



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
ALBERTA

ANNUAL REPORT

2020/
2021

CPA ALBERTA



CONTENTS

Message from the Chair and CEO	01
CPA Alberta Board	03
Committees and Rosters	05
Honouring the Best of the Profession	09
Management's Discussion and Analysis	13
Financial Discussion	37
Financial Statements	51



Darrell Jones FCPA, FCMA



Rachel Miller FCPA, FCA

Message from the Chair and CEO

There's no doubt that when Albertans look back at the year 2020/21, their impressions of the year will be shaped by one, and only one, primary factor: the COVID-19 pandemic. No one has gone untouched by this historic world event; whether through the loss of loved ones, the loss of livelihoods, or the loss of vital social connections, we have all experienced in very personal and direct ways how a global pandemic can alter the course of history.

In Alberta and across Canada, there have been remarkable stories of strength and compassion in the face of the pandemic. Like all Albertans, those of us at CPA Alberta are grateful beyond measure for the contributions and sacrifices made by health care workers, grocery store workers, first responders, retail employees and others who treated the ill, kept the economy afloat, and provided essential services that helped us collectively get through the pandemic.

From the perspective of the CPA profession, the pandemic created a number of challenges for Alberta CPAs. From everything we've seen from our perspective at CPA Alberta, Alberta's CPAs brought enormous amounts of diligence, innovation, expertise and commitment to fulfilling their roles in serving clients, assisting Alberta businesses in weathering the storm, and helping their communities through times of stress. We have never been prouder of the people in our profession than we were in 2020/21 as they stepped forward to support the people of Alberta in so many important ways.

A notable highlight for the profession in 2020/21 was the successful delivery of the profession's CFE (Common Final Examination) in September 2020. Just about every single aspect of the exam-writing process was completely revamped in order to accommodate public-health requirements.

CPA Alberta itself was also called upon to show innovative flexibility in how it fulfilled its mandate and provided services during 2020/21. The Board and leadership of CPA Alberta are proud of the team for how it pivoted quickly in response to the sudden arrival of the pandemic just as the previous fiscal year was ending. As you will read in the pages of this annual report, the organization was successful in fulfilling its solemn obligation to protect the public, and in achieving its related goals, in what was a very unusual year.

A notable highlight for the profession in 2020/21 was the successful delivery of the profession's CFE (Common Final Examination) in September 2020. Just about every single aspect of the exam-writing process was completely revamped in order to accommodate public-health requirements. The fact that the process was successful, resulting in 744 new graduates into the profession, is a testament to the resilience of the talented CFE writers as well as the dedication of our partners at the CPA Western School of Business and the many CPA volunteers who stepped forward to assist.

While we all became accustomed to new uses of terms such as “variant”, “Zoom”, and “Pfizer and Moderna” in 2020/21, Alberta's CPAs also demonstrated some time-honoured qualities of the profession through this most trying of years. We congratulate all CPAs for their continued success during the year. And, we invite you to keep reading to learn about the successes of your regulatory body, CPA Alberta, in the year that none of us will forget.

Sincerely,

Darrell Jones FCPA, FCMA
Chair

Rachel Miller FCPA, FCA
Chief Executive Officer

CPA Alberta Board

Governance and Structure

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

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

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

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

As of March 31, 2021, the CPA Alberta Board members were:



Darrell Jones FCPA, FCMA
(Chair)



Maureen Moneta CPA, CA



Damian Zapisocky CPA, CA
(Vice-Chair)



Dawn Sauvé CPA, CA



Michelle J. Balmer CPA, CA



Vincent Vavrek FCPA, FCA, CGA



John Fuller CPA, CA



Simar Gill P.Eng
(Public Member)



Rachel Kucharski CPA, CA



Karen Graham
(Public Member)



Ruth McHugh FCPA, FCMA



Diane Pettie QC
(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.

