Hoffman. Pictured above (left to right): Kelsey Bell, CPA Campus Ambassador from Concordia University; Deputy Premier Hoffman; Harley Russell, CPA Campus Ambassador from NAIT; and Rachel Miller, CEO.

## 2

## 2014-2017 CPA ALBERTA STRATEGIC PLAN

### STRATEGIC PRIORITY: REGULATORY EXCELLENCE

CPA Alberta is committed to successfully maintaining its enabling legislation and regulatory oversight that protects the interests of Albertans and enhances the CPA brand. It is a strategic priority that emphasizes the fundamental role we have in upholding the high standards of the profession.

#### Governing Documents and CPA Alberta Board Vote

The Chartered Professional Accountants Act describes CPA Alberta's role in protecting the public and enforcing rigorous criteria to safeguard the CPA profession and all it represents. In accordance with transitional provisions of the Chartered Professional Accountants Act (CPA Act) and the Bylaws, CPA Alberta held its first election and regulatory vote. The results of this vote were announced by the Chief Scrutineer at the Annual General Meeting on September 22, 2016. The 2015/16 annual report, which had been tabled at the Alberta Legislature on August 22, in accordance with the CPA Act, was also presented to members at the Annual General Meeting.

#### Practice Review

CPA Alberta's Practice Review program plays an essential role in protecting the public by assessing firms' compliance with professional standards, by taking appropriate follow-up or remedial action in instances of non-compliance, and by providing one-on-one education to firms. In 2016/17, Practice Review completed a record-setting number of 518 reviews and ensured that 100 per cent of follow-up reviews were completed within 12 months of the Non-Comply decision (on average within 10 months). Reviews were completed using the CPA National Harmonized Approach. The department implemented a new Practice Review Committee process for assessing low risk reports, which increased efficiency in Practice Review Committee meetings.

#### Practice Reviews conducted by CPA Alberta

	2016/17	2015/16
Comply	483	401
Non-comply	35	43
<b>Total Reviews Assessed</b>	<b>518</b>	<b>444</b>

## Registrations

Another way CPA Alberta provides regulatory oversight is through its Registrations department and committee. The department strives to maintain accurate, timely information on all registrants (including members, professional accounting firms, professional services providers, and professional corporations), as well as provides informative, sound responses to inquirers who have questions or concerns with regards to any registration entity or registration matter. Registrations also oversees the reporting and subsequent audit of members' Continuing Professional Development. Moreover, the department has undertaken a pre-registration assessment process for Professional Accounting Firm registration, which ensures members are competent to practice public accounting prior to approval of firm registration.

### Number of registrants

	As of March 31, 2017	As of March 31, 2016
Member	28,569	28,178
Candidates	4,584	4,582
Professional Accounting Firms	1,599	1,575
Professional Corporations	2,816	2,765
Professional Service Providers	29	29
<b>TOTAL REGISTRANTS</b>	<b>37,597</b>	<b>37,129</b>

### Number of applicants

	Between April 1, 2016 and March 31, 2017	Between April 1, 2015 and March 31, 2016
Member	1,179	1,764
Candidates	1,216	1,903
Professional Accounting Firms	103	67
Professional Corporations	194	147
Professional Service Providers	4	3

## Conduct and Discipline

As trusted advisors to the public, registrants are accountable for and manage critical, confidential financial information. Any complaints about Alberta CPAs are managed by CPA Alberta's Conduct and Discipline area, including the complaints inquiry process and other matters involving the Complaints Inquiry Committee (CIC). The Conduct and Discipline area is mandated with ensuring Discipline Tribunal and Appeal Tribunal hearings are conducted according to the requirements contained in the CPA Act.

### Complaints

	Fiscal 2016/17	Fiscal 2015/16
Received	72	107
Referred to the complaint resolution process (s. 71)	0	0
Dismissed	73	44
Referred to Discipline Tribunal Roster Chair for a hearing	23*	26
Referred back to the Complaints Inquiry Committee from Appeal	0	3
	Fiscal 2016/17	Fiscal 2015/16
Members temporarily suspended during a disciplinary process (s.107)	3	1
Monitoring files - Self-reported Bankruptcy or Insolvency (Rule 601)	5	2

\*Decisions from the March 30, 2017 meeting of the Complaints Inquiry Committee had not been ratified or referred to the Discipline Tribunal Roster Chair by the year end date. The decisions which required ratification by the Committee are not reflected in the Hearing statistics due to this administrative process.

## Hearings

	Fiscal 2016/17	Fiscal 2015/16
<b>DISCIPLINE TRIBUNALS</b>		
Referred to Discipline Tribunal Roster Chair for hearing	17*	25
Directly to Hearing	0	1
Rescinded	0	2
Completed Hearings:		
Resolved through a Sanction Agreement	11	6
Findings of Unprofessional Conduct	9	11
No Finding of Unprofessional Conduct	4	0
Stayed	3	0

	Fiscal 2016/17	Fiscal 2015/16
<b>CLOSED HEARINGS</b>		
Hearings closed to the public		
Closed in whole	0	0
Closed in part	1	0
<b>APPEAL TRIBUNALS</b>		
Appealed from Discipline Tribunal decision	2	2

Completed Appeal Hearings:		
Confirmed decision of Discipline Tribunal	1	1
Discipline Tribunal's decision varied	1	1
Referral back to CIC	0	0
Referral to Discipline Tribunal Roster Chair for hearing	0	0

<b>Appeal of Dismissal of Complaints Inquiry Committee</b>	10	4
Completed Appeal Hearings:		
Confirmed decisions of the Complaints Inquiry Committee	6	4
Reversed the dismissal and referred the matter to a hearing	1	3
Appeal withdrawn	2	0

<b>Appeal of CPA Alberta decision to the Court of Appeal</b>	1	2
Appeal Restored by Court of Appeal	1	0
Completed Appeal Hearings:		
Appeal Dismissed	2	1
Appeal Struck	0	2



## 3

**2014-2017 CPA ALBERTA STRATEGIC PLAN****STRATEGIC PRIORITY: EDUCATION (PRE AND POST DESIGNATION)**

In 2016/17, CPA Alberta was focused on completing the transition of pre-certification education programs to the CPA Western School of Business, and on ensuring the supply of relevant Continuing Professional Development for its members.

**Professional Education Programs**

With all pre-certification education programs now resting with the CPA Western School of Business, CPA Alberta was focused on continuing its partnership with the School in order to recruit students into the program, ensure seamless delivery, and support other mandates.

In 2016/17, the School delivered the profession's two primary education programs: the Professional Education Program (PEP), through which CPA candidates study the education modules required to earn the CPA designation; and the Preparatory Education Program, which offers the prerequisites for PEP.

The CPA Canada Advanced Certificate in Accounting and Finance was offered for the second year. This certificate program provides a career option for accounting diploma holders and others who wish to have careers in accounting but choose not to pursue the CPA designation. It also is designed to provide the marketplace with well-trained accounting technicians who meet a national standard of education and competency.

**Attracting New Members to the Profession**

Even though the responsibility for pre-designation education lies with the CPA Western School of Business, CPA Alberta has the responsibility of informing prospective CPAs about the benefits of pursuing the designation, and attracting new people to the profession in order to ensure an adequate supply of CPAs for the future.

In 2016/17, the Business Development team at CPA Alberta was busy providing information about the CPA designation to a variety of interested audiences, including post-secondary students, the post-secondary academic community, employers, high school students, internationally educated and trained individuals, and Albertans currently in the workforce. Career fairs, information sessions, sponsorships, Capitalize magazine and CPA Alberta hosted events are the main ways that the team connected with its stakeholders over the last year.

Event turnout at CPA Alberta recruitment events in 2016/17 was at an all-time high, demonstrating a keen interest in the designation. Along with the highest turnout at events, our CPA members also

Every year, CPA Alberta creates many opportunities for post-secondary students to connect with Alberta CPAs to learn more about careers in the profession. At left: students listen to a CPA panel discussion at one of three annual Get Connected events. At right: students and CPAs come together to demonstrate their bowling prowess at CPA Alberta's Bowl-a-Rama networking night. Both events are made possible through funding from the CPA Education Foundation.



Lunch with the Pros is another networking event held annually by CPA Alberta for those interested in careers in accounting. At right: participants at Lunch with the Pros listen to a presentation about what it's like to be a CPA.



came out in full force this year. A few hundred CPAs assisted by attending sponsorships and events over the last year, such as the volunteers who joined us for networking at the CPA Bowl-a-Rama events; the panelists who spoke at Get Connected, which introduces prospective candidates to the profession; judges for various post-secondary case competitions; and the keynote speakers who presented at Lunch with the Pros, events, designed to provide information on a CPA career to those currently in the workforce.

The exposure of the CPA designation and the profession of accounting equated to the Business Development team attending or hosting over 285 events, and making over 10,200 impressions on future CPAs across the various markets. Several key student events were supported by funding from the CPA Education Foundation. CPA Alberta thanks the Foundation and its donors for their support.

To ensure that there were enough positions for CPA Candidates seeking employment to meet the CPA Practical Experience Requirements (PER), the Practice Experience department at CPA Alberta worked diligently to create 18 new Pre-approved Programs Providers with a focus on industry employers in 2016/17.

### Practical Experience

The Practical Experience team also spearheaded the development of two new documents that will enhance the consistency of practical experience assessments. One document is focused on standardizing the interpretation of competencies for experience reviewers and the other outlines our expectations for candidates on the experience assessment process. Both have been approved by the Interprovincial Practical Experience Committee and are being used nationally.

