



**ANNUAL  
REPORT**

**2022  
/ 2023**

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### ON THE COVER:

2022 Lifetime Achievement Award recipient Mike Shaikh FCPA, FCA accepts his award on stage at the 2022 Elevate Awards Gala in Banff



**Rachel Miller** FCPA, FCA  
Chief Executive Officer (right)

**Damian Zapisocky** CPA, CA, CIA, MBA, ICD.D  
CPA Alberta Board Chair (left)

## Message from the Chair and CEO

For CPA Alberta, 2022-23 was about emerging from the shadow of the COVID-19 pandemic. Though the virus remained, and remains, with us, the last fiscal year was the beginning of getting back to business as usual.

The year began with CPA Alberta offices reopening in both cities and the resumption of in-person events, including the special edition of Elevate, dubbed (Re)Elevate, in Banff. Although the event was originally planned to coincide with the five-year anniversary of unification in 2020, the 2022 edition ended up being a celebration of a different kind of unity—the first in-person gathering for many of us after two years of pandemic isolation. We really enjoyed connecting face-to-face again with our members after such a long absence.

2022-23 was also the first year of CPA Alberta's new Strategic Plan—the road map for the organization and the foundation for annual corporate business plans over the next three years. The achievements highlighted in this annual report are organized along the four strategic priorities:

1. protect the public;
2. ensure a sustainable professional accounting ecosystem in Alberta;
3. fulfill market needs; and
4. empower a responsible, accountable and resilient organization.

Readers can find more information about the 2022-25 Strategic Plan and CPA Alberta's corporate business plan for 2023-24 on our website.

Significant progress was made to advance all the strategic priorities in the last fiscal year, as outlined in this annual report. This is thanks to a dedicated team who, like Alberta CPAs themselves, pivoted to not only meet the organization's needs but thrive under evolving circumstances throughout the year.

On behalf of the Board and staff of CPA Alberta, we thank our members for their continued leadership in Alberta's economy and communities, and for their dedication to our profession. Alberta CPAs can always be counted on to rise to the challenge.

Sincerely,

**Damian Zapisocky** CPA, CA  
Chair

**Rachel Miller** FCPA, FCA  
Chief Executive Officer

# CPA Alberta Board

## Governance and Structure

The CPA Alberta board consists of elected Alberta CPAs as well as public members appointed by the Government of Alberta. Currently, there are two vacant public member positions awaiting government appointments.

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

- Govern the business and affairs of CPA Alberta;
- Fulfill the purposes of the CPA Act and;
- Exercise CPA Alberta's powers in the name of and on behalf of CPA Alberta.

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

As of March 31, 2023, the CPA Alberta board members are:



**Damian Zapisocky** CPA, CA  
(Chair)



**Rachel Kucharski** CPA, CA



**Ruth McHugh** FCPA, FCMA  
(Vice-chair)



**Maureen Moneta** CPA, CA



**Michelle J. Balmer** CPA, CA



**Kory Wickenhauser** CPA, CA



**Cecilia Chen** CPA, CA



**Darcy Yamada** CPA, CA



**Sonya von Heyking** CPA, CA•CIA



**Karen Graham**  
(public member)

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.

# Committees and Rosters

## Statutory 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 its statutory committees and rosters. As of March 31, 2023, these committees and rosters were as follows:

### COMPLAINTS INQUIRY COMMITTEE

Jay Schmidt CPA, CA, CPA (IL, USA) (Chair)  
 Heather Murk CPA, CA (Vice-chair)  
 Glen Arnston CPA, CMA, CA  
 Kurtis Ashton CPA, CA  
 Norm Asuchak CPA, CGA  
 Medky Beaudin CPA, CGA  
 Chris Burrows FCPA, FCA, CPA (AZ, USA)  
 David Elzinga FCPA, FCA+IFA

Brian Farrell CPA, CA  
 Adrian Kottke CPA, CGA  
 Kanwal Lali CPA, CMA  
 Alfred Lee CPA, CGA, CMA, CA  
 Darcie Sabados CPA, CA  
 Gordon Thomas CPA, CMA  
 John Lindsay (public member)  
 Stuart Weatherill (public member)

### DISCIPLINE AND APPEAL TRIBUNAL ROSTER

I.E.W. McConnan FCPA, FCA  
 (Discipline Tribunal Roster Chair)  
 R. Matthews CPA, CA  
 (Appeal Tribunal Roster Chair)  
 Bev Brennan FCPA, FCA  
 (Appeal Tribunal Roster Vice-chair)  
 Brian Eric Alguire CPA, CMA  
 J. Steve Allan FCPA, FCA, CA+CIRP  
 Nazz Baksh CPA, CMA  
 B.D. Bateman CPA, CA  
 Russell A Bell CPA, CMA  
 David Bodnarchuk FCPA, FCA  
 L.P. Bourget CPA, CA  
 W. John Brennan FCPA, FCA  
 Darren Buma CPA, CA  
 Calvin Carpenter CPA, CA  
 George Chan CPA, CGA  
 Donald W. Chandler FCPA, FCA

J.J. Colleaux FCPA, FCA  
 C. Crawford FCPA, FCA, CA+CBV  
 Donald M. Dart CPA, CA  
 Joan B Davies CPA, CGA  
 J.R. Demcoe FCPA, FCA  
 John Den Hoed FCPA, FCMA  
 F. Wayne Ellis CPA, CA  
 R. Andy Farvolden FCPA, FCA  
 Gordon Flynn KC, FCPA, FCA  
 A.T. Follinglo CPA, CA, ICD.D  
 Peter R. Garrett FCPA, FCA  
 David D. Guebert CPA, CA  
 Robert Hahn FCPA, FCA  
 Grant Edwin Hanna CPA, CMA  
 Greg Hirtle CPA, CA  
 C. Alan Holt FCPA, FCA  
 Richard Iwaniuk FCPA, FCA  
 C.A. Janz CPA, CA

Gary Richard Keen FCPA, FCMA  
 Leo R. Kelly FCPA, FCA, CA+IFA  
 Ian R.W. Kinnel FCPA, FCA  
 Darla J Lutness FCPA, FCGA  
 Michael Mannas FCPA, FCGA  
 Daniel McKinley FCPA, FCA  
 Sean R.J. Monaghan CPA, CMA  
 Al Mondor FCPA, FCA  
 Stella M. Penner FCPA, FCGA, CA  
 K.D. Porter FCPA, FCA

N.B. Ramsay CPA, CA  
 M.D. Shabada CPA, CA  
 F.R.N. Snell FCPA, FCA  
 W. Dale Somerville FCPA, FCA  
 J.D.A. Struck KC, FCPA, FCA  
 Z.P. Talavia CPA, CA  
 K. Tober CPA, CA  
 Barry J. Walker FCPA, FCA  
 W.E. Whitford CPA, CA

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#### **PUBLIC MEMBER DISCIPLINE AND APPEAL ROSTER**

Funmi Abiiba  
 Steven Armstrong  
 Michael D. Baron  
 Erika Bottcher  
 Geoff Chow  
 Charmaine Coutinho  
 Shari-Anne Doolaeye  
 Leo Flaman  
 Stephanie Chisholm

Adam O. (Olen) Letourneau KC  
 John G. (Gordon) Lindsay  
 Jim McCartney  
 Tammy McCorkell  
 Barbara McKinley  
 Sharon McMullan-Baron  
 Stuart J. Weatherill  
 Patricia Wheadon  
 Randall Yatscoff PhD

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#### **PRACTICE REVIEW COMMITTEE**

Phoebe Elliot CPA, CA (Chair)  
 Matthew Bannister CPA, CA  
 Megan Brett CPA, CA  
 Karl Hendrickson CPA, CA  
 Sallie Klein CPA, CA, CPA (IL, USA)  
 Nicole Liesemer CPA, CA  
 Andrew Lee CPA, CA

Kevin Napady CPA, CA  
 Garry Nathan CPA, CGA  
 Julie Oliver CPA, CA  
 Kara Penno Mah CPA, CA  
 Henrietta Wildeman CPA, CA  
 JT Dhoot AACI, CBV  
 (public representative)

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#### **REGISTRATIONS COMMITTEE**

Kendra Gowdy CPA, CGA (Chair)  
 Damara Casper CPA, CA  
 Victoria Cato CPA  
 Ross Haffie CPA, CA  
 Preetika Karval CPA

Amanda Mallmes CPA, CGA  
 Al-Nur Pradhan CPA, CMA  
 Jim Smith P.Eng, FEC, ICD.D  
 (public representative)

## Non-statutory Committees

To help fulfill its roles and duties, and in accordance with the CPA Alberta Directives, the Board has established five non-statutory committees. As of March 31, 2023, these committees and their memberships were as follows:

### AUDIT AND RISK COMMITTEE

Michelle Balmer CPA, CA (Chair)  
Cecilia Chen CPA, CA  
Rachel Kucharski CPA, CA  
Darcy Yamada CPA, CA

### GOVERNANCE COMMITTEE

Ruth McHugh FCPA, FCMA (Vice-chair)  
Maureen Moneta CPA, CA  
Sonya von Heyking CPA, CA•CIA  
Kory Wickenhauser CPA, CA

### HUMAN RESOURCES COMMITTEE

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

### BYLAW AND RULES COMMITTEE

Rachel Kucharski CPA, CA (Chair)  
Janice Anderson CPA, CA  
Stephen Bergstrom FCPA, FCMA  
Tim Gilchrist CPA, CGA  
Jody MacKenzie CPA, CA  
Hilary Rose FCPA, FCA  
John Stelter FCPA, FCA  
Michael I. Stuart CPA

### CPA ASSIST COMMITTEE

Debbie Gorsline FCPA, FCMA (Chair)  
Allyn Eger CPA  
(Saskatchewan representative)  
Jeffrey Herzog CPA  
Priti Laderoute CPA, CMA  
Liza Richer CPA, CA  
Darcy Yamada CPA, CA  
(CPA Alberta Board representative)  
Krystle Smith (public member)

### CPA ALBERTA ACHIEVEMENT AWARDS REVIEW COMMITTEE

Sandip Lalli FCPA, FCMA (Chair)\*  
Deanna Muise FCPA, FCA (Vice-chair)  
Robert Andrews CPA, CMA  
Graeme Arklie CPA, CA  
Kondwani Bwanali CPA, CGA  
Joan Dunne FCPA, FCA  
Joe Gagliardi FCPA, FCMA  
Tom Gee FCPA, FCA  
Saqib Jalil CPA, CA  
Elisha Sharma CPA  
Bruce Thurston FCPA, FCMA  
Elmien Wingert CPA, CA

### CPA ALBERTA ACHIEVEMENT AWARDS NOMINATION COMMITTEE

Lance Bick CPA, CA (Chair)  
Angela Loo CPA, CA (Vice-chair)  
Farah Albert CPA, CA, CPA (IL, USA)  
David Amona CPA, CMA  
Roger Arcand CPA, CMA  
Cody Austin CPA, CMA  
Neil Cockburn FCPA, FCA  
Adam Cook CPA, CA  
Dayna Cruz CPA, CGA  
Ian Folinsbee CPA, CMA  
Janine Rogan CPA  
Mehri Salimova CPA, CMA  
Rebecca Sanford CPA, CA  
Allison Taylor CPA  
Chioma Ufodike FCPA, FCMA  
Tracey Zehl FCPA, FCA

\*deceased



# HONOURING THE BEST OF OUR PROFESSION

## In 2022/23, CPA Alberta honoured and celebrated those who brought distinction to themselves and the CPA Alberta profession through their outstanding accomplishments.

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

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### Lifetime Achievement Awards

Lifetime Achievement Awards are granted to those CPAs whose continual commitment to the betterment of their profession, their communities, and the organizations they have served is unparalleled.