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, 2021, these committees and their memberships were as follows:

Audit and Risk Committee

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

Governance Committee

Damian Zapisocky CPA, CA (Chair)
John Fuller CPA, CA
Dawn Sauve CPA, CA

Human Resources Committee

Darrell Jones FCPA, FCMA (Chair)
Damian Zapisocky CPA, CA
Michelle Balmer CPA, CA

Bylaw and Rules Committee

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

CPA Assist Committee

Betty Thompson FCPA, FCMA (Chair)
Kyle Bullock CPA, CMA
Allyn Eger CPA (Saskatchewan Representative)
Debbie Gorsline FCPA, FCMA
Rachel Kucharski CPA, CA
Priti Laderoute CPA, CMA
Liza Richer CPA, CA



In October 2020, CPA Alberta Chair Darrell Jones served as a virtual presenter at the Alberta Chambers of Commerce's Business Awards of Distinction ceremony. Virtual events were the norm in 2020/21 due to the COVID-19 pandemic.

Committees and Rosters

The CPA Alberta Board is assisted in its duties and responsibilities through the contribution of CPAs and members of the public who participate on committees and rosters. As of March 31, 2021, these committees and rosters were as follows:

Complaints Inquiry Committee

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

Discipline and Appeal Tribunal Roster

I.E.W. McConnan FCPA, FCA (Discipline
Tribunal Roster Chair)
G.J. Daunheimer CPA, CA (Discipline
Tribunal Roster Vice-chair)
R. Matthews CPA, CA (Appeal Tribunal
Roster Chair)
Bev Brennan FCPA, FCA (Appeal Tribunal
Roster Vice-chair)
F.F. Abbott FCPA, FCA
Shelley J Abray CPA, CGA
Brian Eric Alguire CPA, CMA
J. Steve Allan FCPA, FCA, CA•CIRP
Nazz Baksh CPA, CMA
C. Fred Barth FCPA, FCA
B.D. Bateman CPA, CA
Russell A Bell CPA, CMA

J.A. Bennis FCPA, FCA
D.J. Block CPA, CA
David Bodnarchuk FCPA, FCA
L.P. Bourget CPA, CA
Myles E. Bourke FCPA, FCA
John E. Boyd CPA, CA
W. John Brennan FCPA, FCA
Darren Buma CPA, CA
W.D. Burch FCPA, FCA
Fred Callaway CPA, CA
George W Campbell CPA, CGA
Calvin Carpenter CPA, CA
George Chan CPA, CGA
Donald W. Chandler FCPA, FCA
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
J. Joseph Doolan FCPA, FCA
J. Ian Douglas FCPA, FCA
John C. Eadie CPA, CA
F. Wayne Ellis CPA, CA
R. Andy Farvolden FCPA, FCA
Gordon Flynn, QC FCPA, FCA
A.T. Follinglo CPA, CA, ICD.D
A.D. Friesen CPA, CA
J.R. Friesen CPA, CA
Barry R. Gardiner FCPA, FCA
Peter R. Garrett FCPA, FCA
Eldon C. Godfrey FCPA, FCA
W.D. Grace FCPA, FCA
David D. Guebert CPA, CA
Robert H. Hahn CPA, CA
D. Harvey Hall CPA, CA
Grant Edwin Hanna CPA, CMA

Greg P. Hirtle CPA, CA
 C. Alan Holt FCPA, FCA
 Richard Iwaniuk FCPA, FCA
 W.R. Jacobson FCPA, FCA
 C.A. Janz CPA, CA
 L.O. Johannesen CPA, CA
 J.B. Jorgensen CPA, CA
 J.L. Kavanagh FCPA, FCA, CPA (IL, USA)
 Gary Richard Keen FCPA, FCMA
 Leo R. Kelly FCPA, FCA, CA•IFA
 Ian R.W. Kinnel FCPA, FCA
 Kasey K.C. Kozicky CPA, CA
 Kam Laraway CPA, CGA
 George A LeBlanc CPA, CGA
 Darla J Lutness FCPA, FCGA
 Michael Mannas FCPA, FCGA
 Daniel McKinley FCPA, FCA
 W.J. McNaughton CPA, CA
 Sean R.J. Monaghan CPA, CMA
 Al Mondor FCPA, FCA
 William J. Nield FCPA, FCA
 Tom Orysiuk CPA, CA
 John M. Partridge CPA, CA
 R.D. Penner FCPA, FCA
 Stella M. Penner FCPA, FCGA, CA
 K.D. Porter FCPA, FCA
 E.N. Rahal CPA, CA
 N.B. Ramsay CPA, CA
 S. Romanovsky FCPA, FCA
 Jayda Rosenthal CPA, CA
 Allan Schroeder CPA, CA
 M.D. Shabada CPA, CA
 Don E. Sieben FCPA, FCA
 Fred R.N. Snell FCPA, FCA
 W. Dale Somerville FCPA, FCA
 J.D.A. Struck, QC FCPA, FCA
 Z.P. Talavia CPA, CA
 D.A. Tien FCPA, FCA
 K. Tober CPA, CA
 Barry J. Walker FCPA, FCA
 W.E. Whitford CPA, CA