In 2017, the Practical Experience team began attending the Professional Education Program Core Module 1 Orientation for new candidates. The team was able to reach approximately 300 candidates in Edmonton and Calgary through presentations on Practical Experience and an informal Q&A period.

### Continuing Professional Development for CPAs

With regard to continuing education for CPAs, CPA Alberta was focused on ensuring the supply of relevant Continuing Professional Development, through the organization's Professional Development department. During 2016/17, the Professional Development team continued to provide high quality seminars for Alberta CPAs and other customers in over 25 subject areas. Ten of these subject areas focused on technical topics and 15 covered enabling competencies, such as communication, leadership, and other professional and personal skills development. The department also offered 17 customized training sessions with ten different companies.

In 2016/17, CPA Alberta introduced a complete online catalogue that was more accessible, decreased the cost of producing the catalogue, and allowed more flexibility to add more seminar topics throughout the year. Being able to add and offer new seminars throughout the year in a more flexible manner allowed the Professional Development department to identify new relevant topics that were important to members. The ability to adapt offerings on a timelier basis will increase the competence of our members, and as a result, further protect the public.

# 4

## 2014-2017 CPA ALBERTA STRATEGIC PLAN

### STRATEGIC PRIORITY: MEMBER RELEVANCE

Another strategic priority for CPA Alberta was to develop and deliver meaningful products, services and events that are sought after and valued by members, and build membership engagement.

In 2016/17, CPA Alberta undertook a major survey of members to better understand their needs, provide relevant services and resources, and increase engagement. Four separate surveys were sent to randomly-selected members, focused on the following topics: satisfaction and engagement of Alberta CPAs with CPA Alberta, communication preferences and satisfaction, professional development opportunities through CPA Alberta, and awareness and value of career and professional services and resources available. The results of the surveys will help shape the way CPA Alberta meets its mandate in the future.

The CPA Life business unit continued to offer valuable products and services to members with the intention of enhancing their experiences and skills throughout their professional lives. These offerings deepen CPA Alberta's relevance with members and provide unique opportunities for members to access their professional body and its resources in dynamic, productive ways.

#### Chapter Activities

CPA chapters are volunteer member-driven, non-controlled entities that help grow the engagement of members with the profession. There are four chapters in Alberta.

In 2016/17, CPA Alberta actively supported chapter and practitioner groups across Alberta and provided assistance in promoting and enhancing various events and activities (including networking opportunities, informative meetings, luncheons and other social gatherings).

#### Volunteer Tax Clinics

In 2016/17, CPA Alberta's Volunteer Tax Clinic program completed a record-breaking 4,000 personal tax returns for low income Albertans. This was achieved through the efforts of 525 Alberta volunteers and 136 community-based organizations.

#### Mentorship/Connector Program

The CPA Life team continued to offer its post-designation Mentorship and Connector Programs. The Mentorship program offered two streams – one for career development (designed for CPAs, candidates and students to reach their career goals), and one for foreign-trained professionals (designed to help them establish their careers in Alberta).

The Connector program introduced individuals who were seeking information and interested in building their professional network to well-connected and local CPAs. Participation in all of the programs continued to be high, with 405 individuals attending Connector Program events in 2016/17. The Connector Program offered several new networking events throughout the year, assisting participants in developing their networking skills and establishing networks with other members in the profession.

#### Member Newsletters and Emails

Dividends magazine, which is circulated to our membership three times a year, is a high-quality, informative publication that explores the issues Alberta CPAs currently face. It also provides another way for CPA Alberta to communicate and engage with our members, and keep them up-to-date with important happenings in the profession and the services and resources we offer. Daily Dividends, an online news source, provides a more constant, timely, up-to-the-minute showcase of articles and news affecting the profession. Daily Dividends alerts, which direct members to its website, are emailed to members twice a month.

#### Professional and Career Services

CPA Alberta is committed to helping Alberta CPAs and CPA candidates excel and therefore offers extensive professional and career services support. Whether individuals were looking for professional or volunteer opportunities, or interested in brushing up on their networking or personal branding skills, they were able to find an offering that supplied them with information and resources. Over 890 members and candidates attended 54 career services events in 2016/17 (brown bag lunches, workshops, live webinars, rapid resume reviews, and mock interview reviews).

Addressing the current economic downturn through proactive outreach, CPA Alberta developed and offered workshops to assist Alberta CPAs in career transitions, including sessions on the hidden job market, networking, job search, and the state of the current job market. The Brown Bag Lunch Seminar Series and Mock Interview Program, alongside the many other career resources provided by CPA Alberta, appealed to those who were trying to navigate changes in their professional world, particularly due to the uncertain economic outlook.

Five professional and career services webinars were developed and delivered this year in order to broaden the reach to those residing in areas of Alberta outside of major centres. Two webinars were conducted for the volunteer tax clinic program, as well as mentorship training webinars for the foreign-trained professional mentorship program. The collective webinars received over 1,000 views, including over 500 views for the Resume Writing for Accountants webinar alone.

CPA Alberta's Job Board, found on the organization's website, saw an average monthly rate of 6,300 visitors conducting over 24,600 job searches over the year.

### Member Advisory

Professional advisory services continued to be one of the most popular and used resources by our members. Many calls per month are received from members seeking guidance on a wide variety of issues, including technical questions on the application of accounting and assurance standards, practice management issues, career transition considerations, and client management issues.

### CPA Assist

Throughout 2016/17, CPA Assist continued to provide confidential, 24/7 help to Alberta's CPAs, candidates, and their immediate families to address issues of mental health, addictive behaviours, substance abuse and other personal and professional issues. CPA Assist worked with 127 clients and provided 379 hours of counselling and support. Specific initiatives helped build awareness of mental health issues and the services provided by CPA Assist. These initiatives included the sponsorship of CPA Family Day, the Speaker Series events showcased during Elevate Week, and a partnership with the Faculty of Law, Alberta Lawyers' Assistance Society to host Olympian Clara Hughes for a keynote address.

### Member Events

The first annual celebration, Elevate 2016: Celebrating Progress and Achievement, took place in 2016/17. Over the 10 days, CPA Alberta hosted 15 events with over 3100 attendees. The series of events, which focused on bringing members together to celebrate the progress and achievement of the CPA profession, was able to offer something for all members at any stage of their careers.

Elevate events included the first-ever CPA Convocations, Family Days, the CPA Assist Speaker Series Dinners, FCPA Luncheon, Accountability Summit and the Achievement Awards Dinner, where 22 members were recognized for their contributions and achievements.

February 2017 Convocations events in Edmonton and Calgary hosted 489 new members celebrating their successful completion of the Common Final Examination. They were joined by an additional 1,912 family members and professional colleagues to celebrate their entry into the profession.



Bringing Alberta CPAs together for celebrating and networking is an important priority for CPA Alberta. Above from top to bottom: new CPAs enjoy a fun moment at the a photo booth at the 2017 CPA convocation; two golfers high-five at the Edmonton CPA Chapter golf tournament; CPA Assist co-sponsors an event featuring Olympian Clara Hughes; and a family day event during Elevate 2016.

# 5

## 2014-2017 CPA ALBERTA STRATEGIC PLAN

### STRATEGIC PRIORITY: OPERATIONAL EXCELLENCE

To deliver on its strategic priorities, CPA Alberta ensured it had the necessary tools and resources of a first-class professional organization.

To ensure Board Members of CPA Alberta were able to make informed recommendations to the organization and understand the landscape, updates through an e-newsletter called “Stay Informed” were sent monthly. The executive summary compiles news and information related to government affairs, CPA, and the accounting profession.

In order to guarantee the protection of private information, CPA Alberta’s Business Systems department completed a security vulnerability assessment for internal and external systems and networks at CPA Alberta. Business Systems also implemented an ongoing email phishing simulation for CPA Alberta staff, reducing phishing vulnerability from 15 to 2 per cent. As well, ongoing awareness and education of personal and corporate security is being implemented through internal newsletters and emails.

The Membership Database Consolidation project for the CPA Alberta Member Management System (CAMMS), is still ongoing. This project is being completed in various stages and involves the migration of all members and public accounting firms from legacy databases into a single database. The Business Systems team proposed and implemented security training plan for developers to ensure that best practices are incorporated into new member management system.

The Innovation and Digital Strategy department began its analysis and research to determine the next steps and the CPA Alberta “digital road map” with regards to enhancing and understanding stakeholders’ digital experiences with CPA Alberta.



# OUTLOOK 2017/18

In 2016/17, the CPA Alberta Board looked beyond the end of the fiscal year and strategized around the longer-term priorities and vision for the profession in Alberta. In doing this work, Board members took into account the many factors and forces that will affect the shape and direction of the profession in the years ahead. They examined complex questions and issues, ranging from the expected impact on the profession of Alberta's changing economic environment to evolving expectations of CPAs in today's rapidly-evolving environment.

From that work emerged a new, five-year strategic plan for CPA Alberta. That plan is built around five new, forward-looking strategic priorities. Those priorities are:

- **Protecting the Public**  
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.
- **Understanding the Alberta Landscape**  
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 that it and its members remain relevant, valued and in fact essential to the province.
- **Dealing with Disruption**  
CPA Alberta will understand the impacts of disruption on the CPA profession, and implement strategies to respond positively to those impacts.
- **Achieving Smart Growth**  
CPA Alberta will gain an understanding of the emerging needs for CPAs in the marketplace and set growth strategies to meet those needs.
- **Maintaining Fiscal Accountability**  
CPA Alberta will maintain and demonstrate fiscal accountability.