**Dr. Karim Jamal** FCPA, FCA



**Colette Miller** FCPA, FCA





## CPA ALBERTA ACHIEVEMENT AWARDS

### Fellows of the Chartered Professional Accountants

The Fellow of Chartered Professional Accountants (FCPA) is granted to those Alberta CPAs 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.

**Yvonne Barthel** FCPA, FCA

**Stephen Bergstrom** FCPA, FCMA

**Christopher Burrows** FCPA, FCA

**Larry Brownoff** FCPA, FCA

**Raymond Crossley** FCPA, FCA

**Laura Daniels** FCPA, FCA

**Brian Koshman** FCPA, FCA

**Stuart Lee** FCPA, FCA

**Lynda MacNeill** FCPA, FCMA

**Dwayne Pohranychny** FCPA, FCA

**Colleen Purdy** FCPA, FCMA

**Hilary Rose** FCPA, FCA

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### Distinguished Service Awards

The Distinguished Service Award (DSA) recognizes CPAs or supporters of the profession who have demonstrated a significant achievement within the last five years.

**Toks Bakinson** CPA, CMA

**Joseph Devaney** CPA, CA

**Priti Laderoute** CPA, CMA

**Jason Lukman** CPA, CMA

**Betty Mah** CPA, CMA

**Kolawole Oladimeji** CPA, CGA

**Gerald Whitford**

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### Early Achievement Awards

The Early Achievement Award (EAA) recognizes CPAs who have had their accounting designation for 10 or fewer years and have contributions or achievements worthy of recognition.

**Michelle Coleman** CPA, CA

**Leonard D'Silva** CPA, CMA

**Jeffrey Herzog** CPA

**Mark Mowbrey** CPA

**Amy Richards** CPA, CA

**Kristen Schafer** CPA, CA

**Janice Tran** CPA, CMA

## An overview of the awards process

Nominations for the FCPA, DSA, and EAA open **November 1** of each year and close **October 31** the following year.

Nominations for the FCPA, DSA, and EAA awards for **the current year close October 31.**

↓

**LATE NOVEMBER/ EARLY DECEMBER**

Awards Nomination Committee meets to **finalize nominations** for FCPA, DSA, and EAA to forward to Awards Review Committee for consideration.

→

**LATE JANUARY/ EARLY FEBRUARY FOLLOWING YEAR**

Awards Review Committee meets to **determine recommendations** to the CPA Alberta Board for FCPA, DSA, and EAA.

↓

**MARCH**

CPA Alberta Board meets to review recommendations and **approve successful** FCPA, DSA, and EAA recipients.

→

**WITHIN TWO WEEKS**

Successful recipients and **all nominators are notified.**

↓

**APRIL**

**Recipients are publicly announced.**

→

**MAY/JUNE**

Successful recipients are recognized at the **Elevate Awards Gala.**



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal 2022/23 marked the first year of CPA Alberta's new 2022–2025 Strategic Plan.

The plan was endorsed by the CPA Alberta Board in early 2022, and it takes into account the external forces, primary risks, and notable strengths that will likely impact the organization and the CPA profession in Alberta during this time period and beyond.

### The plan centres on four strategic priorities:

- 1. Protect the public;**
- 2. Ensure a sustainable professional accounting ecosystem in Alberta;**
- 3. Fulfill market needs; and**
- 4. Empower a responsible, accountable, and resilient organization.**

This Management's Discussion and Analysis (MD&A) reports on the key highlights and achievements toward fulfilling those priorities in the 2022/23 fiscal year. The analysis concludes with a look ahead to what the organization expects to focus on in 2023/24.

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



**STRATEGIC PRIORITY #1:**

# Protect the Public

*CPA Alberta will protect the public through the appropriate level of regulatory oversight.*

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## Registrations

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

In 2022/23, the Registrations department continued to share best practices, optimize the use of resources, and find efficiencies in managing its regulatory work. As part of this, senior team members represented CPA Alberta on national and regional committees and best practice working groups.

In July 2022, the Registrations department celebrated the launch of Phase 2 of the CPA Alberta Members Management System, which integrated corporate registrants (professional corporations, professional accounting firms, and professional service providers) into the new portal and increased database functionality for these registrants.



<b>NUMBER OF REGISTRANTS</b>	<b>2022/23</b>	<b>2021/22</b>
Members	31,219	30,717
Candidates	4,486	4,670
Professional accounting firms	1,797	1,770
Professional corporations	3,028	2,923
Professional service providers	25	25
<b>Total</b>	<b>40,555</b>	<b>40,105</b>

<b>NUMBER OF APPLICANTS</b>	<b>2022/23</b>	<b>2021/22</b>
Members	974	860
Candidates	1,019	965
Professional accounting firms	96	117
Professional corporations	196	167
Professional service providers	3	0

## Conduct and Discipline

CPA Alberta's Conduct and Discipline department manages all complaints of unprofessional conduct against registrants in accordance with the processes set out under the CPA Act as well as breaches of the CPA Act by non-registrants. These processes are, in part, meant to ensure the public is protected and practice standards and rules of professional conduct are enforced. A summary of CPA Alberta's conduct and discipline activities is set out in the table below.

This year, the Complaints Inquiry Committee (CIC) met three times to review investigation reports related to 28 unprofessional conduct complaint files. On behalf of CPA Alberta, the CIC also entered into 14 Sanction Agreements to settle matters where allegations of unprofessional conduct were referred to a Discipline Tribunal for a hearing.

<b>COMPLAINTS OF UNPROFESSIONAL CONDUCT</b>	<b>2022/23</b>	<b>2021/22</b>
Received	105	120
Referred to the complaint resolution process (s. 71)	0	0
Dismissed	69	47
Referred to Discipline Tribunal Roster Chair for a hearing	19	49
Referred back to the Complaints Inquiry Committee from appeal	1	0
	<b>2022/23</b>	<b>2021/22</b>
Registrants temporarily suspended during a disciplinary process (s.107)	2	2
Monitoring files – Self-reported Bankruptcy or Insolvency (Rule 601)	15	16

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

<b>NUMBER OF HEARINGS</b>	<b>2022/23</b>	<b>2021/22</b>
<b>DISCIPLINE TRIBUNALS</b>		
Referred to Discipline Tribunal Roster Chair for hearing	19	49
Rescinded	1	1
<i>Completed Hearings</i>		
Resolved through a Sanction Agreement	14	13
Findings of Unprofessional Conduct	2	4
No Finding of Unprofessional Conduct	0	0
Stayed/Discontinued	0	0
Cancellation of registration (pursuant to s.108)	0	0

## NUMBER OF HEARINGS

2022/23 2021/22

## APPEAL TRIBUNALS

<b>Appealed from Discipline Tribunal decision</b>	0	1
<i>Completed Appeal Hearings</i>		
Confirmed decision of Discipline Tribunal	0	1
Discipline Tribunal's decision varied	1	1
Referral back to Complaints Inquiry Committee	0	0
Referral to Discipline Tribunal Roster Chair for hearing	0	0
<b>Dismissal of Complaints Inquiry Committee appealed</b>	10	5
<i>Completed Appeal Hearings</i>		
Confirmed decisions of the Complaints Inquiry Committee	5	3
Reversed the dismissal and referred the matter back for further investigation or to a hearing	1	0
Appeal withdrawn	3	1
<b>Appeal of CPA Alberta decision to the Court of Appeal</b>	0	2
Appeal Restored by Court of Appeal	0	0
<i>Completed Appeal Hearings</i>		
Appeal Dismissed	0	1
Appeal Struck	0	0
Matter returned to Discipline Tribunal	0	0
<b>CLOSED HEARINGS</b>		
<i>Hearings closed to the public</i>		
Closed in whole	0	0
Closed in part	1	0

## Practice Review

CPA Alberta's Practice Review department continues to play an essential role in protecting the public by assessing the compliance of professional accounting firms and professional service providers under the National Harmonized Practice Review Program and taking appropriate remedial action in instances of non-compliance. All required follow-up practice reviews were completed within 12 months of a non-comply decision.

Practice Review continues to share best practices, such as providing important notices on Compilation Engagements. As part of this, CPA Alberta served on the national Practice Inspection Program Standing Committee.

In March 2023, the Practice Review department celebrated the launch of a rebuilt Practice Review System, which integrated the professional accounting firms and professional service providers into the CPA Alberta portal.

<b>NUMBER OF PRACTICE REVIEWS</b>	<b>2022/23</b>	<b>2021/22</b>
Comply	477	481
Non-comply	75	43
<b>Total reviews assessed</b>	<b>552</b>	<b>524</b>
<b>Referrals to the Complaints Inquiry Committee</b>	<b>8</b>	<b>8</b>

During the fiscal year, Practice Review began seeing compilation engagements under the new compilation engagement standard—CSRS 4200. This standard is much more robust and complex than the previous standard, which had not been updated in over three decades. This may explain the increase in non-compliance under the new standard.

## Competency of CPAs

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

## **PRACTICAL EXPERIENCE**

Practical experience is a mandatory and integral component of the CPA Certification program. Through practical experience, candidates in the CPA Professional Education Program (CPA PEP) demonstrate their technical knowledge in workplace settings and develop their ethical and professional behaviours and problem-solving, decision-making, communication, teamwork and leadership skills to help them best serve the public when they become CPAs.

The Practical Experience department developed a number of resource videos for candidates in the experience verification route (EVR) of CPA PEP to better support candidates in reporting their practical experience and in gaining relevant practical experience. These videos have been viewed more than 7,000 times.

The department also approved 22 new pre-approved programs or made material modifications to existing pre-approved programs at employers across Alberta, helping ensure quality training opportunities for CPA candidates.

This year, CPA Alberta evaluated and recommended to membership 765 candidates.

## **PROFESSIONAL DEVELOPMENT**

CPA Alberta continued to implement valuable changes to the Professional Development Program, including implementing a new registration system where CPAs can easily find learning opportunities with personalized course recommendations. A new flexible pricing model was introduced to enhance the member experience in planning their professional development by providing exclusive CPA pricing, early-bird pricing, and a new bundle-and-save feature.

After re-introducing in-person professional development courses, conferences, and executive programs, CPA Alberta was able to increase member access to professional development across the province through both in-person and virtual delivery of learning products.

This year, the organization provided 335 live virtual seminars, 397 on-demand offerings, seven executive program offerings, and three conferences for more than 14,400 registrations.

In 2022/23, executive programming was delivered virtually and in-person to more than 150 participants. These senior-level programs target a wide variety of industries and are designed for existing or aspiring controllers and chief executive officers.

## **MEMBER ENGAGEMENT**

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

## 2022/2023 CPA competency at a glance

765

CANDIDATES EVALUATED AND RECOMMENDED TO MEMBERSHIP

>7,000

PRACTICAL EXPERIENCE RESOURCE VIDEO VIEWS

1,500

INQUIRIES ADDRESSED BY THE TECHNICAL ADVISORY TEAM

335

LIVE VIRTUAL PROFESSIONAL DEVELOPMENT SEMINARS

14,437

OVERALL REGISTRATIONS IN PROFESSIONAL DEVELOPMENT OFFERINGS

397

ON-DEMAND VIRTUAL PROFESSIONAL DEVELOPMENT SEMINARS

151

EXECUTIVE PROGRAMMING PARTICIPANTS

3

CONFERENCES

In 2022/23, the Technical Advisory team responded to more than 1,500 inquiries from members and the public on topics including ethical dilemmas, practice management, independence, conflicts of interest, and accounting and auditing standards. The team also provided ethics seminars at practitioner group and industry conferences.