Public Member Roster

(The Lieutenant Governor in Council appointed the following persons as public members, each for a three-year term expiring November 26, 2021)

Funmi Abiiba
 Steven Armstrong
 Michael D. Baron
 Erika Bottcher
 Geoff Chow
 Charmaine Coutinho
 Shari-Anne Doolaege
 Leo Flaman
 Stephanie Fleck
 Shari LaPerle
 Adam O. (Olen) Letourneau, QC
 John G. (Gordon) Lindsay
 Jim McCartney
 Tammy McCorkell
 Barbara McKinley
 Sharon McMullan-Baron
 Thomas Pickard
 Debi Lynn Piecowye
 Helen Rice
 Stuart J. Weatherill
 Patricia Wheadon
 Randall Yatscoff, PhD

Practice Review Committee

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

Registrations Committee

Faye K. Brown CPA, CA (Chair)
Damara Casper CPA, CA
Kendra Gowdy CPA, CGA
Candace Moody CPA, CA
Al-Nur Pradhan CPA, CMA
Robert Vandervelde CPA, CGA
Jim E Smith P.Eng, FEC, ICD.D (public member)

CPA Alberta Achievement Awards Review Committee

Jim Downie FCPA, FCMA (Chair)
David Inhaber FCPA, FCGA (Vice-chair)
J. Steve Allan FCPA, FCA
Joe Gagliardi FCPA, FCMA
Saqib Jalil CPA, CA
Sandip Lalli FCPA, FCMA
Colette Miller FCPA, FCA
Deanna Muise FCPA, FCA
David Niebach CPA, CGA
Frank Potter CPA, CMA
Jason Schwab FCPA, FCMA
Elisha Sharma CPA
Fred Snell FCPA, FCA
Bruce Thurston FCPA, FCMA

CPA Alberta Achievement Awards Nomination Committee

Raymond Hawrelak CPA, CA (Chair)
Lance Bick CPA, CA (Vice-chair)
Farah Albert CPA, CA
Roger Arcand CPA, CMA
Alex Beis CPA, CA
Dennis Bourgeault CPA, CA
Neil Cockburn FCPA, FCA
Dayna Cruz CPA CA
Jessica Joss CPA, CA
Angela Loo CPA, CA
Ian McDonald FCPA, FCA
Rebecca Sanford CPA, CA
Rodney Skura CPA, CMA
Drew Thomson FCPA, FCMA
Tracey Zehl FCPA, FCA



The faces of the CPA profession's future - in 2020, the CPA profession in Alberta celebrated 744 successful writers of the profession's Common Final Examination (CFE). This collage reflects the range and diversity of the Class of 2021.

Honouring the Best of the Profession

In 2020/21, 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.

Lifetime Achievement Awards

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

- Tom Gee FCPA, FCA
- Marilyn Kuntz FCPA, FCA



Tom Gee FCPA, FCA



Marilyn Kuntz FCPA, FCA

Fellows of the Chartered Professional Accountants

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

- Richard Arthurs FCPA, FCMA
- Mel Bhatia FCPA, FCMA
- Kim Drever FCPA, FCA
- Joan Dunne FCPA, FCA
- Bob Hahn FCPA, FCA
- Dale Meister FCPA, FCA
- Edward Nedza FCPA, FCA
- Nicholas Tait FCPA, FCMA
- Reynold Tetzlaff FCPA, FCA
- Chioma Ufodike FCPA, FCMA
- Hussein Warsame FCPA, FCGA