In 2017/18, the first year under this new strategic plan, CPA Alberta will focus on undertaking the research necessary to understand the complexities that lie beneath the surface for those strategic priorities. It will consult with members, government, employers, CPA candidates, and other stakeholders to understand the various perspectives that will help shape CPA Alberta's responses to the challenges and opportunities created by change, disruption and evolution of the profession. This research will guide the development of the strategic and tactical goals for the organization over the next half-decade.



With new CPAs such as Betty Xin (above) entering the profession, the future is bright for the designation in Alberta. Betty received the 2016 National CPA Gold Medal for earning top marks in Canada on the profession's 2016 Common Final Examination.

Even though a new set of strategic priorities is being introduced for CPA Alberta in 2017/18, much of the organization's activities will remain constant over the next year and beyond. The organization will continue to fulfill its important mandate to protect the public. It will continue to listen to its members and be responsive to their needs, priorities and perspectives. It will continue to seek and implement efficiencies in how it operates, always recognizing that members have the right to expect the dollars they commit to CPA Alberta to be used wisely and responsibly. And, it will continue to strive to represent the very best of what the CPA profession has to offer the province and its citizens, in the service of building an even stronger, more prosperous and compassionate Alberta.

# HONOURING THE BEST OF OUR PROFESSION

In 2016/17, CPA Alberta honoured 33 CPAs and one other individual by naming them as recipients of the year's Achievement Awards. The Awards are presented annually to those who bring distinction to themselves and the profession through their outstanding accomplishments. These individuals demonstrate the best of the profession and reflect the strong legacy of distinctive achievement and voluntarism that has characterized the designated accounting profession's history. These recipients will be celebrated at the CPA Alberta Elevate Awards Gala in June 2017.

## Lifetime Achievement Award

The Lifetime Achievement Award formally recognizes Fellows of the Chartered Professional Accountants who have continued to render exceptional services to the profession or whose achievements in their careers or in the community have earned them distinction and brought honour to the profession.

Randy Garvey FCPA, FCMA  
Brian Hesje FCPA, FCA

## Fellows of the Chartered Professional Accountants

The Fellow of Chartered Professional Accountants (FCPA) is granted to those members who have rendered exceptional service to the profession or whose achievements in their careers, the community, or in the profession have earned them distinction and brought honour to the profession.

David Bryan FCPA, FCA, CA•CIRP (Edmonton)  
Stephen Clark FCPA, FCMA (Okotoks)  
Rob Heron FCPA, FCA (Edmonton)  
Richard Iwaniuk FCPA, FCA (Edmonton)  
Barry Munro FCPA, FCA (Calgary)  
Gordon Panas FCPA, FCA (Edmonton)  
Debbie Stein FCPA, FCA (De Winton)  
Angelo Toselli FCPA, FCA (Calgary)

## Distinguished Service Awards

The Distinguished Service Award recognizes members or supporters of the profession who have demonstrated a significant achievement within the last five years and have therefore brought honour to the profession.

David Brunetta CPA, CMA (Edmonton)  
Gregg Calcott CPA, CMA (Calgary)  
Jason Ding CPA, CA (Edmonton)  
Everett Duerksen CPA, CA (Coaldale)

Robyn Eeson CPA, CA (Edmonton)  
Charles Evans CPA, CA (Edmonton)  
Barb King CPA, CA (Red Deer)  
Donna Kline FCPA, FCA (Edmonton)  
Sandy Lyons CPA, CA•CIRP (Lethbridge)  
Dave Minhas CPA, CA (Red Deer)

## Early Achievement Awards

The Early Achievement Award recognizes CPAs who have had their accounting designation for 10 years or less and have rendered exceptional service to the profession or whose achievements in their careers or in the community have earned them distinction and brought honour to the profession.

Tammie Belanger CPA, CA (Lethbridge)  
Amanda Blair CPA, CA (Red Deer)  
Tyler Brack CPA, CA (Lethbridge)  
Matt Calnan CPA, CMA (Lethbridge)  
Ian Folinsbee CPA, CMA (Calgary)  
Kira Gregson CPA, CA (Edmonton)  
Loretta Lieveise CPA, CA (Grande Prairie)  
Thomas Lui CPA, CA (Calgary)  
Paula Overguard CPA, CA (Calgary)  
Natalie Pon CPA (Edmonton)  
Taylor Rolheiser CPA, CA (Edmonton)  
Nicole Sakaria CPA, CA (Calgary)

## CPA Education Foundation Impact Award

The Impact Award is presented annually by the CPA Education Foundation to an individual (or individuals) whose record of service to the Foundation has positively impacted the ability of the Foundation to achieve its mission.

David Bentley FCPA, FCA and Janet Bentley (Edmonton)

# FINANCIAL DISCUSSION

The Chartered Professional Accountants Act came into force on July 1, 2015. As a result, the Certified General Accountants' Association of Alberta ("CGAA"), the Society of Management Accountants of Alberta ("CMAA"), and the Institute of Chartered Accountants of Alberta ("ICAA") were amalgamated as the Chartered Professional Accountants of Alberta (CPA Alberta).

According to section 151 of the Act, the property, assets, rights, privileges and benefits of each amalgamating entity became the property, assets, right, privileges and benefits of CPA Alberta, and CPA Alberta is liable for the debts, obligations and liabilities, contractual or otherwise, of each amalgamating entity.

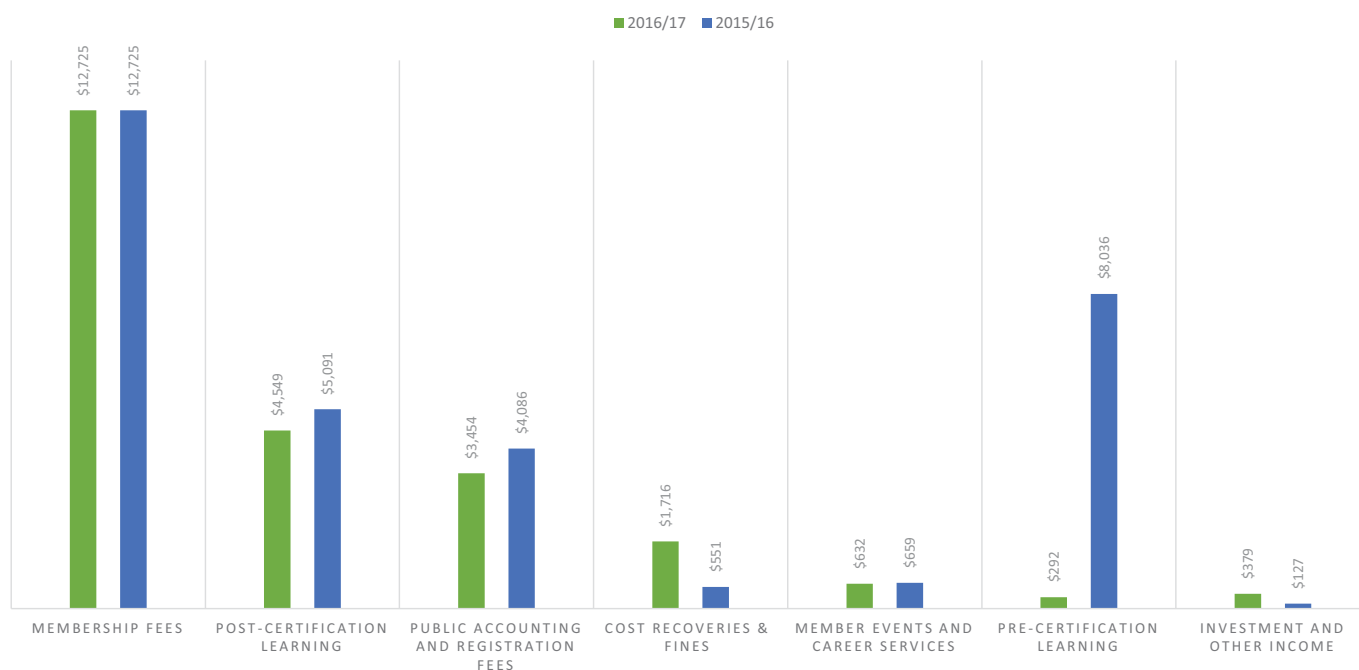
These are the financial results of the second year for CPA Alberta as the amalgamated entity.

## UNDERSTANDING OUR BUSINESS - FUNDING

CPA Alberta is organized around three functions: Member Services, Regulatory, and Communications & Business Development. These functions are supported by an administration team that includes Finance and Office Services, Business Systems, and the Executive Office.

CPA Alberta is funded through various sources of revenue in order to fulfill its mandate under the Chartered Professional Accountants Act of Alberta. Membership fees continue to be the primary source of funding, followed by post-certification learning, and public accounting firm fees. These fees support the various activities and programs provided by CPA Alberta, and the ability to self-regulate.

### REVENUE BY FUNDING SOURCE ('000)



Note: Member fees are reported net of costs incurred to collect the fees.