### Communications

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

**STRATEGIC PRIORITY #2:**

# Ensure a Sustainable Professional Accounting Ecosystem in Alberta

*Through education, outreach, and branding, CPA Alberta will learn, adapt, and influence relevant societal issues that affect Alberta citizens' and organizations' economic well-being.*

## Professional Development

CPA Alberta continued to support CPAs in understanding and managing the impact of disruption in the profession, including the virtual delivery of the fourth-annual Innovation, Technology, and Accounting Conference.

## Career Services

Career Services helped CPAs manage the impact of disruption in the profession and being future-ready through a mentorship program. More than 140 mentors and mentees participated in the program in 2022/23, which was the largest cohort so far. The program ran for six months and included upfront training and feedback sessions and ended with a closing celebration in March 2023.

CPA Alberta redesigned its job board, a resource hub for members in career transition and searching for jobs, to improve its usability. With the redesign, employers can more easily post jobs and candidates can more easily find roles that match their interests. The job response rate continues to improve, averaging more than four per cent in the last quarter. This matches the average response rate of niche job boards in the market.

747 jobs were posted on the CPA Alberta job board, and 2,399 applications were received. Postings continue to feature roles for new and experienced CPAs, CPA PEP candidates, and aspiring accounting/finance students as well as volunteer roles.





February 15  
2023

## Be Future Ready Innovation, Technology, and Accounting CONFERENCE



CPA Alberta continued to support CPAs in understanding and managing the impact of disruption in the profession, including the virtual delivery of the fourth-annual Innovation, Technology, and Accounting Conference.

### **CPA Assist**

CPA Assist provides confidential counseling services and 24/7 crisis support to Alberta and Saskatchewan CPAs, candidates, and their immediate families.

This year, CPA Assist launched a communications campaign to demystify the counseling service intake process and alert CPAs to the change of service hours from four to six hours per issue per person. The campaign resulted in an overwhelmingly positive response from Alberta and Saskatchewan CPAs in terms of raising awareness of the CPA Assist program and its mental health and wellness services and initiatives.

CPA Assist's confidential counseling services saw 925 hours used in Alberta and Saskatchewan. CPA Assist also hosted six free webinars on various topics related to mental health and wellness, all of which received a participant satisfaction rating of at least 80%.

With 522 registrants, the 2022 CPA Assist Virtual Wellness Conference saw a 24% increase compared to last year. In the follow-up survey, all respondents said they would attend another CPA Assist Virtual Wellness Conference and 94% of respondents said they would recommend the event to a friend.



## Step 1: Get in touch

Contact Forbes at 1-855-596-4222 or [cpaforbes@telus.net](mailto:cpaforbes@telus.net). Always leave your name and a direct line phone number.

## Step 2: Complete an intake

The purpose of the intake process is to:

- Get a sense of the issue(s) requiring counseling
- Identify any therapist requirements (gender, location, etc)
- Assess your best fit with a potential therapist



## Step 3: Get connected

A pre-determined therapist will contact you to set up appointments and discuss logistical details.

At any point in the process, if you feel your therapist is not the right fit for you, contact Forbes Psychological Services for re-assignment. It is important you are comfortable and feel your match is the right fit for you!



## Step 4: Engage in Treatment

You and your therapist can determine the right plan for your situation and how many sessions you need.

CPA Assist's communications campaign to demystify the counseling service intake process resulted in an overwhelmingly positive response.



## Communications and Resources

Through a variety of communication activities targeted at members, CPA Alberta built awareness and provided guidance and information on a number of timely and important issues, including more than 20 articles focused on the important topics of diversity, equity, inclusion, and accessibility (DEIA) and environmental, social, and governance (ESG).

### ONLINE RESOURCE CENTRE

CPA Alberta's Online Resource Centre continued to ensure members have access to resources to keep up to date on emerging areas impacting the accounting profession and ensure they are equipped to create value for their organizations. The centre includes resources in areas such as anti-money laundering, artificial intelligence, assurance, automation, blockchain, cryptocurrency, cybersecurity, data analytics and governance, digital transformation, DEIA (Diversity, Equity, Inclusion and Accessibility), ESG (Environmental, Social and Governance), ethics, financial reporting, practice management, strategy, risk management, taxes, the future of work, quality management, and value creation.

### SPONSORSHIPS

CPA Alberta was the Presenting Sponsor of high-profile events featuring Alberta's President of Treasury Board and Minister of Finance. CPA Alberta also sponsored the Alberta Chambers of Commerce's MLA Dinner, which enabled attendees to meet one-on-one with key government leaders and have their questions answered.

CPA Alberta sponsors many business and community-focused events in order to promote the profession and the designation. Some of these sponsorships include the Junior Achievement Business Hall of Fame, *Avenue's* and *Edify's* Top 40 Under 40 celebrations, the Alberta Business Awards of Distinction, Small Business Week events hosted by the Edmonton and Calgary chambers of commerce, and more.

## Member Relations and Engagement

Member Relations identified 66 new CPA subject matter experts in emerging areas, bringing the total to more than 230. Many of these individuals wrote articles; participated as conference speakers, moderators, and panelists; and led webinars, Peer-to-Peer Forums, and podcasts. Additionally, two Alberta CPAs—Jason Ding *FCPA, FCA* and Aroon Sequeira *FCPA, FCA*—were featured in CPA Canada's national branding campaign, *CPA For What Matters*.

In April 2022, Member Engagement collaborated with community partners and volunteers to deliver a virtual annual Volunteer Tax Clinic program, which assisted low-income Albertans in preparing their personal tax returns. Approximately 160 volunteers worked with 24 community partner organizations to prepare and e-file 1,200 returns.

CPA Alberta also continued to collaborate with CPA Canada in the delivery of the profession's Financial Literacy Program. Alberta CPA volunteers delivered 96 sessions, with more than 2,500 attendees.

In September 2022, the Member Engagement team collaborated with volunteers from each of the provincial CPA chapters to present an all-chapters virtual presentation on ESG. Featuring three Alberta CPAs who are subject matter experts in this field, the event attracted more than 1,000 registrants and approximately 600 attendees. This was one of many events during the year organized for members by the volunteer executives of the chapters, practitioner groups, and community ambassadors, which in total, attracted more than 6,000 registrants.

Peer-to-Peer Forums continued to provide an opportunity for Alberta CPAs and CPA candidates to share their experience and knowledge around a common topic and help each other tackle issues and challenges they may be facing.

CPA Alberta completed a series of Peer-to-Peer Forums focused on automation and started a new series based on environmental, social and governance sustainability in the energy and utilities sectors. The forums include a brief presentation by a subject matter expert followed by facilitated small-group discussions. Recordings of the eight presentations held this year, as well as all prior presentations, are available on demand. To date, approximately 800 Alberta CPAs have participated in Peer-to-Peer Forums.



Alberta CPAs Jason Ding FCPA, FCA (left) and Aron Sequeira FCPA, FCA were featured in CPA Canada's national branding campaign, *CPA For What Matters*. Images from [cpaforwhatmatters.ca](http://cpaforwhatmatters.ca).

**STRATEGIC PRIORITY #3:**

# Fulfill Market Needs

*CPA Alberta will meet the existing and emerging needs of the province for CPAs through the recruitment of new CPAs as well as the retention and ongoing development of existing CPAs.*

## Student Recruitment and Candidate Support

938 Alberta candidates entered CPA PEP, 417 individuals entered CPA preparatory courses, and 752 candidates passed the two 2022 Common Final Examinations (CFEs) held in May and September.

The Student Recruitment team was happy to return to on-campus and in-person classroom events to connect with post-secondary and high school students and attended a total of 108 events. Meet Your Employer, CPA Alberta's career fair, also returned to in person in fall 2022.

Student Recruitment hosted a number of brand-new events, including the sold-out Network-Wing Wednesday, which invited post-secondary students to join Alberta CPAs for a fun and casual night of networking, and the PRO dinner, which brought together post-secondary students, internationally trained professionals, and others in the workforce for networking and professional development.

CPA Alberta also supported the Indigenous Pilot Program, a joint project by the CPA Western School of Business and the Alberta Financial Officers Association. The program includes two courses—Introductory Financial Accounting and CPA PEP Core 1—that were tailored to Indigenous learners by Indigenous subject matter experts and taught by Indigenous instructors.



**About**

The Introductory Financial Accounting course will teach learners the basics of accounting and is the first prerequisite for the CPA Professional Education Program. It introduces the accounting cycle, financial analysis, and financial transaction recording.

The CPA Western School of Business and the Aboriginal Financial Officers Association of Alberta have collaborated with the Indigenous community to create a program that is culturally relevant and tailored to Indigenous learners.

Cover photo by Harshita Photography

**Community-based real-time learning**

The community-based real-time learning activities will enable learning circles, create a sense of community within the cohort, and provide opportunities for peer learning and support.

**Introductory webinar**

At the beginning of the course to introduce learners to the profession and the course.

**Hub in-person sessions**

At the beginning and end of the course to first create community and then to prepare for the final exam.

**Satellite in-person sessions**

Throughout the course to enable learners to work through technical materials, to work through technical content and to work with Indigenous subject matter experts.

**Individual learning**

The individual learning activities will enable flexibility in completing parts of the course so learners can learn at their own pace before the final exam.

Individual learning activities will include a self-paced e-book, quizzes, integrated problems marked by a facilitator with feedback, a practice case marked by a facilitator with feedback, and the opportunity to write a practice exam case.

**Entry requirements**

To be admitted to the CPA PEP Core 1 Module for Indigenous Learners, applicants must:

- Have an undergraduate degree or higher
- Complete prerequisite learning
- Have 120 credit hours or equivalent
- Provide proof of Indigenous Status

**Cost**

Transcript assessment fee	\$100
Initial registration fee	\$45
Annual candidate dues are waived	
Module fee is waived	\$5

**CPA PEP Core 1 Module**  
**Empowering Indigenous Learners**

A course tailored to Indigenous learners in CPA PEP

Emily Parker, Future CPA

CPA ALBERTA  
SUPPORTING ACCOUNTANTS WESTERN SCHOOL OF BUSINESS  
AFO ALBERTA  
ADVANCING A COMMUNITY OF PROFESSIONALS

includes:  
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...hotel costs for  
...sessions  
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to GST, where applica  
offering only.

CPA Alberta supported the Indigenous Program, a joint project by the CPA Western School of Business and the Alberta Financial Officers Association. The program includes two courses—Introductory Financial Accounting and CPA PEP Core 1—that were tailored to Indigenous learners by Indigenous subject matter experts and taught by Indigenous instructors.

The Employer Relations team continued to provide Alberta employers with resources and information to help them support their CPA candidates. The team developed more than 50 informative resources for candidates and employers, including publications, events, blog posts, and e-newsletters.

These resources included seven information sessions for Alberta employers about the path to becoming a CPA and seven opportunities for EVR and pre-approved program route employers to virtually connect and share best practices and techniques for training candidates.

Employer Relations connected with and supported 2,104 employers, candidates, and prospects. The team also held CPA PEP Talks speaker events to provide tips to candidates in CPA PEP modules from Core 1 to Capstone 2 and Speed Coffee Chat events, which enabled CFE writers to have their CFE-related questions answered in a 10-minute, one-on-one chat with a recent successful writer.

## Member Events and Awards

To enhance Alberta CPAs' connections to the profession and each other, CPA Alberta also held a number of in-person events for members.

More than 400 Alberta CPAs took part in the profession's (Re)Elevate week of activities, which included celebrations for Achievement Award recipients, volunteer activities, and a full-day professional development conference.

CPA Alberta held convocation celebrations for all graduates who successfully completed the CFE in 2020, 2021, and 2022. These events led more than 7,000 attendees to connect with the profession through the various convocation activities.