Distinguished Service Awards

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

- Paul Borrett CPA, CA
- Anna Coghill CPA, CA
- John Colbert CPA, CA
- Ross Haffie CPA, CA
- Carla Madra CPA, CA
- Meghan McConnan CPA, CA
- Barry Munro FCPA, FCA
- Greg Oberti CPA, CA
- Julie Perras CPA, CMA
- Carlie Persson CPA, CA
- Nicholas Pyra CPA, CMA
- Liza Richer CPA, CA
- Perri Skelton CPA, CA
- Jeanette Stead CPA, CMA

Early Achievement Awards

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

- Jessa Aco-Kuchmak, CPA
- Michael Bejerman CPA, CMA
- Azfaar Dharani CPA
- Shane Doll CPA
- Amanda Heck CPA
- Karl Hendrickson CPA, CA
- Priya Kapur CPA, CA
- Taryn Klymyk CPA
- Christine Leung CPA
- Raymond Li CPA, CGA
- Adrienne Wong CPA, CA
- Mike Woodward CPA, CA

CPA Education Foundation Impact Award

The CPA Education Foundation's Impact Award is presented annually to an individual who has made important contributions to the work of the Foundation and whose contributions align with the mission and vision of the Foundation to advance accounting education in Alberta.

- Robert Andrews CPA, CMA



A prominent Alberta CPA was instrumental in the creation of a new Alberta observatory in 2020/21. Brian Hesje ^{FCCA, FCA} provided a major gift to the University of Alberta's Augustana Campus to establish the Hesje Observatory at Augustana's Miquelon Lake Research Station. The observatory gives U of A students and other skywatchers new opportunities to study the stars. The pictures of the moon and space were taken with the observatory telescope.



Management's Discussion and Analysis

Fiscal 2020/21 marked the fourth year of the implementation of CPA Alberta's current five-year strategic plan. This plan, developed and endorsed by the CPA Alberta Board, outlines five strategic priorities for the organization:

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

This Management's Discussion and Analysis (MD&A) reports on the key highlights and achievements toward fulfilling those priorities in the 2020/21 fiscal year. The analysis also summarizes CPA Alberta's operational response to the COVID-19 pandemic in 2020/21.

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



In February, CPA Alberta and the CPA Education Foundation joined forces to hold the first-ever Future Professional Conference on a virtual platform. The conference attracted almost 300 post-secondary students.



STRATEGIC PRIORITY #1:

Protecting the Public

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

Registrations

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

In 2020/21, the Registrations department continued to share best practices, optimize the use of resources, and find efficiencies in managing its regulatory work. As part of this, senior team members represented CPA Alberta on national and regional committees and best practice working groups.

The team also continued to strengthen CPA Alberta's relationship with the provincial government through regular communication with government officials. Specifically, the Registrations department worked with the Fairness for Newcomers Office, established under the Fair Registration Practices Act, to reduce barriers to effective regulation and ensure consistent, fair, and transparent management of the registration process.

Number of registrants as of March 31

	2021	2020
Members	30,355	29,935
Candidates	4,780	4,643
Professional accounting firms	1,720	1,697
Professional corporations	2,892	2,909
Professional service providers	29	25
TOTAL	39,776	39,209

Number of applicants

	2020/21	2019/20
Members	904	836
Candidates	1,107	1,525
Professional accounting firms	115	117
Professional corporations	131	180
Professional service providers	8	3

Conduct and Discipline

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

Number of complaints

	2020/21	2019/20
Received	83	95
Referred to the complaint resolution process (s. 71)	0	0
Dismissed	37	59
Referred to Discipline Tribunal Roster Chair for a hearing	30	26
Referred back to the Complaints Inquiry Committee from appeal	0	1
	2020/21	2019/20
Members temporarily suspended during a disciplinary process (s.107)	0	3
Monitoring files – Self-reported Bankruptcy or Insolvency (Rule 601)	15	12