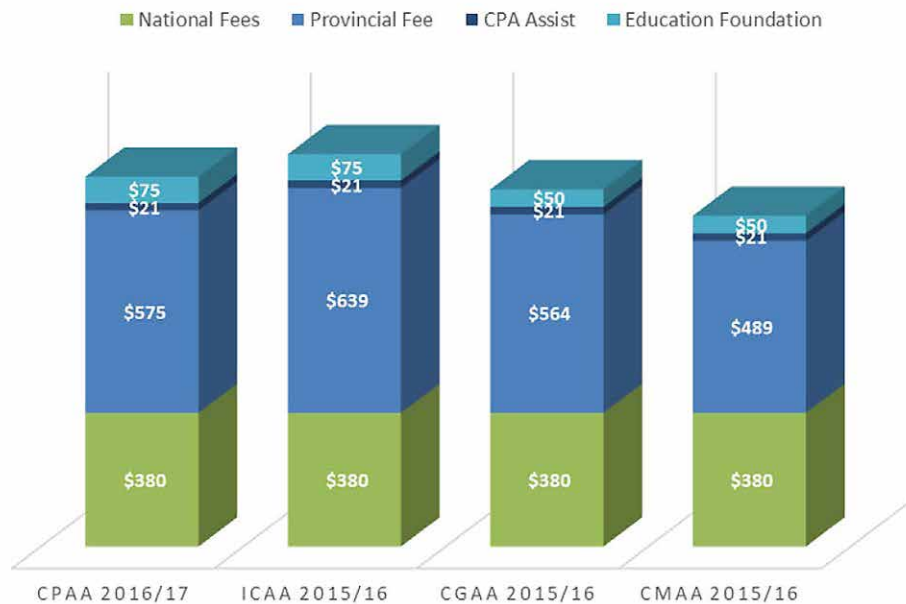


### Membership Fees

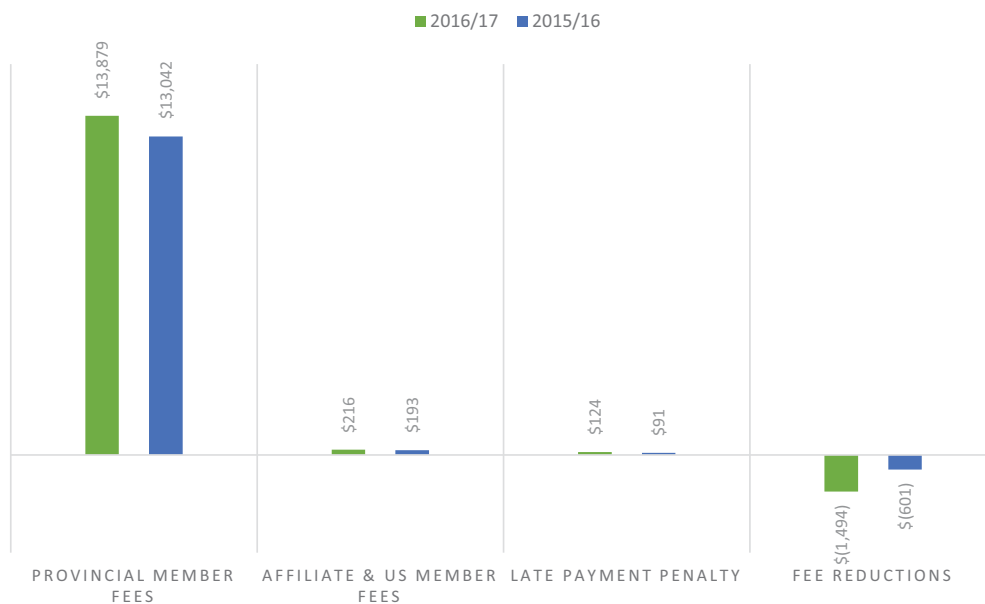
Membership fees and fee reduction policies were harmonized during fiscal 2016/17. This resulted in a \$575 provincial fee, which is comparable to the other Western provinces. National fees remained at \$380 and are remitted to CPA Canada on behalf of the members.

A prolonged economic downturn in Alberta, along with the harmonization of fee reduction policies, had some impact on membership fees. Although membership fee revenue is comparable to the prior year and there is an overall growth in members, an increase in fee reduction applications negated additional fees received from new members.

### MEMBER FEES COMPARISON



### MEMBER FEES BY SOURCE ('000)

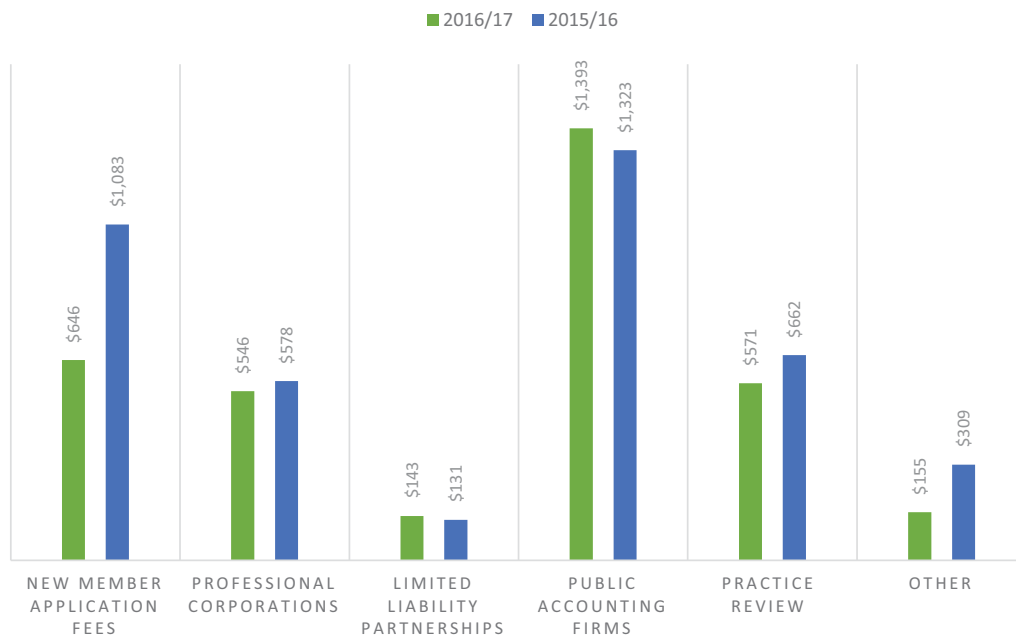


### Public Accounting and Registration Fees

During fiscal 2016/17, Public accounting and registration fees were fully harmonized. Although new member registration fees are less than the prior year and contributed to most of the decline in revenue, this was in part due to an unusual increase in applications in the prior year as legacy students worked to complete their legacy programs to meet the transition requirements and timelines. Furthermore, economic conditions likely impacted the 2016/17 revenues, resulting in students deferring the completion of their practical experience and subsequent application to registered membership.

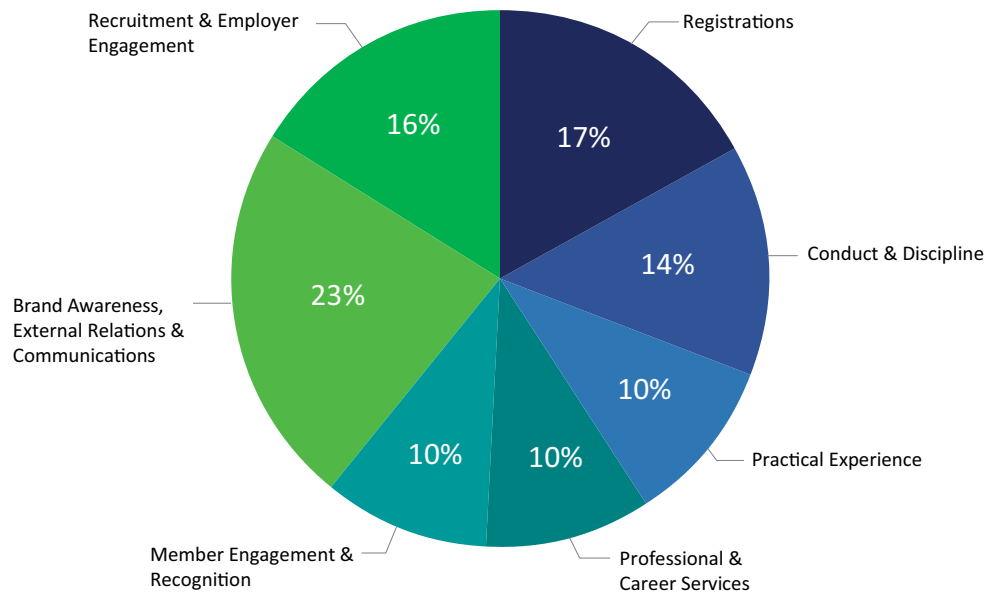
Practice reviews are performed on a three year cycle. Annually the cycle may fluctuate in terms of volume, complexity of the practice reviews performed, and location of the firms. Although practice review revenue is less than the prior year, it is directly related to the timing of the cycle and the types of firms reviewed.