CPA Alberta also delivered the first Evolve conference and seven post-conference sessions, which had a total of 311 CPAs register. The conference combined the Annual Forum for CPAs in Industry and the Oil & Gas Conference to better meet the needs of CPAs in Alberta. This conference is built to address the hot topics affecting CPAs in Alberta, including the energy sector, business, and preparing for the future.

### ACHIEVEMENT AWARDS

The Member Relations department enhanced the Achievement Award nomination and review process, resulting in a set of exceptional recipients that is representative of the profession. The award recipients embody the core principles of the CPA profession and bring honour to and strengthen the reputation of all CPAs. In 2023, 28 recipients were recognized, and nine of this year's recipients were individuals from historically underrepresented groups, highlighting the diversity of our membership in Alberta.

## Career Services

The focus of the Career Services team is providing holistic career guidance to CPAs through all stages of their career journeys. Guidance includes webinars, mentorship, resume reviews, and career advising sessions in the areas of gender and workplace issues, employment trends, job search and salary negotiation, personal branding, elder care, motivation, and goal setting.

Career Services hosted more than 18 free webinars and career sessions for more than 2,500 CPAs.

Career services also maintained external partnerships to gain insights into changing industry trends and re-introduce virtual resume review clinics to Alberta CPAs. Two virtual resume review clinics were hosted in partnership with external partners with a total of 40 attendees.



More than 400 Alberta CPAs took part in the profession's (Re)Elevate week of activities, which included celebrations for Achievement Award recipients, volunteer activities, and a full-day professional development conference.

## Communications

CPA Alberta communicated with members to help them maintain or enhance their competence. Timely updates on standards were provided through both the *Daily Dividends* e-newsletter and *Dividends* magazine, and those well-read vehicles both contained numerous articles designed to help Alberta CPAs grow as professionals—including topics ranging from fraud detection to cyber security, leadership to maintaining mental health.

CPA Alberta also continued communicating with the public, including future CPAs. Through various social media campaigns, advertising, and sponsorships, CPA Alberta continues to promote the CPA designation to future CPAs.

*Capitalize*, CPA Alberta's student recruitment magazine, continued to focus on the key benefits of pursuing a CPA designation and how a CPA designation is relevant to the career aspirations of high school and post-secondary students. The Fall 2022 issue was themed "The many layers of a CPA" and demonstrated how CPAs balance their personal and professional lives; the Winter 2023 issue was themed "CPA: Explore the possibilities" and considered the various journeys Alberta CPAs can take.

CPA Alberta introduced the second year of the *Capitalize* Campus Stars program, which acknowledges outstanding post-secondary students across Alberta. The program is intended to solidify the ambition of selected stars in pursuing their CPA designation after they graduate, inspire other accounting students by showcasing what their peers are achieving, and highlight the CPA profession as a community of success and achievement at all stages. The second class of Campus Stars included five accounting students from across the province.



**STRATEGIC PRIORITY #4:**

# Empower a Responsible, Accountable, and Resilient Organization

*CPA Alberta will be responsible stewards of its resources, demonstrate fiscal accountability and resilience in our operations, and embody a workplace culture that embraces diversity, equity, and inclusion.*

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## Corporate Strategy and Risk

The Corporate Strategy and Risk department led projects with the goal of sustaining organization capacity and bolstering a resilient CPA Alberta.

A three-year procurement strategy was developed to enhance the procurement function that builds on the visibility, integration, and rationalization achieved to date. The procurement strategy will ensure CPA Alberta's procurement activities are aligned with the strategic priorities and synchronized across the organization.

The Enterprise Risk Management Program continued to mature with a renewed assessment and enhanced reporting of strategic risks aligned with the 2022-2025 strategic priorities, including calculation and reporting on residual risk.

Operational key performance indicators were refreshed to measure the success of continuing and new initiatives at CPA Alberta aligned with the 2022-2025 strategic priorities. Results of the key performance indicators contribute to informed business decisions across the organization to meet all strategic priorities.



## Office Services and Human Resources

Office Services prepared a safe and welcoming workplace for staff returning to the office after managing through an extended remote working environment. With external factors impacting the downtown cores in Calgary and Edmonton, this included working with property managers and enhancing security around the offices. In addition to being business partners for internal operations, the office receptionists received more than 10,000 incoming calls.

CPA Alberta was recognized as one of Alberta's Top 75 Employers in 2023. This is a distinction recognizing Alberta employers that lead their industries in offering exceptional places to work. Employers are compared to other organizations in their fields to determine which offer the most progressive and forward-thinking programs, including health, financial and family benefits; training and skills development; and community involvement.

Human Resources rolled out CPA Alberta's leadership development 360-degree competency feedback tool and coaching to 80 per cent of the organization's people leaders to understand the key areas for leadership skills and competency development.



## CPA Alberta Board Vote

The 2022 CPA Alberta Board Vote saw the highest number of votes cast and second-highest number of candidates on the ballot since unification of the profession in 2015. This speaks to the level of engagement members have with CPA Alberta, and the interest they have in guiding the direction of their profession.

## Business Systems

Cyber security continues to be a top priority for CPA Alberta. The Business Systems team continuously seeks out best practices to implement and ensures resources are not only available for the organization but to all members on the website.

# 2023/24 Outlook

**2023/24 will be the second year under CPA Alberta's three-year strategic plan to protect the public, ensure a sustainable professional accounting ecosystem in Alberta, fulfill market needs and empower a responsible, accountable and resilient organization.**

Advancing this agenda will not be without challenge. Some are common to other professions and industries, including the difficulty of managing financial resources responsibly in an inflationary environment, the growing risks to cyber-security, and an uncertain economic environment.

There will also be challenges specific to the CPA world. These include a growing demand to reflect ESG and carbon accounting in the bottom line. There is also a need to ensure the profession reflects the growing diversity of our province, including Black, Indigenous and people of colour. Also, CPAs remain in high demand in the workforce at all levels of the career ladder, putting pressure on recruitment and professional development programs.

Work to develop the new CPA certification program has begun and will continue throughout the next several years. This will open new pathways to the profession while updating how accounting competencies are developed and evaluated. However, there must be a seamless transition for candidates from the current certification program to the next one, and the profession must continue to ensure its members are future ready.

Finally, CPA Alberta must always be aware and responsive to the demands on it in the current regulatory environment. Albertans and the government must continue to have confidence in members and in the corresponding privilege of self-regulation.

The background features a dark teal color with a grid of white dots on the left side. Overlaid on this are various financial data visualizations, including 3D bar charts, line graphs with dashed trend lines, and numerical values like '150' and '45'.

# FINANCIAL DISCUSSION

# Overview

**This year commenced with a noteworthy development as pandemic restrictions were lifted, and in-person activities resumed.**

Throughout the year, CPA Alberta celebrated two convocation events and held the Elevate events for the first time since the pandemic began. Additionally, significant projects were completed, including Phase II of the member management system, the development and implementation of a new practice review system, and implementation of a new e-commerce platform. In the macro environment, the economy continues to experience high inflation as costs of supplies and demand for labor increased. Earlier in the year, inflation rates reached 8%.

While a deficit of \$1.2 million was budgeted for the fiscal year, the actual financial results reported a deficit of \$3.7 M. The additional deficit was due to negative variances in the education program resulting from fewer learner registrations and increased education delivery costs, as well as increased costs for events such as convocation deferred from prior years due to the pandemic.

The comparison of CPA Alberta's results year over year will be discussed in further detail in this financial discussion, along with a financial outlook for the 2023/24 fiscal year.

# Financial Results

CPA Alberta reported a deficit of \$3.7M compared to a surplus in the prior year of \$478K, for an overall decrease of \$4.2M. This was predominantly driven by an increase in total expenses (see table below). The primary contributors to the changes in revenue and expenses will be discussed in more detail below.

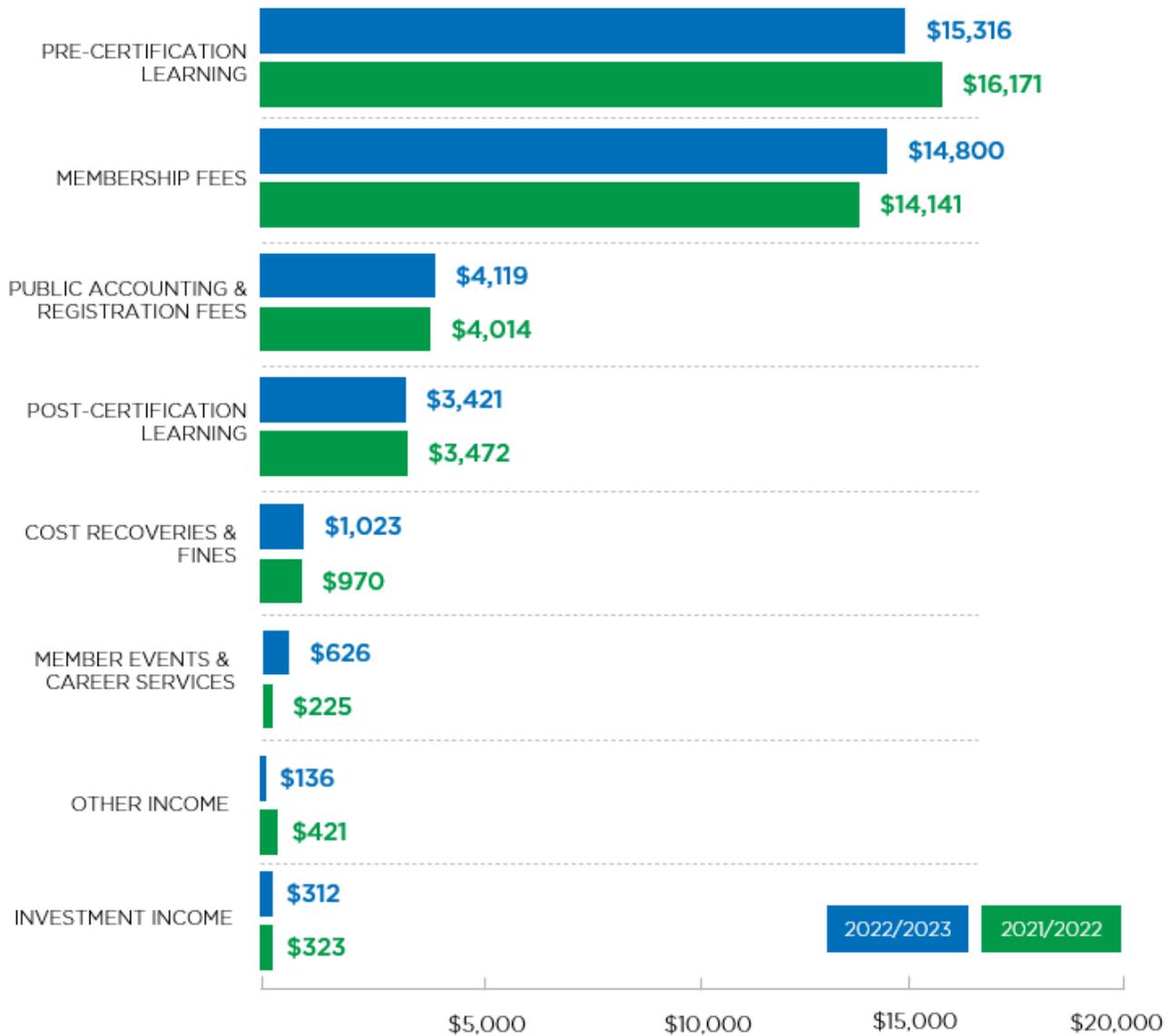
FINANCIAL RESULTS (‘000)	2022/23	2021/22	INCREASE/ (DECREASE)
Revenue	\$39,753	\$39,737	\$16
Expenses	43,454	39,259	(4,195)
<b>Total</b>	<b>(\$3,701)</b>	<b>\$478</b>	<b>(\$4,179)</b>

## Revenue

CPA Alberta is funded through various sources of revenue. These revenues support various activities and programs provided by CPA Alberta and allow the profession to meet the requirements of the *Chartered Professional Accountants Act*.