Number of hearings

	2020/21	2019/20
DISCIPLINE TRIBUNALS		
Referred to Discipline Tribunal Roster Chair for hearing	30	26
Rescinded	1	3
<i>Completed Hearings</i>		
Resolved through a Sanction Agreement	18	18
Findings of Unprofessional Conduct	0	3
No Finding of Unprofessional Conduct	0	0
Stayed/Discontinued	0	0
Cancellation of registration (pursuant to s.108)	1	0
APPEAL TRIBUNALS		
Appealed from Discipline Tribunal decision	1	1
<i>Completed Appeal Hearings</i>		
Confirmed decision of Discipline Tribunal	0	0
Discipline Tribunal's decision varied	0	0
Referral back to Complaints Inquiry Committee	0	0
Referral to Discipline Tribunal Roster Chair for hearing	0	0
Dismissal of Complaints Inquiry Committee appealed	8	9
<i>Completed Appeal Hearings</i>		
Confirmed decisions of the Complaints Inquiry Committee	4	8
Reversed the dismissal and referred the matter back for further investigation or to a hearing	0	1
Appeal withdrawn	1	2
Appeal of CPA Alberta decision to the Court of Appeal	0	0
Appeal Restored by Court of Appeal	0	0
<i>Completed Appeal Hearings</i>		
Appeal Dismissed	0	0
Appeal Struck	0	0
Matter returned to Discipline Tribunal	0	1
CLOSED HEARINGS		
<i>Hearings closed to the public</i>		
Closed in whole	0	0
Closed in part	0	0

Practice Review

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

Number of practice reviews

	2020/21	2019/20
Comply	407	528
Non-comply	44	36
Total reviews assessed	451	564
Referrals to the Complaints Inquiry Committee	3	4

CPA Competency

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

Practical Experience

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

In 2020/21, the Practical Experience department continued to collaborate extensively on the redesign of the Practical Experience Reporting Tool, which aims to better support candidates in the reporting of their practical experience and provide mentors, employers, and other stakeholders with more useful information. Since the redesigned tool went live in September 2020, there has been a 31-per-cent increase in candidates using the reporting tool and a 23-per-cent increase in documented mentor meetings.

This year, CPA Alberta also received 748 requests for assessment against the completion requirement, of which 670 had also passed the CFE.

Professional Development

In 2020/21, CPA Alberta implemented valuable changes to the Professional Development program. These updates included the implementation of a new learning management system, seminars to support dealing with the COVID-19 pandemic, and new certificate programs in leadership, strategy, and risk management.

More than 30 per cent of Alberta CPAs engaged in a CPA Alberta professional development product, doubling engagement from 2019/20 thanks to online accessibility, new program content, and an increase in free learning options.

This year, CPA Alberta provided 427 live virtual seminars, 184 on-demand offerings, five executive programs, and two conferences, for a total of 14,486 registrations. The transition to executing an online learning strategy greatly improved the accessibility and flexibility CPA Alberta could offer to Alberta CPAs, which resulted in a 34-per-cent increase in registrations from the previous year.

Additionally, CPA Alberta offered 18 free live webinars and six free on-demand products in a variety of competencies to provide value to members and introduce new instructors. A total of 13,120 attendees accessed these free products.

In 2020/21, executive programming was delivered virtually to 87 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.