### PUBLIC ACCOUNTING AND REGISTRATION FEES ('000)



## ALLOCATION OF MEMBER FEE REVENUES BY PROGRAM AREA\*

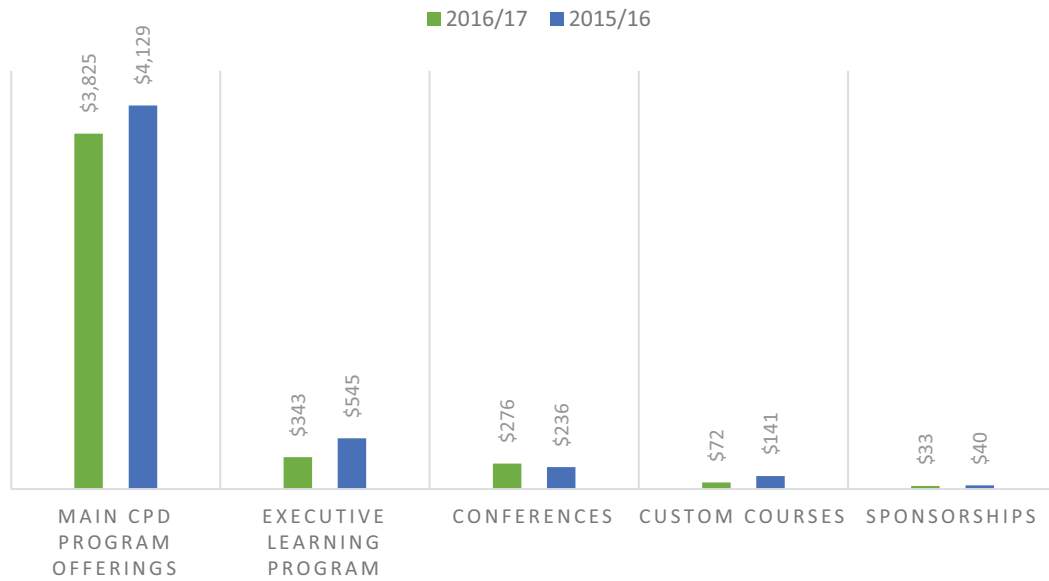
\*Membership Fees and New Member Application Fees



### Post-certification Learning

Post-certification learning revenue encompasses a comprehensive program of professional development programs, executive learning, conferences, and custom courses. Overall revenue was less than the prior year. Economic conditions impacted registrations as employers and members reduced spending on professional development.

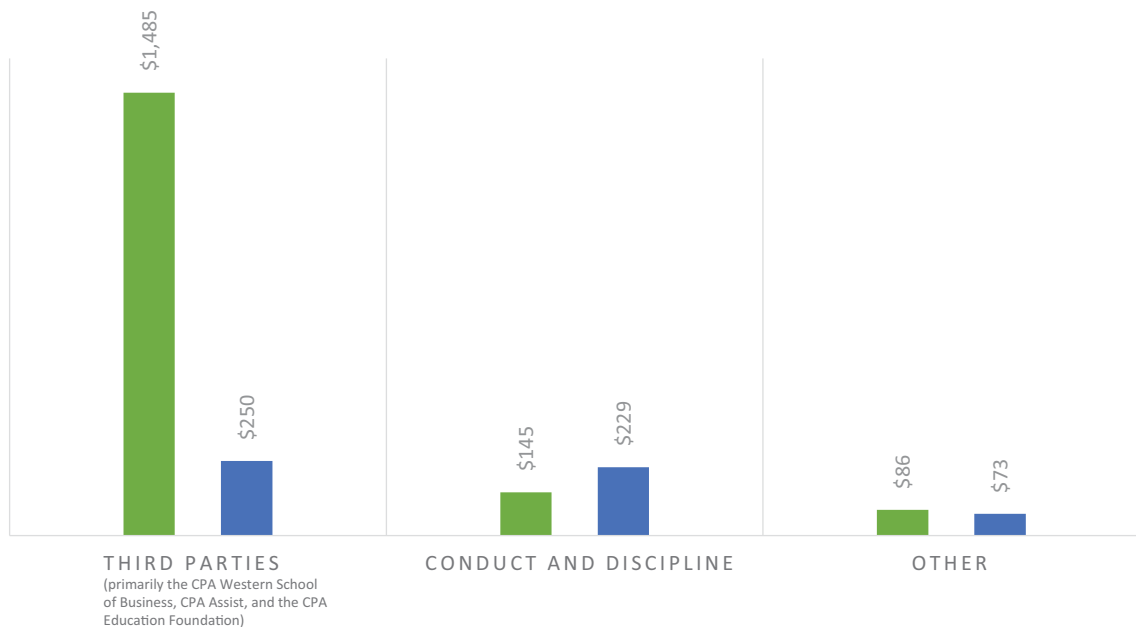
#### POST-CERTIFICATION LEARNING REVENUE BY PROGRAM ('000)



### Cost Recoveries and Fines

Cost recoveries and fines include expense reimbursement from related parties for work CPA Alberta performs on their behalf, as noted in the financial statement disclosures. This also includes cost recoveries and fines for conduct and discipline. There is a significant increase in cost recoveries related to funds received from the CPA Western School of Business for practical experience assessments, where the candidate fee is collected by the School and the assessments are performed by CPA Alberta.

#### COST RECOVERIES AND FINES ('000)



### Pre-certification Learning

Pre-certification Learning revenue includes student fees received for legacy programs and the Preparatory Education Program (PREP). Revenue has decreased significantly over the prior year with the wind down of legacy programs and the transition of the PREP program delivery to the CPA Western School of Business.

### Investments and Other Income

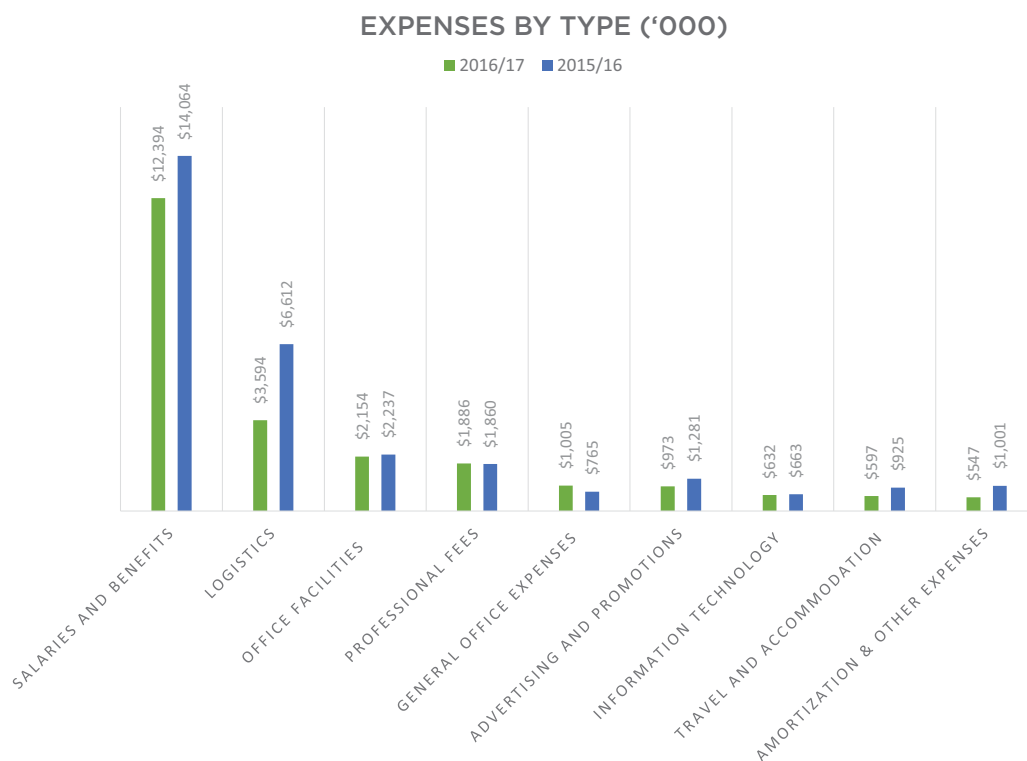
An Investment Policy Statement (IPS) for CPA Alberta was approved by the Board of Directors in March 2016. The IPS has been designed to generate income and long-term capital growth. The investment portfolios of the three legacy bodies were transferred to RBC Dominion from their predecessor institutions and transitioned to meet the asset allocation of the IPS. The IPS is reviewed by the Audit and Risk Committee on a regular basis to ensure compliance with the policy.

There was a significant increase in investment income compared to the prior year due to a large gain received when the legacy investment portfolios were transitioned to RBC Dominion.

Investment and Other Income ('000)	2016/17	2015/16
Investment Income	\$338	\$140
Loss on Capital Disposal	0	-36
Other	41	23
Total	\$379	\$127

## UNDERSTANDING OUR BUSINESS - OPERATING EXPENSES

Although there was a decrease in revenue, in most cases a corresponding decrease in variable expenses was also realized such as logistical costs related to event or professional development registrations. A significant part of the reduction in expenses was related to costs incurred for delivering legacy programs in the prior year that have wound down in the current year. Furthermore, with unification of the profession there have been economies of scale that have reduced costs.