Total revenue (including investment income) of \$39.8M is on par with the prior year’s revenue of \$39.7M. The decline in other income (\$285K) and Alberta learner registrations (\$856K) is offset by gains in membership fees (\$660K), public accounting & registration fees (\$105K) and member events and career services (\$401K).

### REVENUE FUNDING BY SOURCE ('000)

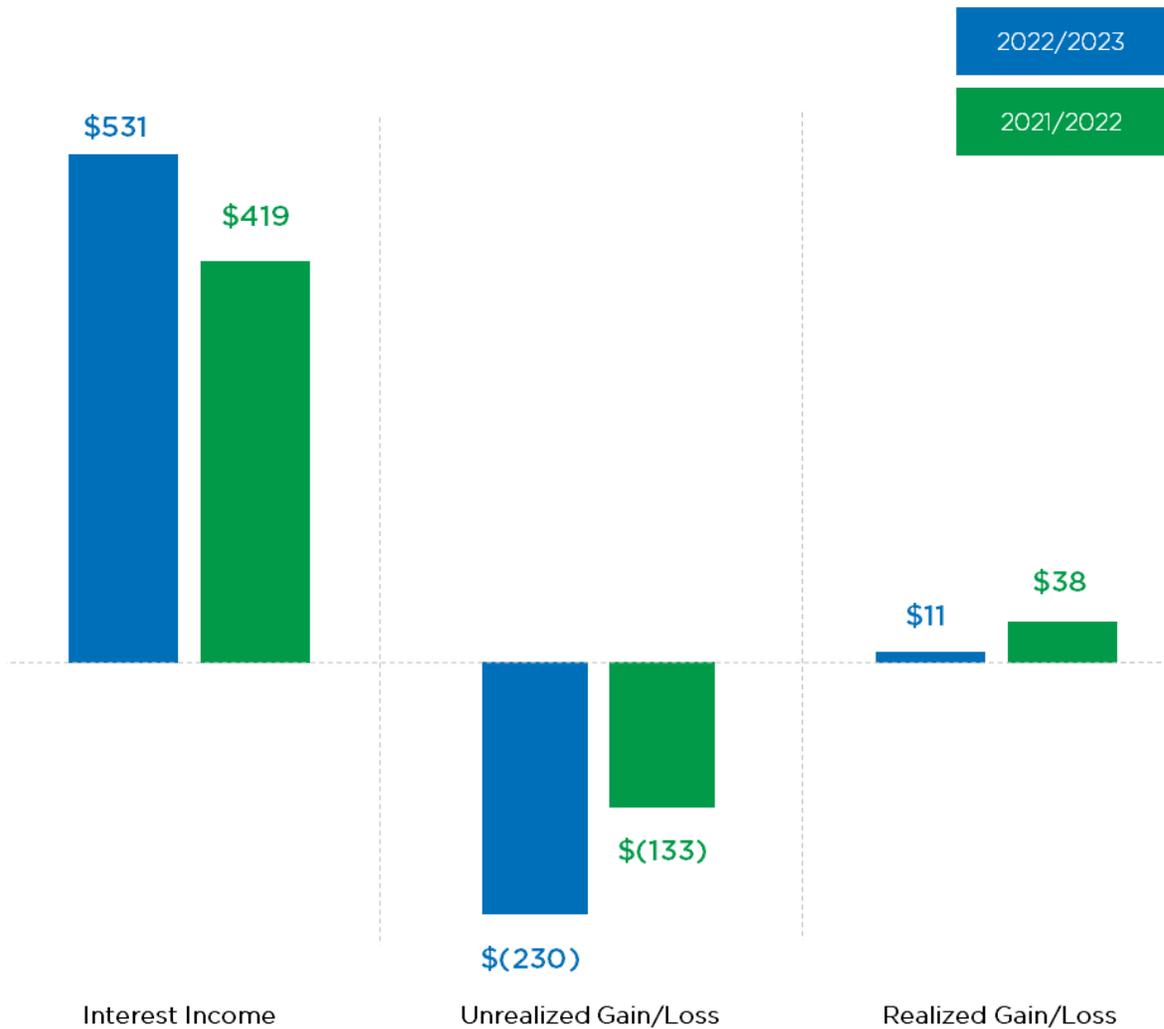


### Investment Income

Investment income reported revenues of \$312K, a slight decrease of \$11K from the previous year. Unrealized losses were experienced during the year primarily due to overall market downturn. However, the portfolio benefitted from the interest rate hikes, as earned income offset these losses.

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

## INVESTMENT INCOME ('000)



### Other Income

Other income includes revenue recovered through shared national and provincial programs such as CPA Assist and the national education program. These amounts vary by fiscal year depending on the nature of the shared programs and services agreements with the provincial bodies and CPA Canada. The national development of pre-certification education and the new certification program resulted in net costs this fiscal year in comparison to the prior year's net surplus, resulting in a decrease in other income.

## Member Products, Services, and Events

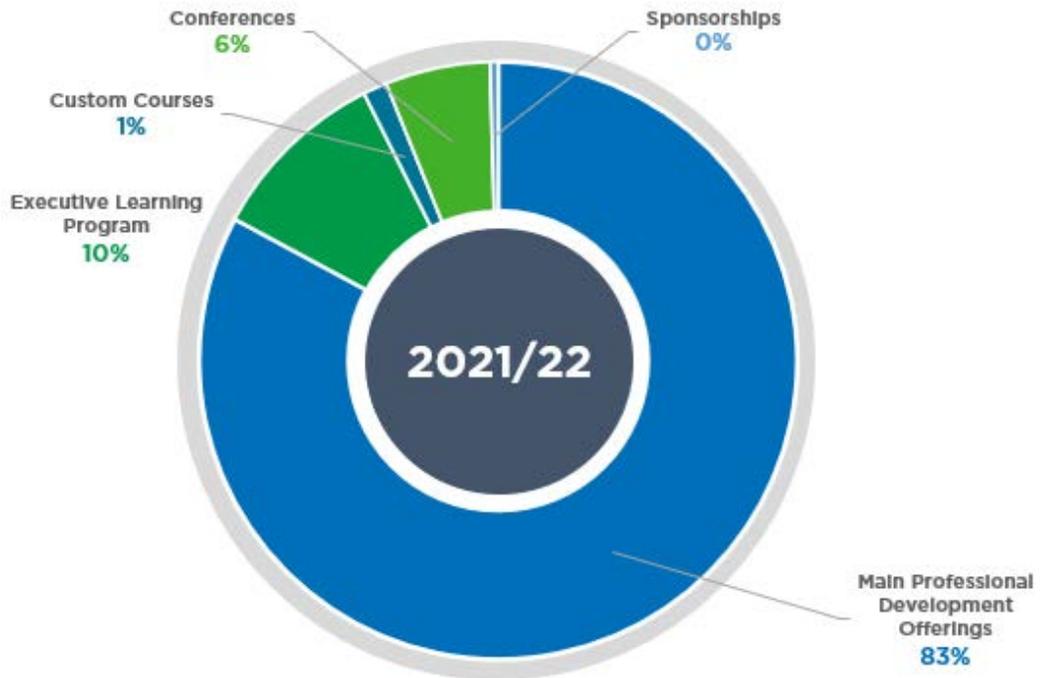
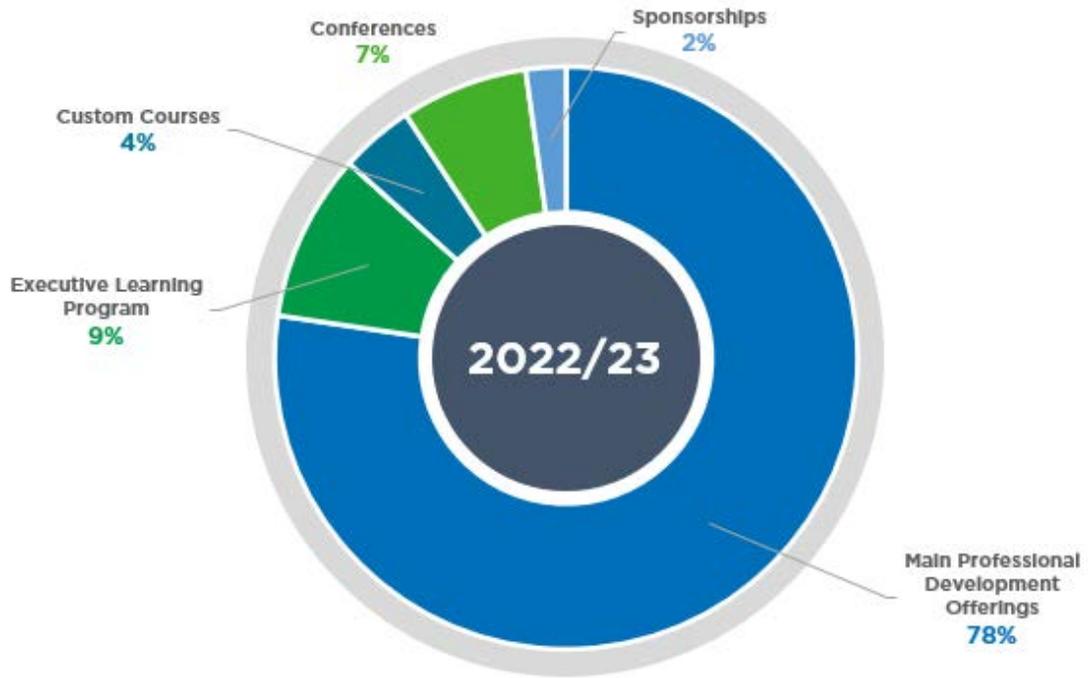
While professional development registrations have increased this year in specific areas such as on-demand courses, registrations for courses delivered in-person have not been as robust. The virtual format continues to be a popular choice among the members.

MEMBER PRODUCTS, SERVICES, AND EVENTS	2022/23	2021/22	DIFFERENCE
Post Certification Learning	\$3,421	\$3,472	(\$51)
Member Events and Career Services	626	225	401
<b>Total</b>	<b>\$4,047</b>	<b>\$3,697</b>	<b>\$350</b>

*Post-certification learning* encompasses a comprehensive program of professional development programs, conferences, and custom courses. As the work environment increasingly adopts hybrid work arrangements, the professional development team continues to focus on providing online courses, with some in-person options and sufficient flexibility to adapt as needed. It is worth noting that customized learning programs have seen an increase in revenues by \$95K, as employer demand rises. This slightly offsets the decline in the main program registrations experienced this year.

*Member Events and Career Services.* CPA Alberta held several in-person events during the year. The annual Elevate event previously put on hold during the pandemic, resumed and was celebrated in Banff. Convocation events that were previously deferred due to pandemic restrictions were held in the spring. In addition, convocations for the 2022 graduates were held in winter as scheduled. Increases in member events and career services revenue are a direct result of these events.