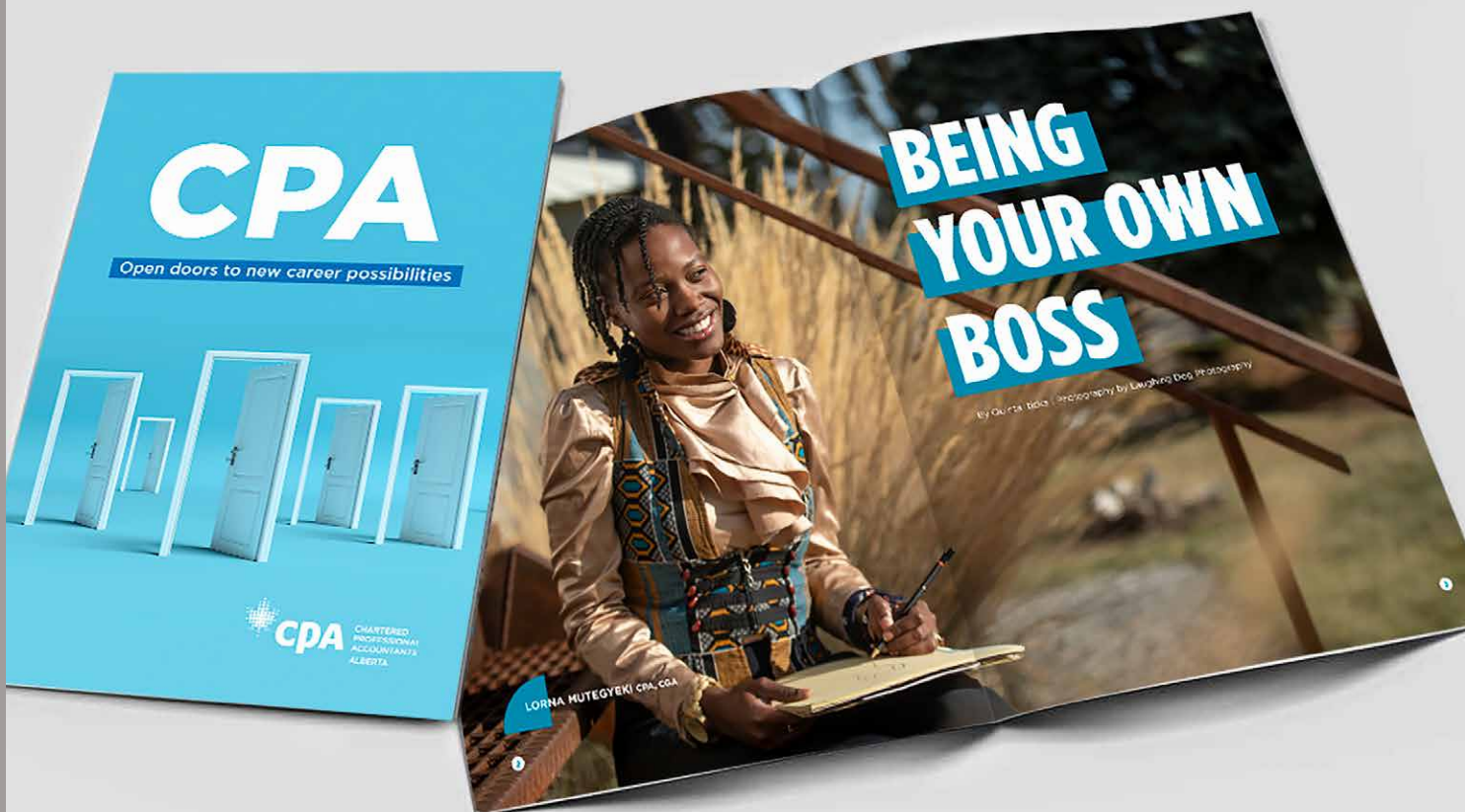
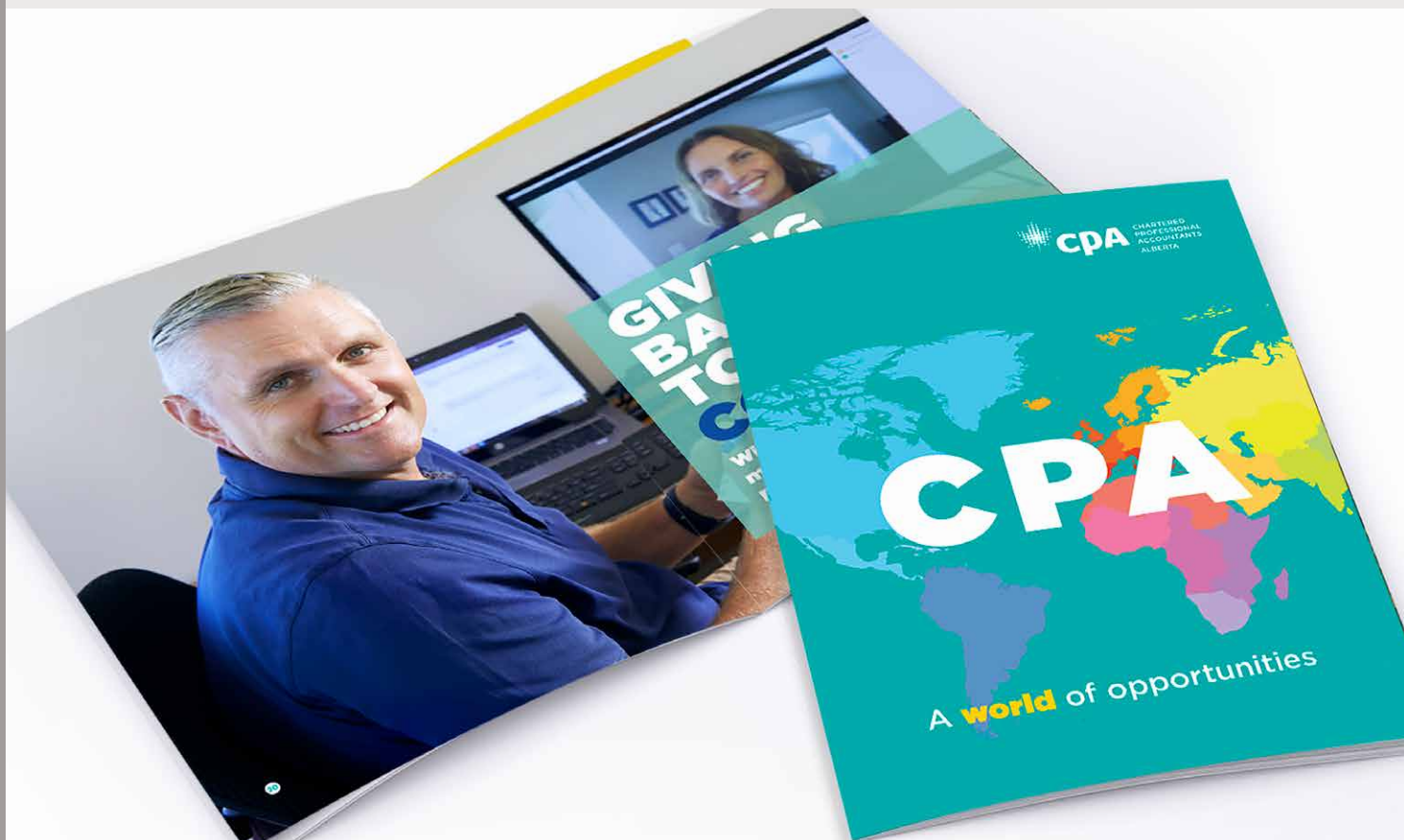
In 2020/21, the Technical Advisory team responded to more than 2,900 inquiries from members and the public on topics including ethical dilemmas, practice management, independence, conflicts of interest, and accounting and auditing standards.