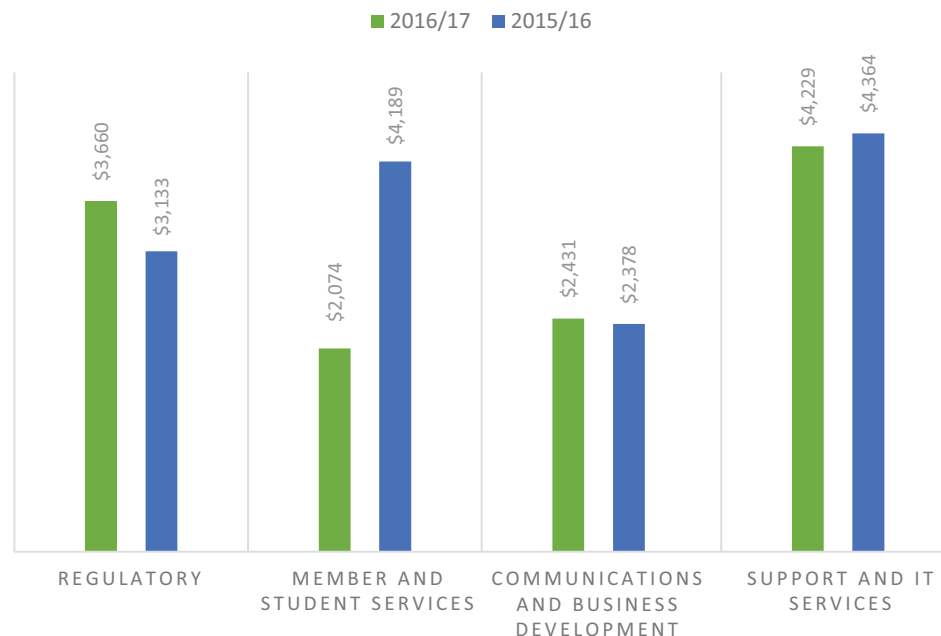


## HUMAN CAPITAL

CPA Alberta prides itself on high service standards and support to its members. Accordingly as a service organization, salaries and benefits continue to be the most significant expense to CPA Alberta. CPA Alberta has fully integrated the teams in Alberta and successfully harmonized all benefit programs. Furthermore, a market assessment was completed for salaries and benefits to unify the compensation program and ensure compensation was comparable to similar organizations.

Overall salaries and benefit costs are less than the prior year as the organization harmonized its programs and gained efficiencies, accounting for some of the decrease. Additionally, with the transition of remaining pre-certification programs to the CPA Alberta Western School of Business, the organization was able to secure employment for the related employees within the School.

### SALARIES AND BENEFITS BY BUSINESS UNIT ('000)



## UNDERSTANDING OUR BUSINESS – FINANCIAL STEWARDSHIP

### System and Processes

CPA Alberta maintains a high-quality system of accounting and administrative controls that is consistent with reasonable cost. Our 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, 2017, CPA Alberta had a cash and cash equivalents balance of \$4,000, compared to \$10,188 at March 31, 2016. The decrease is primarily due to funding the construction of the Calgary and Edmonton premises less any lease incentives received to date.

Cash and Cash Equivalents ('000)	2016/17	2015/16
CPA Alberta	\$4,000	\$10,188

### Short and Long Term Investments ('000)

Short Term Investments from the 2015/16 fiscal year were sold and reinvested into long-term investments pursuant to the Investment Policy Statement.

Long-term Investments include fixed income securities and common shares based on the asset allocation in the Investment Policy Statement. Marketable securities mature at various dates from December 2018 to December 2046.

Investments	2016/17	2015/16
Short-Term	\$0	\$2,466
Long Term	\$6,541	\$3,311

### Tangible and Intangible Capital Assets ('000)

At March 31, 2017, CPA Alberta held tangible assets with a net book value of \$6,360 compared to \$1,214 in the prior year. The increase is due to investing in furniture and leasehold improvements for the Calgary and Edmonton locations. There is a corresponding increase in deferred lease incentives and additional incentives are expected to be received in the next fiscal year.

Intangible Assets include the development of a new member management system that can support the unified organization and its growing membership. The system is still under development.

Capital Assets	2016/17	2015/16
Tangible	\$6,360	\$1,214
Intangible	\$2,493	\$1,968

### Working Capital ('000)

The working capital position, which is defined as current assets minus current liabilities is (\$381), compared to \$6,827 at March 31, 2016. Although the working capital position has decreased, it is not unusual at March 31 as member fees are in the process of collection, which will increase the cash position between April and June 2017. The prior year balance was unusually high due to legacy restricted cash that was unrestricted at unification and used to fund the construction of the Alberta premises. 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.

### 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, unification transition expenses, and unanticipated regulatory costs. The unification stabilization fund was established for a three-year period to support consolidation and national program development and translation costs. The fund expires in 2017/18.

The regulatory fund supports the complexity of the regulatory processes and any related unforeseen costs which fluctuate annually.

The CPA Assist Fund was internally restricted in 2016/17 to ensure funds were available to support CPA Alberta's health and wellness program for members and their families, and candidates.

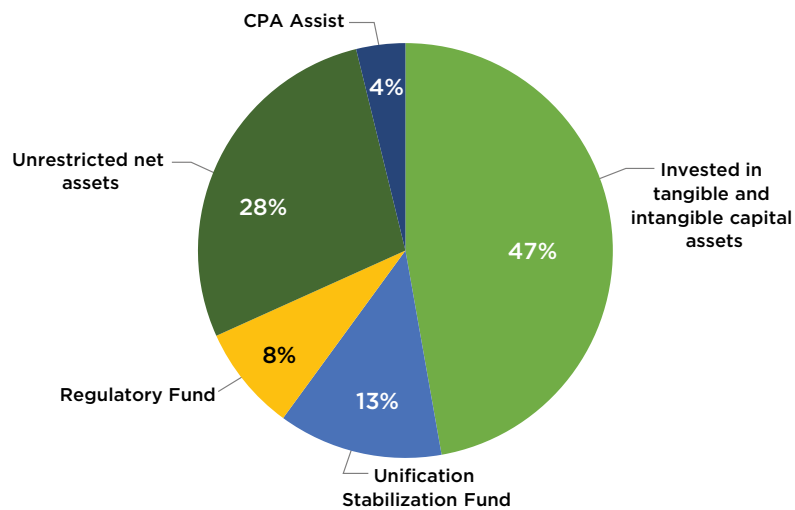
### The Results ('000)

CPA Alberta had an operating surplus of \$433 compared to \$2,181 in the prior year before one-time transition expenses. After transition expenses of \$1,240 (\$2,432 - 2016), CPA Alberta had an excess of expenses over revenues of \$807 (\$250 -2016), decreasing net assets from \$12,986 to \$12,179.

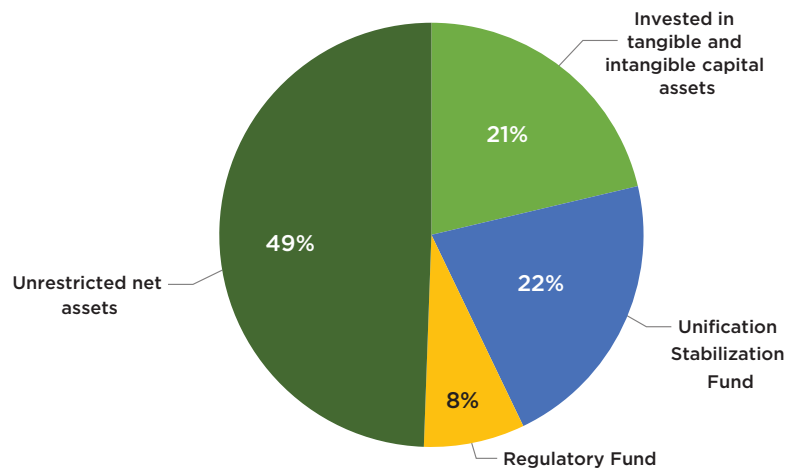
Although it was a challenging year for CPA Alberta, with the economic decline in Alberta resulting in a decrease in revenue compared to the prior year, there were variable expense savings as well as efficiencies gained through unification that offset the decrease in revenue. Furthermore, agreements with related parties to recover costs were executed, allowing CPA Alberta to recover shared expenses.

#### NET ASSETS

2016/17



2015/16





# **CHARTERED PROFESSIONAL ACCOUNTANTS OF ALBERTA**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**



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www.collinsbarrow.com

## Independent Auditors' Report

### To the Members of the Chartered Professional Accountants of Alberta:

#### Report on the Financial Statements

We have audited the accompanying financial statements of the Chartered Professional Accountants of Alberta, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility 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.

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Chartered Professional Accountants of Alberta as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

(Signed) "Collins Barrow Calgary LLP"  
CHARTERED PROFESSIONAL ACCOUNTANTS

July 6, 2017  
Calgary, Canada

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## Management's Responsibility for Financial Reporting

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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.

CPA Alberta Board (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 composed 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 auditors, 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 auditors' report. The Committee also recommends the appointment of the external auditors, which is appointed by the Board until the first Annual General Meeting.

The financial statements have been audited by Collins Barrows Calgary LLP Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards, on behalf of the members. Collins Barrows Calgary LLP Chartered Professional Accountants has full and free access to the Committee.