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

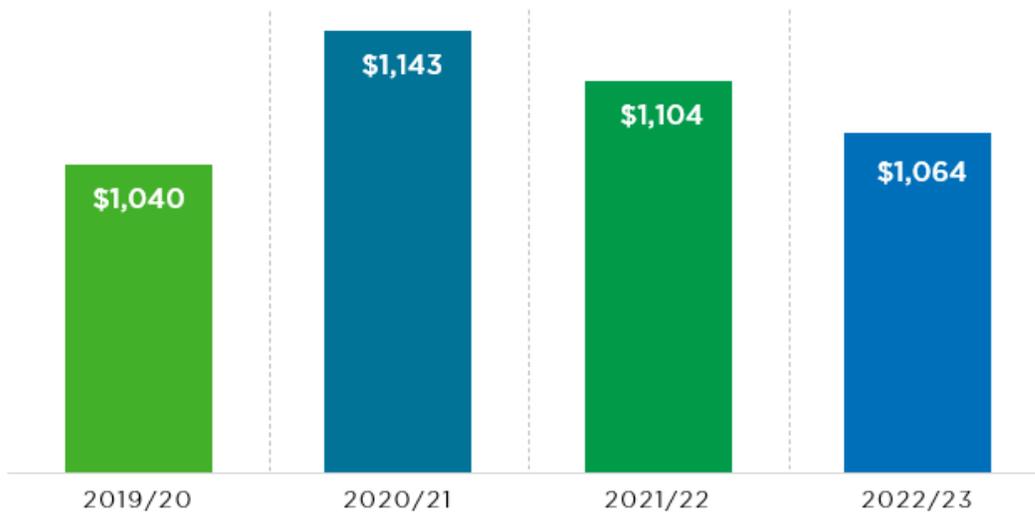


## Membership Fees

The increase in member fee revenues was primarily a result of the \$20 fee increase for billing year 2022-23 as well as a decrease in fee reduction applications received during the year.

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

**MEMBER FEES REDUCTION TRENDING ('000)**



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

## Pre-Certification Fees

This year experienced a reduced intake of registrations in both the Professional Education Program and preparatory courses, resulting in reduced revenues. Management is closely monitoring this.

# Expenses

Expenses have increased primarily due to the recommencement of in-person events previously deferred due to public health restrictions.

EXPENSES ('000)	2022/23	2021/22	INCREASE/ (DECREASE)
Pre-certification learning	\$14,857	\$14,430	\$427
Administration	11,862	11,360	502
Member services	7,557	4,710	2,847
Regulatory	6,265	6,031	234
Communications and recruitment	2,913	2,728	185
<b>Total</b>	<b>\$ 43,454</b>	<b>\$39,259</b>	<b>\$4,195</b>

Pre-certification learning expenses are for the delivery of the Professional Education Program (PEP) and Preparatory Programs (PREP). These programs are delivered on behalf of the western provinces by the CPA Western School of Business (“CPAWSB”) through an operating agreement. Contractor expenses, human resource costs and technology-related expenditures contributed to this year’s increase.

Administration expenses primarily consist of costs to operate the Calgary and Edmonton locations, support services, governance, and the costs of amortization. The Manulife lease in Edmonton ending during the fiscal year, is the main contributor to the reduction in rent expenses. Also included are national shared education costs incurred relating to the development of precertification education and the new certification program.

Member services expenses include in-person events such as convocations and Elevate celebrations that have resulted in increased logistics costs.

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

Communications and recruitment efforts continue to support and engage with prospective members interested in pursuing the CPA designation. Recruiting events have also resumed in-person during the year resulting in higher logistics costs compared to the prior year.

# Human Capital

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

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

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

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

Employees are recognized for meeting strategic objectives through a performance management program that measures success towards goals and contribution to the workplace. In addition, CPA Alberta has several initiatives within its rewards program, including peer-to-peer recognition and long-term service awards. CPA Alberta also supports team building and social responsibility through its volunteer social committee, which provides events to employees throughout the year. CPA Alberta employees also pride themselves in giving back to the community and this year focused their donations to support local food banks. One highlight this year is that CPA Alberta won the Top 75 Employers award.

CPA Alberta's staffing levels remain at approximately 120-130 full-time equivalents over the past five years.

# Financial Stewardship

## System and Processes

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

## Non-Financial Resources

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

## Capital Resources ('000)

On March 31, 2023, CPA Alberta had a cash balance of \$5,994 compared to \$9,009 at March 31, 2022. The decrease is due to various reasons including net expenses for in-person events deferred from prior years. In March 2023, the Board approved the 2023/24 budget, which included fee increases on several revenue streams.

## Long Term Investments ('000)

Long-term Investments include fixed income securities and common shares based on the asset allocation in the Investment Policy Statement ("IPS"). The IPS and investment advisor performance is reviewed annually by the Audit and Risk Committee. The IPS focuses on capital preservation and long term growth to retain the real (inflation adjusted) value of the portfolio. The risk profile of the portfolio is low to moderate-risk. The long-term investments balance at March 31, 2023 was \$8,461 compared to \$8,133 in the prior year. Investments were discussed in more detail earlier in the financial discussion.

## Tangible and Intangible Capital Assets ('000)

On March 31, 2023, CPA Alberta held tangible capital assets with a net book value of \$3,382 compared to \$4,150 in the prior year (the decrease was due to the depreciation of the assets), and intangible capital assets with a net book value of \$4,768 compared to \$4,376. Included in Intangible Assets are phase II of the development costs for the new member management system as well as a new practice review system that were completed during the year.

CAPITAL ASSETS ('000)	2022/23	2021/22
Tangible	\$3,382	\$4,150
Intangible	\$4,768	\$4,376

### Working Capital ('000)

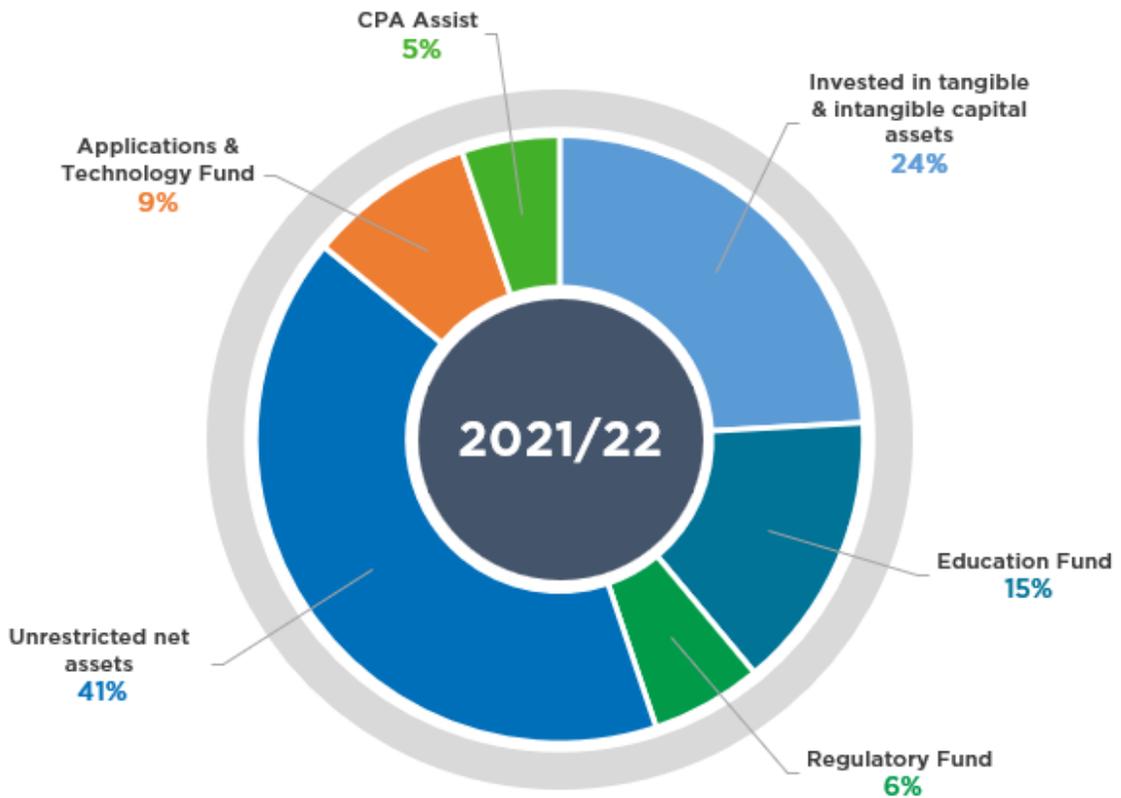
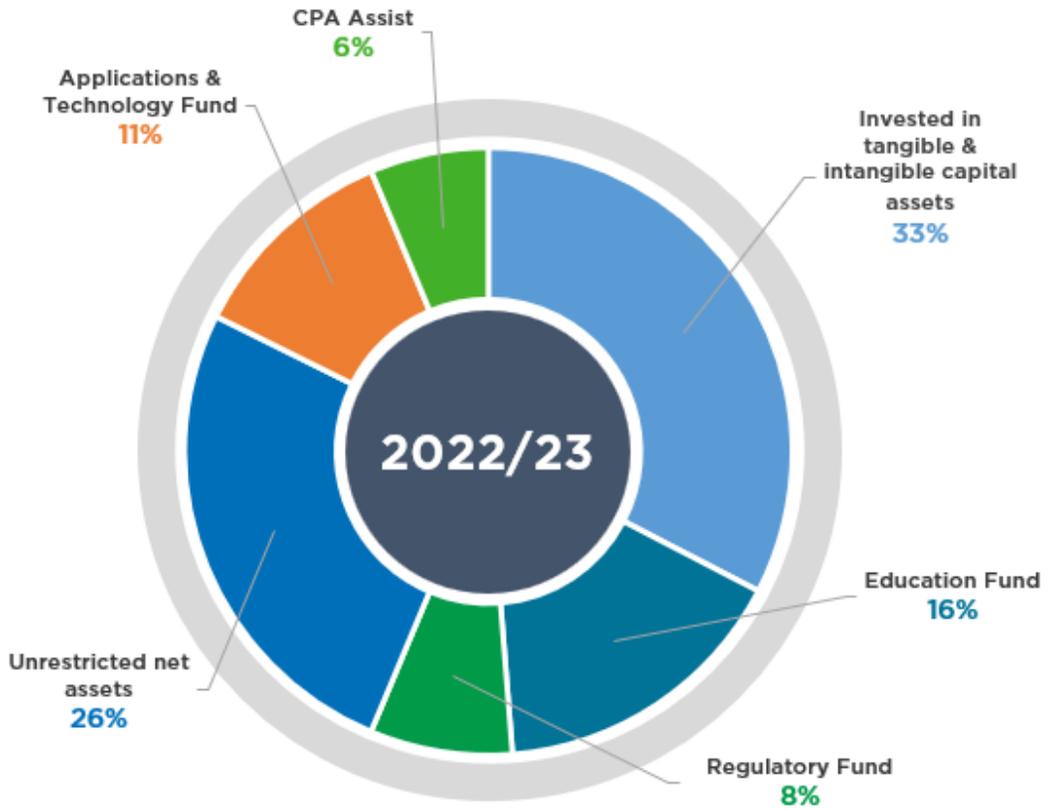
The working capital position on March 31, 2023, which is defined as current assets minus current liabilities, is negative \$425 compared to \$4,181 at March 31, 2022. The organization believes the current cash position and anticipated cash flows from operations is sufficient to meet future working capital and capital expenditure requirements, while closely monitoring inflation's impact to the organization's operations.

### Net Assets

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

The Board has restricted a portion of Net Assets for capital assets, wellness programs for members, future development of the CPA Education program, future development and implementation of technological upgrades, and the regulatory fund.

- The Regulatory Fund supports the complexity of regulatory processes and any related unforeseen costs which fluctuate annually.
- The CPA Assist Fund supports mental health initiatives for members.
- The Education Fund supports a high quality, relevant learning environment for students and candidates, and serves to respond to significant fluctuations in revenue and expenses relating to program enrollment. On March 31, 2023, \$312K was utilized from this fund for shared costs incurred in the development of the new certification program.
- The Applications and Technology Fund was internally restricted to support the future development and implementation of technological upgrades by ensuring adequate funds are available for the development of large customizations and staying current with technological changes, as well as ensuring mature cybersecurity measures are in place.



# Risks and Opportunities

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

## Procurement and Contract Management

The procurement and contracts management program ensures that the procurement activities of the organization are transparent, and value is optimized. The procurement strategy focuses on enhancing the working procurement model in obtaining value for money for all purchases of goods and services while maintaining consistency and transparency. In addition to supporting fiscal accountability, the program supports CPA Alberta's strategic themes of enterprise risk management and societal trends by considering moral, social, economic, and environmental impact. Furthermore, the program will build on a procurement compliance and reporting framework through the implementation of new software solutions. Contracts management has also improved transparency through the implementation of a centralized contracts library with automated workflows.

## Internal Controls

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

## Project Management

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

## Enterprise Risk Management

An Enterprise Risk Management Program (ERMP) based on the ISO: 31000 standard is in place to identify, assess, treat, and report on strategic and operational risks. In CPA Alberta's governance structure, the Audit & Risk Committee, on behalf of the Board, has the responsibility for oversight of risk management.

This responsibility includes reviewing guidelines and policies to understand the process by which risk management is handled and to obtain assurance on the adequacy and effectiveness of risk management.

CPA Alberta monitors several strategic risks, including ensuring:

- CPA Alberta and the profession maintain a positive and strong reputation,
- CPA Alberta fulfills its mandate and the profession will continue to self-regulate,
- Members are competent and continue to be respected by the public for professional accounting services and advisory and high ethical standards,
- Members continue to see value in CPA Alberta's services and its ability to self-regulate,
- CPA Alberta continues to understand the unique Alberta landscape and the impact on its members,
- Disruptive forces to the organization and its members are monitored and addressed where necessary,
- Members' private information is secured through cybersecurity programs and continual monitoring and awareness of the cyber environment, and
- The organization's assets are safeguarded and long-term viability is secure.

# Looking Ahead

## CPA Alberta's 2023/24 corporate business plan outlines the goals and strategies for the organization, guided by the 2022-2025 three-year strategic plan.

A detailed budget was prepared in support of the 2023/24 plan and the strategic priority to empower a responsible, accountable, and resilient organization.

The 2023/24 budget cycle was a challenge as cost increases are felt across all industries. The budget anticipates these increases in operational costs that result in fee increases on a few major revenue streams. The volatility in the labor market has also prompted an earlier market review than planned, revealing that a shift in salary ranges may be required, resulting in a higher salary and benefits assumption, in anticipation of this move. For the 2023/24 year, a small incremental increase will incur to provincial member fees, public accounting firm fees, and practice review fees. This is primarily due to inflationary pressures that are expected to continue in the next fiscal year.

There is great uncertainty as to how the economy will unfold in the coming year. Contributing factors such as the performance of energy markets, government policies and global economic conditions play a role in shaping the Alberta economy. There is much optimism that inflation rates will start to shift downward as evidenced by the recent announcement from Bank of Canada, keeping the current interest rate as is. The organization will continue to navigate these uncertainties, while continuing to strive to operate as efficiently as possible, ensure adequate funds are available to meet its mandate, provide services of value to members, and secure the long-term viability of the profession.



# FINANCIAL STATEMENTS

# Management's Responsibilities for Financial Reporting

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

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

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

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

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

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

**Rachel Miller** FCPA, FCA  
Chief Executive Officer  
June 15, 2023

**Min Yao** CPA, CMA  
Chief Financial Officer



# Independent Auditor's Report

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**To the Members of the**  
Chartered Professional Accountants of Alberta

## Opinion

We have audited the financial statements of the Chartered Professional Accountants of Alberta (the "Organization"), which comprise of the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Chartered Professional Accountants of Alberta as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

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

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

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

## Independent Auditor's Report (Continued)

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

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

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Independent Auditor's Report (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Calgary, Canada  
June 15, 2023

The signature of Grant Thornton LLP is written in a cursive, handwritten style.

Chartered Professional Accountants

# Chartered Professional Accountants of Alberta

## Statement of Financial Position

### As at March 31, 2023

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 5,993,635	\$ 9,008,998
Accounts receivable (Notes 7-8)	6,644,864	8,675,522
Prepaid expense	394,822	374,733
Deposits	119,549	215,926
Loan receivable (Note 7b)	241,969	-
	<u>13,394,839</u>	<u>18,275,179</u>
<b>Non-Current Assets</b>		
Long term investments (Note 3)	8,461,091	8,133,428
Tangible capital assets (net) (Note 4)	3,382,468	4,150,096
Intangible capital assets (net) (Note 4)	4,767,601	4,375,936
Asset for implementation of software services (Note 5)	380,743	-
	<u>16,991,903</u>	<u>16,659,460</u>
	<b><u>\$ 30,386,742</u></b>	<b><u>\$ 34,934,639</u></b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Notes 7, 9-11)	\$ 4,865,203	\$ 4,225,583
Deferred revenue (Note 7b)	8,954,774	9,868,459
	<u>13,819,977</u>	<u>14,094,042</u>
<b>Non-Current Liabilities</b>		
Deferred lease incentives (Note 10)	3,375,339	3,948,426
	<u>3,375,339</u>	<u>3,948,426</u>
	<b><u>17,195,316</u></b>	<b><u>18,042,468</u></b>
<b>Net Assets</b>		
Invested in tangible and intangible capital assets	4,300,044	4,076,842
Internally restricted (Note 12)		
Regulatory Fund	1,000,000	1,000,000
CPA Assist	830,600	879,878
Education Fund (Note 13)	2,187,981	2,500,000
Application and Technology Fund	1,500,000	1,500,000
Unrestricted net assets	3,372,801	6,935,451
	<u>13,191,426</u>	<u>16,892,171</u>
	<b><u>\$ 30,386,742</u></b>	<b><u>\$ 34,934,639</u></b>

#### Commitments (Note 6)

Approved on behalf of the CPA Alberta Board

Damian Zapisocky, CPA, CA  
Board Chair

Rachel Miller, FCPA, FCA  
Chief Executive Officer

# Chartered Professional Accountants of Alberta

## Statement of Operations

### For the year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Pre-certification learning (Note 7)	\$ 15,315,908	\$ 16,171,471
Membership fees	14,800,124	14,140,538
Public accounting and registration fees	4,119,164	4,014,044
Post-certification learning (Note 7)	3,420,556	3,471,688
Cost recoveries and fines (Note 7)	1,022,760	969,857
Member events and career services (Note 7)	626,379	225,284
Other income (Note 7)	136,477	421,294
	<u>39,441,368</u>	<u>39,414,176</u>
<b>Expenses</b>		
Pre-certification learning (Note 7)	14,857,328	14,429,964
Administration (Note 4)	11,862,304	11,360,016
Member services (Note 5)	7,556,561	4,709,928
Regulatory	6,265,055	6,030,836
Communications and recruitment	2,913,077	2,728,475
	<u>43,454,325</u>	<u>39,259,219</u>
<b>Operating (deficiency) excess of revenues over expenses</b>	<b>\$ (4,012,957)</b>	<b>\$ 154,957</b>
Investment income (Note 3)	312,212	322,990
<b>(Deficiency) excess of revenues over expenses</b>	<b>\$ (3,700,745)</b>	<b>\$ 477,947</b>

# Chartered Professional Accountants of Alberta

## Statement of Changes in Net Assets

### For the year ended March 31, 2023

	Invested in tangible and intangible capital assets	Internally restricted	Unrestricted	2023	2022
Balance, beginning of year	\$ 4,076,842	\$ 5,879,878	\$ 6,935,451	\$16,892,171	\$16,414,224
(Deficiency) excess of revenue over expenses	(670,148)	(361,297)	(2,669,300)	(3,700,745)	477,947
Purchase of capital assets, net of disposals	893,350	-	(893,350)	-	-
<b>Balance, end of year</b>	<b>\$ 4,300,044</b>	<b>\$ 5,518,581</b>	<b>\$ 3,372,801</b>	<b>\$13,191,426</b>	<b>\$16,892,171</b>

Internally restricted fund comprises of:

	Regulatory Fund	CPA Assist	Education Fund	Technology and Application Fund	2023	2022
Balance, beginning of year	\$ 1,000,000	\$ 879,878	\$ 2,500,000	\$ 1,500,000	\$ 5,879,878	\$ 5,819,200
(Deficiency) excess of revenue over expenses (Note 13)	-	(49,278)	(312,019)	-	(361,297)	60,678
<b>Balance, end of year</b>	<b>\$ 1,000,000</b>	<b>\$ 830,600</b>	<b>\$ 2,187,981</b>	<b>\$ 1,500,000</b>	<b>\$ 5,518,581</b>	<b>\$ 5,879,878</b>

# Chartered Professional Accountants of Alberta

## Statement of Cash Flows

### For the year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
<b>Cash provided by (used for) the following activities</b>		
<i>Operating</i>		
(Deficiency) excess of revenue over expenses	\$ (3,700,745)	\$ 477,947
Non-cash adjustments:		
Amortization of tangible and intangible capital assets (Note 4)	1,264,780	1,422,921
Amortization of deferred lease incentives (Note 10)	(599,165)	(615,615)
Amortization of software services (Note 5)	68,867	-
Loss on disposal of capital assets (Note 4)	4,533	65
Unrealized loss on investments (Note 3)	229,875	133,493
Realized gain on investments (Note 3)	(10,656)	(37,964)
	<u>(2,742,511)</u>	<u>1,380,847</u>
Changes in non-cash working capital accounts (Note 14)	<u>1,616,990</u>	<u>3,880,946</u>
	<u>(1,125,521)</u>	<u>5,261,793</u>
<i>Investing</i>		
Purchase of capital assets	(893,350)	(1,461,877)
Purchase of software services	(449,610)	
Purchase of investments	(597,429)	(861,484)
Proceeds on sale of investments	50,547	859,229
	<u>(1,889,842)</u>	<u>(1,464,132)</u>
<b>(Decrease) increase in cash</b>	<b>(3,015,363)</b>	<b>3,797,661</b>
<b>Cash, beginning of year</b>	<b><u>9,008,998</u></b>	<b><u>5,211,337</u></b>
<b>Cash, end of year</b>	<b><u>\$ 5,993,635</u></b>	<b><u>\$ 9,008,998</u></b>

## 1 Incorporation and nature of operations

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

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

## 2 Significant accounting policies

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

### Cash

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

### Measurement uncertainty

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

### Revenue recognition

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

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

- Member events and career services registration fees, sponsorships and other related income are recognized when the event is held;
- Cost recoveries and fines resulting from hearings and appeals are recognized when decisions are made while operating cost recoveries from related parties are recognized when services are performed;
- Investment income is recognized as it is earned over the term of investment; and
- Other income is recognized as it is earned.

### **Tangible and Intangible assets**

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

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

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

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

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

### **Asset for implementation of software services**

During the fiscal year, CPA Alberta implemented the early adoption of Accounting Guideline 20 (AcG-20) - Customer's accounting for cloud computing arrangements - for the expenses directly attributable to preparing the software service for its intended use as an asset. Expenses are capitalized and amortized on a straight-line basis over the expected period of access to the service.

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

The guideline is effective for financial statements relating to fiscal years beginning on or before January 1, 2024. CPA Alberta opted for early application of this guideline.

### **Contributed materials and services**

Contributed materials and services are recorded at fair value when the amount can reasonably be determined and would have been purchased by CPA Alberta if not contributed. Due to the difficulty of determining their fair value, volunteer services are not recognized in the financial statements. There were no contributed materials and services recorded for the years ended March 31, 2023 and March 31, 2022.