Rachel Miller FCPA, FCA  
Chief Executive Officer  
July 6, 2017

Cindy Priebe FCPA, FCMA  
Chief Financial Officer

# Chartered Professional Accountants of Alberta

## Statement of Financial Position

As at March 31

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 3)	\$ 3,999,994	\$ 10,188,440
Short term investments (Note 3)	-	2,465,805
Accounts receivable (Note 6-11, 14)	2,106,774	1,629,474
Prepaid expense	157,302	225,147
Deposits	411,872	218,082
	<u>6,675,942</u>	<u>14,726,948</u>
<b>Non-Current Assets</b>		
Long term investments (Note 3)	6,541,116	3,310,614
Tangible capital assets (net) (Note 4)	6,359,622	1,214,301
Intangible capital assets (net) (Note 4)	2,492,829	1,967,634
	<u>15,393,567</u>	<u>6,492,549</u>
	<u><b>\$ 22,069,509</b></u>	<u><b>\$ 21,219,497</b></u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Deferred revenue	\$ 2,288,035	\$ 2,534,318
Accounts payable and accruals (Note 6-10,12-14)	4,768,764	5,365,935
	<u>7,056,799</u>	<u>7,900,253</u>
<b>Non-Current Liabilities</b>		
Deferred lease incentives (Note 13)	2,833,281	333,095
	<u>2,833,281</u>	<u>333,095</u>
	<u><b>9,890,080</b></u>	<u><b>8,233,348</b></u>
<b>Net Assets</b>		
Invested in tangible and intangible capital assets	5,698,306	2,767,390
Internally restricted (Note 15)		
Unification Stabilization Fund	1,559,994	2,800,000
Regulatory Fund	1,000,000	1,000,000
CPA Assist	464,603	-
Unrestricted net assets	3,456,526	6,418,759
	<u>12,179,429</u>	<u>12,986,149</u>
	<u><b>\$ 22,069,509</b></u>	<u><b>\$ 21,219,497</b></u>

### Commitments and Contingencies (Note 5)

Approved on behalf of CPA Alberta Board

Greg Draper, FCPA, FCGA  
Board Chair

Rachel Miller, FCPA, FCA  
Chief Executive Officer

## Chartered Professional Accountants of Alberta

### Statement of Operations

For the year ended March 31

	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
Membership fees	\$ 12,724,848	\$ 12,724,830
Post-certification learning	4,549,568	5,091,312
Public accounting and registration fees	3,453,921	4,086,272
Cost recoveries and fines	1,715,718	551,482
Member events and career services	631,912	659,475
Investment and other income	378,636	126,608
Pre-certification learning	291,944	8,035,729
	<u>23,746,547</u>	<u>31,275,708</u>
<b>Expenses</b>		
Administration	8,550,935	8,911,496
Member services	5,800,673	7,432,734
Regulatory	5,405,100	4,771,612
Communications and business development	3,507,127	3,758,286
Pre-certification education	49,426	4,220,273
	<u>23,313,261</u>	<u>29,094,401</u>
<b>Excess of revenues over expenses before the following</b>	433,286	2,181,307
Transition expenses (Note 16)	1,240,006	2,431,763
	<u>1,240,006</u>	<u>2,431,763</u>
<b>Excess of expenses over revenues</b>	<u>\$ (806,720)</u>	<u>\$ (250,456)</u>

## Chartered Professional Accountants of Alberta

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

	Internally Restricted				<u>Unrestricted</u>	<b><u>2017</u></b>	<b><u>2016</u></b>
	<u>Invested in tangible and intangible capital assets</u>	<u>Unification Stabilization Fund</u>	<u>Regulatory Fund</u>	<u>CPA Assist</u>			
Balance, beginning of year	\$ 2,767,390	\$ 2,800,000	\$1,000,000	\$ -	\$ 6,418,759	\$12,986,149	\$13,236,605
Excess of revenue over expenses (expenses over revenue)	(3,286,361)	(1,240,006)	-	-	3,719,647	(806,720)	(250,456)
Purchase of capital assets, net	6,217,277	-	-	-	(6,217,277)	-	-
Internal fund transfer (Note 15)	-	-	-	464,603	(464,603)	-	-
<b>Balance, end of year</b>	<b>\$ 5,698,306</b>	<b>\$ 1,559,994</b>	<b>\$1,000,000</b>	<b>\$ 464,603</b>	<b>\$ 3,456,526</b>	<b>\$12,179,429</b>	<b>\$12,986,149</b>

## Chartered Professional Accountants of Alberta

### Statement of Cash Flows

For the year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
<b>Cash provided by (Used for) the following activities</b>		
<i>Operating</i>		
Excess of expenses over revenue	\$ (806,720)	\$ (250,456)
Lease incentive cash allowance	2,860,928	-
Non-cash adjustments:		
Amortization of tangible capital assets	546,761	964,967
Amortization of deferred lease incentives	(121,328)	(92,206)
Loss on disposal of capital assets	31,280	36,318
Unrealized loss on investments	218,018	89,338
Realized loss (gain) on investments	(334,634)	28,457
	<u>2,394,305</u>	<u>776,418</u>
Changes in working capital accounts	(1,686,113)	(10,905,322)
	<u>708,192</u>	<u>(10,128,904)</u>
<i>Investing</i>		
Purchase of capital assets	(6,248,557)	(988,275)
Proceeds on disposal of capital assets	-	6,000
Purchase of investments	(9,114,797)	-
Proceeds on sale of investments	8,466,716	8,717,075
	<u>(6,896,638)</u>	<u>7,734,800</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(6,188,446)</b>	<b>(2,394,104)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>10,188,440</b>	<b>12,582,544</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,999,994</b>	<b>\$ 10,188,440</b>

# Chartered Professional Accountants of Alberta

## Notes to Financial Statements

For the year ended March 31, 2017

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### 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, to protect the integrity of the profession, to promote and increase the competence of registrants and to regulate the conduct of registrants.

The Act came into force on July 1, 2015. As a result, the Certified General Accountants' Association of Alberta ("CGAA"), the Society of Management Accountants of Alberta ("CMAA"), and the Institute of Chartered Accountants of Alberta ("ICAA") were amalgamated as the Chartered Professional Accountants of Alberta. According to section 151 of the Act, on the coming into force of the Act, the property, assets, rights, privileges and benefits of each amalgamation entity became the property, assets, right, privileges and benefits of CPA Alberta, and CPA Alberta is liable for the debts, obligations and liabilities, contractual or otherwise, of each amalgamating entity.

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 and cash equivalents

Cash and cash equivalents include bank balances and cash held in RBC investment savings.

#### Short Term Investments

Short term investments in 2016 consisted of units held in RBC Russell Canadian Fixed Income Pool mutual funds, which invest principally in fixed income securities of Canadian issuers that are rated by Dominion Bond Rating Service as BBB or higher as well as funds held in guaranteed investment certificates ("GIC").

#### 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.

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# Chartered Professional Accountants of Alberta

## Notes to Financial Statements

For the year ended March 31, 2017

### Revenue recognition

Revenue is recognized when evidence of an arrangement exists, the service has been rendered, and the price is determinable, as follows:

- Membership, public accounting and registration fees are recognized as revenue in the year to which they relate; practice review fees are recognized when practice review services are performed;
- Pre-certification learning fees and Post-certification learning fees are recognized 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 and collections are considered reasonably assured; and
- Investment income is recognized as it is earned over the term of investment.

### Tangible and Intangible assets

Capital assets are initially recorded at cost. Amortization is provided using the straight-line method over their estimated useful lives as follows:

	Rate
Furniture	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 is capitalized as intangible assets.

### 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 as of March 31, 2017.

### 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, a component of administration expenses.

### Financial instruments

CPA Alberta initially measures financial assets and financial liabilities at their fair value. It 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 cash equivalents and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. Investments are recorded at fair value.

# Chartered Professional Accountants of Alberta

## Notes to Financial Statements

For the year ended March 31, 2017

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

**a) Interest rate risk**

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.

**b) Foreign Exchange Risk**

The investments of CPA Alberta are subject to foreign exchange risk because foreign exchange fluctuations impact the value of the investments in US and global markets.

**c) Liquidity risk**

Liquidity risk is the risk that CPA Alberta will be unable to fulfill its obligations on a timely basis or at a reasonable cost. CPA Alberta's overall liquidity risk is monitored on a regular basis, and when necessary, funds are transferred from investments to meet the obligations associated with its financial liabilities.

**d) Credit risk**

Credit risk relates to cash and accounts receivable. CPA Alberta's cash balances are held with reputable Canadian 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.

**e) Other price risk**

Other price risk refers to the risk that the fair value of marketable securities, or the future cash flows associated with the marketable securities, 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 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. As it is CPA Alberta's expectation to hold marketable securities to maturity, cash flows are exposed to minimal price risk.

### 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:

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## Chartered Professional Accountants of Alberta

### Notes to Financial Statements

For the year ended March 31, 2017

	March 31, 2017		March 31, 2016	
	Fair Value	Cost	Fair Value	Cost
Government bonds, federal	\$ 944,140	\$ 967,735	\$1,934,968	\$1,922,414
Government bonds, provincial	1,744,224	1,773,560	745,966	705,857
Corporate bonds	2,048,644	2,043,412	410,959	409,116
Preferred shares	-	-	218,721	220,207
Common shares	681,024	611,861	-	-
US equity	1,083,836	998,308	-	-
International equity	39,248	34,414	-	-
	<u>\$6,541,116</u>	<u>\$6,429,290</u>	<u>\$3,310,614</u>	<u>\$3,257,594</u>

The long-term investments balance includes an unrealized gain of \$111,826 (2016 – \$53,020). A gain of \$334,634 that was realized in 2017 fiscal year (2016 – loss of \$28,457) and an unrealized loss of \$218,018 (2016 – loss of \$89,338) are included in investment and other income. Annual interest rates on bonds range from approximately 1.25% to 6.4%, and marketable securities mature at various dates from December 2018 to December 2046. (In 2016, the annual interest rates on marketable securities ranged from 1% to 12%, and maturity dates ranged from August 2016 to September 2025).