### **Deferred lease incentives**

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

### **Financial instruments**

CPA Alberta initially measures financial assets and financial liabilities originated or exchanged in arm's length transactions at their fair value. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

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

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

### 3 Investments

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

	March 31, 2023		March 31, 2022	
	Fair Value	Cost	Fair Value	Cost
Fixed income	\$ 4,718,798	\$ 5,171,092	\$ 4,468,564	\$ 4,696,237
Canadian equity	1,607,377	1,269,451	1,659,052	1,271,574
Global equity	2,134,916	1,908,322	2,005,812	1,823,517
	<u>\$ 8,461,091</u>	<u>\$ 8,348,865</u>	<u>\$ 8,133,428</u>	<u>\$ 7,791,328</u>

The aggregated fair value of the long-term investments balance includes an unrealized gain of \$112,226 (2022 - \$342,100). In fiscal 2023, a realized gain of \$10,656 (2022 - \$37,964) and an unrealized loss of \$229,875 (2022 - \$133,493) are included in investment and other income. Annual interest rates on fixed income investments range from approximately 0.13% to 7.53% per annum and mature at various dates from April 2023 to January 2053. (In 2022, the annual interest rates on bonds ranged from 1.55% to 7.53% per annum, and maturity dates ranged from September 2022 to May 2048).

For the year ended March 31, 2023, cash earned interest aggregating \$288,638 (2022 - \$59,459) and long-term investments earned interest aggregating \$242,794 (2022 - \$359,060). Annual interest rates on cash in 2023 ranged from 1.08% to 4.63% per annum (2022 - 0.05% to 0.78% per annum).

### 4 Capital assets

	March 31, 2023			March 31, 2022
	Cost	Accumulated amortization	Net book value	Net book value
Furniture	\$ 1,735,422	\$ 1,128,994	\$ 606,428	\$ 771,071
Office equipment	701,843	648,948	52,895	75,758
Computer software and hardware	4,936,002	4,739,417	196,585	299,375
Leasehold improvements	5,126,782	2,627,362	2,499,420	2,976,752
Artworks	27,140	-	27,140	27,140
Tangible capital assets	<u>\$ 12,527,189</u>	<u>\$ 9,144,721</u>	<u>\$ 3,382,468</u>	<u>\$ 4,150,096</u>
Intangible capital assets	<u>5,776,545</u>	<u>1,008,944</u>	<u>4,767,601</u>	<u>4,375,936</u>
	<u>\$ 18,303,734</u>	<u>\$ 10,153,665</u>	<u>\$ 8,150,069</u>	<u>\$ 8,526,032</u>

As of March 31, 2023, unamortized amounts of \$1,063,301 relate to practice review systems that were put in production in March 2023 on which amortization will commence in April 2023. In 2022, unamortized amounts under intangible assets of \$1,526,056 were reported in development relating to the phase 2 implementation of the new member management system, which was put in production in July 2022, and practice review systems.

Amortization amounted to \$1,264,780 for the year ended March 31, 2023 (2022 - \$1,422,921) and is included in administration expenses. CPA Alberta disposed of certain assets for a loss of \$4,533 reported in investment and other income (2022 - \$65).

## 5 Asset for implementation of software services

	March 31, 2023			March 31, 2022
	Cost	Accumulated amortization	Carrying value	Carrying value
Software service	\$ 449,610	\$ 68,867	\$ 380,743	\$ -

CPA Alberta implemented certain software services to support its e-commerce operations. The costs consist primarily of developer costs directly associated with preparing the asset for its intended use. The costs are amortized on a straight-line basis over the expected period of access to the service, which is 3 years. Amortization amounted to \$68,867 for the year ended March 31, 2023 (2022 - \$0) and is included in member services expense.

## 6 Commitments

### Discipline

Under the Act, CPA Alberta is required to regulate the conduct of its members. At March 31, 2023, a number of investigations and hearings were in progress.

### Contractual obligations

CPA Alberta has various leases for office space which expire between November 2026 and February 2032. The future minimum cash lease payments (exclusive of occupancy charges) for the year ending March 31 are as follows:

2024	\$ 1,167,593
2025	1,204,628
2026	1,204,628
2027	996,394
2028	622,358
Thereafter	2,437,569
	<u>\$ 7,633,170</u>

## Pledge Commitments

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

2024	\$	194,500
2025		194,500
2026		194,500
2027		194,500
2028		194,500
Thereafter		583,000
	\$	<u>1,555,500</u>

## 7 Related Party Transactions

### a) CPA Education Foundation

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

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

For the year ended March 31, 2023, CPA Alberta contributed \$1,743,537 (2022 - \$1,721,648) towards the Foundation’s general revenue. The transactions are in the normal course of operations and are measured at cost.

During the year ended March 31, 2023, CPA Alberta has recovered \$412,883 (2022 - \$422,426) for operating costs incurred on behalf of the Foundation and are included in cost recovery and fines. The transactions are in the normal course of operations and are measured at cost.

Amounts due from the Foundation at March 31, 2023 totaled \$41,853 (2022 - \$16,436), and are included in accounts receivable. Amounts due to the Foundation at March 31, 2023 totaled \$75 (2022 - \$150) and are included in accounts payable and accrued liabilities.

**b) CPA Western School of Business**

CPA Western School of Business (“CPAWSB”) is responsible for delivering pre-certification educational, training, developmental and related administration services on behalf of the member organizations. The provincial chartered professional accountant organizations of Manitoba, Saskatchewan, Alberta and British Columbia are member organizations. In addition, CPAWSB supports candidates and training offices in the Yukon and the Northwest Territories and Nunavut on the same basis as those in the member organizations. The Board of Directors of the CPAWSB (the “CPAWSB Board”) is comprised of the CEOs from the member organizations.

During the year, CPAWSB restructured its operations. The new entity was incorporated on July 12, 2022, as a Not-For-Profit Corporation and changed its legal and operating name to “CPA Western School of Business” on October 3, 2022. The assets were transferred at fair value. There is no change to the agency relationship with CPA Alberta.

The operating agreement signed in April 2019 between CPAWSB and the member organizations remain in effect. The revenue collected and incurred by CPAWSB is allocated to each of the member organizations based on the number of learners in each province. The expenses incurred by CPAWSB are allocated to the member organizations based on the percentage of total student revenues earned by each province.

During the year ended March 31, 2023, CPA Alberta recovered \$280,968 (2022 - \$344,687) for operating costs incurred on behalf of CPAWSB and are included in cost recovery and fines. The transactions are in the normal course of operations and are measured at cost.

Pre-certification learning revenues at March 31, 2023 total \$15,315,908 (2022 - \$16,171,471) while related expenses total \$14,857,328 (2022 - \$14,429,964).

Student fees CPAWSB collected on behalf of CPA Alberta for the billing year 2023/24 at March 31, 2023 total \$5,117,190 (2022 - \$5,369,758) and are included in deferred revenue.

Amounts due from CPAWSB at March 31, 2023 totaled \$5,076,302 (2022 - \$7,217,988), and are included in accounts receivable.

In September 2022, CPA Alberta entered into a credit agreement with CPAWSB to facilitate the acquisition of the New School. The loan amount totaled \$358,259, bearing an interest rate of 5.3% per annum, and is payable on a quarterly basis until March 23, 2024. The balance on March 31, 2023 is \$241,969 and is included in loan receivable. Interest earned to date totaled \$8,728 during the year ended March 31, 2023 (2022 - \$0) and is reported under investment income.

**c) CPA Insurance Plans West**

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

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

During the year ended March 31, 2023, CPA Alberta purchased benefit plan services for its employees from CPAIPW costing \$713,781 (2022 - \$646,840) and are included in salaries and benefits expense, which are allocated to four categories of business unit expenses. In addition, CPAIPW purchased advertising from CPA Alberta for \$0 (2022 - \$9,524) and provided sponsorships of \$120,000 (2022 - \$29,250). These are allocated between post-certification learning, and member events and career services revenue. The transactions are in the normal course of operations and are measured at cost.

Amounts due to CPAIPW at March 31, 2023 totaled \$0 (2022 - \$5,857) and are included in accounts payable and accrued liabilities. Amounts due from CPAIPW at March 31, 2023 totaled \$14,462 (2022 - \$33,948) and are included in accounts receivable.

**d) Chartered Professional Accountants of Canada**

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

Amounts due from CPA Canada at March 31, 2023 totaled \$106,434 (2022 - \$319,162) and are included in accounts receivable. During the year, CPA Alberta incurred national committee costs of \$537,269 (2022 - \$424,920) and are included in CPA Canada shared committee and brand campaign costs which are allocated to four categories of business unit expenses. CPA Alberta also incurred precertification education and Certification 2.0 costs of \$582,543 which is included in administration costs (2022 - \$287,639 surplus included in other income). Amounts due to CPA Canada at March 31, 2023 totaled \$279,509 (2022 - \$123,040) and are included in accounts payable and accrued liabilities. The transactions are in the normal course of operations and are measured at cost.

**8 Accounts receivable**

Accounts receivable is net of an allowance for doubtful accounts of \$637,828 (2022 - \$918,122).

**9 Member fees and other amounts received in advance**

Included in accounts payable are member fees collected in March 2023 for the 2023/24 billing year (Note 7(a) and Note 7(d)). These are amounts owing to CPA Canada of \$1,570,438 (2022 - \$1,665,396), and to the Foundation of \$288,819 (2022 - \$305,656). Amounts due will be paid within the next fiscal year with no interest charged.

**10 Deferred lease incentives**

For the year ended March 31, 2023, rent expenses were reduced by \$599,165 (2022 - \$615,614) which represents the amortization of deferred lease incentives.

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Deferred lease incentive, beginning of year	\$ 4,449,189	\$ 5,064,804
Less: amortization	(599,165)	(615,615)
Deferred lease incentive, end of year	<u>\$ 3,850,024</u>	<u>\$ 4,449,189</u>
Current portion (included in accounts payable)	\$ 474,685	\$ 500,763
Long-term portion	\$ 3,375,339	\$ 3,948,426

**11 Government remittances**

Government remittances at March 31, 2023 consisted of \$291,546 payable to government authorities (2022 - \$285,754) mainly relating to Goods and Services Tax.

**12 Internally restricted net assets**

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

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

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

**13 Education Fund**

The Education Fund is comprised of resources to support investment into the future development of the CPA education program, and to provide a high quality,

relevant learning environment to students and candidates. The fund will also serve to respond to significant fluctuations in revenue and expenses based on unforeseen changes in program enrollment. The Board of Directors approved a total contribution of \$2,500,000 into this fund. At March 31, 2023, amounts of \$312,019 (2022 - \$0) relating to the development of the Certification 2.0 were utilized from this fund.

#### 14 Changes in non-cash working capital

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Change in:		
Accounts receivable	\$ 2,030,658	\$ 1,982,497
Prepaid expense	(20,089)	50,584
Deposits	96,377	(70,304)
Loan receivable	(241,969)	-
Decrease (increase) in current assets	<u>1,864,977</u>	<u>1,962,777</u>
Accounts payable and accrued liabilities	639,620	1,071,847
Add back: change in current portion of lease incentive	26,078	8,693
Deferred revenue	(913,685)	837,629
Increase (decrease) in current liabilities	<u>(247,987)</u>	<u>1,918,169</u>
Changes in non-cash working capital	<u>\$ 1,616,990</u>	<u>\$ 3,880,946</u>

#### 15 Financial Instruments

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

##### a) Credit risk

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

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

##### b) Liquidity risk

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

**c) Interest rate risk**

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

**d) Currency Risk**

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

**e) Other price risk**

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

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

**16 Comparative figures**

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

**We thank our members for their  
continued leadership in Alberta's  
economy and communities, and for  
their dedication to our profession.**

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