Annual interest rates on short term investments in 2016 ranged from 1% to 3.23%.

Cash, cash equivalents and short term investments earned interest for the year ended March 31, 2017 of \$64,014 (2016 - \$133,238). Interest earned on long-term investments for the year ended March 31, 2017 was \$157,216 (2016 - \$124,018).

#### 4 Capital assets

	March 31, 2017			March 31, 2016
	Cost	Accumulated amortization	Net book value	Net book value
Furniture	\$ 1,904,264	\$ 950,081	\$ 954,183	\$ 160,121
Office equipment	748,167	625,193	122,974	31,371
Computer software and hardware	5,306,882	4,717,993	588,889	463,824
Leasehold improvements	6,052,808	1,373,622	4,679,186	558,985
Artworks	14,390	-	14,390	-
Tangible capital assets	<u>14,026,511</u>	<u>7,666,889</u>	<u>6,359,622</u>	<u>1,214,301</u>
Intangible capital assets	<u>2,492,829</u>	<u>-</u>	<u>2,492,829</u>	<u>1,967,634</u>
	<u>\$16,519,340</u>	<u>\$ 7,666,889</u>	<u>\$8,852,451</u>	<u>\$3,181,935</u>

# Chartered Professional Accountants of Alberta

## Notes to Financial Statements

For the year ended March 31, 2017

Included in leasehold improvements, furniture and office equipment is \$2,474,720 (2016 - \$287,757) related to new premise construction in progress, and are not amortized until they are available for use. Intangible assets of \$2,492,829 (2016 – \$1,967,634) in development has not been amortized. This consists of the new member management system software.

Amortization amounted to \$546,761 for the year ended March 31, 2017 (2016 – \$964,967), and is included in the Administration expenses. CPA Alberta disposed of certain assets for a loss of \$31,280 which is included in transition expenses (2016 - \$36,318 included in Investment and other income).

### 5 Commitments and Contingencies

#### Discipline

Under the Act, CPA Alberta is required to regulate the conduct of its members. At March 31, 2017, a number of investigations and hearings were in progress.

#### Contingencies

CPA Alberta is defending three statements of claim. The outcome and an estimate of loss, if any, is not determinable. Defense costs to date have been covered by the CPA Alberta's insurer. As such, no amounts related to the claims are recorded in the financial statements.

#### Retirement Benefit

CPA Alberta has a Supplemental Retirement Benefit whereby certain employees are entitled to a retiring allowance upon termination of service, calculated with reference to earnings, which earns interest at a predetermined rate. The amount of \$97,752 (2016 – \$464,918) is included in accounts payable and accrued liabilities and is payable when the employee discontinues providing service to CPA Alberta.

#### Future lease payments

CPA Alberta has various leases for office space which expire between November 2017 and February 2032. The future minimum cash lease payments (exclusive of occupancy charges) for the year ending March 31 are as follows:

2018	\$ 1,216,271
2019	1,052,902
2020	1,071,419
2021	1,200,393
2022	1,476,211
Thereafter	9,027,597
	<hr/>
	\$15,044,793
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# Chartered Professional Accountants of Alberta

## Notes to Financial Statements

For the year ended March 31, 2017

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### 6 CPA Education Foundation

CPA Education Foundation (“the Foundation”) is related to CPA Alberta through common management as its Executive Director is also the Chief Executive Officer 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, 2017, CPA Alberta contributed \$1,643,009 (2016 – \$1,391,678) towards the Foundation general revenue. CPA Alberta contributed \$1,000,000 in 2016 to the Foundation to establish an endowment fund. In addition, CPA Alberta contributed to the Foundation the proceeds received from the Family Day events in the amount of \$5,515 (2016 - \$0). 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, 2017, CPA Alberta has recovered \$248,264 (2016– \$236,720) for operating costs incurred on behalf of the Foundation. 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, 2017 totaled \$37,540 (2016 – \$45,609), and are included in accounts receivable. Amounts due to the Foundation at March 31, 2017 totaled \$9,213 (2016 - \$2,769) and are included in accounts payable. Amounts due to and from the Foundation will be paid or received within the next fiscal year with no interest charged.

### 7 CPA Assist – Alberta Chartered Professional Accountants Assistance Society

CPA Assist – Alberta Chartered Professional Accountants Assistance Society (“CPA Assist”) is related to CPA Alberta through the common management as its Executive Director is also the Chief Executive Officer of CPA Alberta.

For the year ended March 31, 2017, CPA Alberta aggregately contributed \$0 (2016 – \$475,478) toward CPA Assist 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, 2017, CPA Alberta recovered \$218,495 (2016 – \$210,632) for operating costs incurred on behalf of CPA Assist. 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 CPA Assist at March 31, 2017 totaled \$22,212 (2016 - \$71,863) and are included in accounts receivable. Amounts due to CPA Assist at March 31, 2017 totaled \$0 (2016 - \$1,803) and are included in accounts payable. Amounts due to or from CPA Assist will be paid or received within the next fiscal year with no interest charged.

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# Chartered Professional Accountants of Alberta

## Notes to Financial Statements

For the year ended March 31, 2017

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### 8 CPA Western School of Business

The CPA Western School of Business (“the School”) develops, delivers, and administers pre-certification education for candidates in the four western provinces and territories. CPA Alberta has delegated the registration of its candidates to the School and the School receives candidate dues.

The School is a not-for-profit organization continued under the Canada Not-for-profit Corporations Act and is not subject to income taxes. The School is governed by a twelve person board, consisting of one member appointed by each participating provincial body and the balance appointed by a nominating committee, comprised of the chairs of the participating provincial bodies and the chair of the board.

For the year ended March 31, 2017, the School charged CPA Alberta \$62,365 for program fees collected on behalf of the School (2016 - \$672,174 are fees related to the transition of legacy candidates into the new training programs). 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, 2017, CPA Alberta recovered \$1,259,208 (2016 – \$382,330) for operating costs incurred on behalf of the School. 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 School at March 31, 2017 totaled \$1,018,735 (2016 - \$267,932) and are included in accounts receivable. Amounts due to the School at March 31, 2017 totaled \$11,680 (2016 - \$6,665) and are included in accounts payable.

### 9 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 continued under the Canada Not-for-profit Corporations Act. CPA Alberta Board appoints two persons to serve on the eight person board of CPAIPW. As a not-for-profit organization under the Income Tax Act (Canada), CPAIPW is not subject to income taxes.

During the year ended March 31, 2017, CPA Alberta purchased benefit plan services for its employees from CPAIPW costing \$506,082 (2016 – \$359,831). In addition, CPAIPW purchased advertising from CPA Alberta for \$7,560 (2016 – \$2,520) and provided sponsorships of \$35,000 (2016 – \$51,950). 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 CPAIPW at March 31, 2017 totaled \$0 (2016 - \$25,000) and are included in accounts receivable.

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# Chartered Professional Accountants of Alberta

## Notes to Financial Statements

For the year ended March 31, 2017

### 10 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, to 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, 2017 totaled \$31,684 (2016 - \$62,863) and are included in accounts receivable. Amounts due to CPA Canada at March 31, 2017 totaled \$395,340 (2016 - \$731,132) and are included in accounts payable.

### 11 Accounts receivable

Accounts receivable is net of an allowance for doubtful accounts of \$2,172,446 (2016 - \$1,682,501).

### 12 Member fees and other amounts received in advance

Included in accounts payable are member fees collected in March 2017 for the 2017-18 billing year. These are amounts owing to CPA Canada of \$921,975 (2016 - \$968,105), and amounts owing to the Foundation of \$175,181 (2016 - \$183,256). Amounts due will be paid within the next fiscal year with no interest charged.

### 13 Deferred lease incentives

For the year ended March 31, 2017, rent expenses were reduced by \$121,328 (2016 - \$92,206) which represents the amortization of deferred lease incentives.

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Deferred lease incentive, beginning of year	\$ 414,545	\$506,751
Add: lease incentive	2,860,928	-
Less: amortization	(121,328)	(92,206)
Deferred lease incentive, end of year	<u>\$3,154,145</u>	<u>\$414,545</u>
Current portion (included in accounts payable)	\$ 320,864	\$ 81,450
Long-term portion	\$2,833,281	\$333,095

Additional lease improvement allowances are expected to be received in the fiscal 2017-18 in the amount of \$2,828,900 once required lease conditions are met.

## Chartered Professional Accountants of Alberta

### Notes to Financial Statements

For the year ended March 31, 2017

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#### 14 Government remittances

Government remittances at March 31, 2017 consisted of \$45,050 receivable from government authorities (2016 payable - \$10,814) related to Good and Sales Tax.

#### 15 Internally restricted net assets

Internally restricted net assets represents amounts the board of directors internally restricted for the costs associated to the unification of accounting designations in Alberta, and unforeseen costs related to regulating registrants, which is not available for other purposes without the approval of the board of directors. For fiscal 2016-17, an internally restricted fund was set up for CPA Assist to ensure funds remain available for counselling services offered to members in need.

#### 16 Transition expenses

With the ongoing effort from both the national and provincial bodies to unify Canada's three legacy accounting designations under a single "Chartered Professional Accountant" designation, and to provide support during the transition period, it is expected that some expenses related to the transition will be incurred for the 2015/16, 2016/17, and 2017/18 fiscal years.

#### 17 Comparative figures

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

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