Career Services

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

This year, three psychometric assessments were added to the resources: Emotional Intelligence Inventory, Intercultural Development Inventory, and Intercultural Conflict Style Inventory. More than 65 Alberta CPAs requested assessments, which includes a coach-facilitated debrief session to support learning and discovery of growth opportunities.

The Career Development Peer-to-Peer mentorship program transitioned to virtual and had 64 participants. This specialized mentoring stream included tailored matching of mentors and mentees, online training sessions, and participant access to electronic resources and materials. An optional virtual monthly meetup was added this year to give mentors and mentees an opportunity to share experiences, build community, and seek support from others in the program.



CPA Alberta produced a range of informative publications in 2020/21, designed to provide information about the organization and profession to students, employers and others.

Volunteering

Participation in CPA Alberta's Volunteer Tax Clinic program, which assists low-income Albertans in preparing their personal tax returns, was impacted by the COVID-19 pandemic for the 2019 taxation year. CPA Alberta was unable to deliver the program in person like in previous years, but the Member Engagement team collaborated with community partners and volunteers to transition to a virtual program, using a secure online portal to store taxpayer data and e-filing returns.

Approximately 150 CPA Alberta volunteers worked with 42 community partner organizations to prepare and e-file more than 1,800 2019 returns for low-income Albertans.

CPA Alberta also continued to collaborate with CPA Canada to transition their Financial Literacy Program presentation to a virtual format. Volunteer Alberta CPAs delivered 79 sessions in 2020/21, with a total of 2,262 attendees.

CPA Assist

CPA Assist provides confidential counselling services and 24/7 crisis support to Alberta and Saskatchewan CPAs, candidates, and their immediate families. This year, CPA Assist also hosted and recorded 11 webinars on a variety of topics related to mental health and wellness. In total, the webinars were viewed by 3,339 participants, an increase of 169 per cent from 2019/20.

This year, CPA Assist reached a utilization rate milestone of 3.13 per cent for its free counseling services, meeting the program's five-year goal of three per cent by the end of 2021.

CPA Alberta has developed an evaluation system to help measure the impact CPA Assist events and webinars are having from a health and wellness perspective. It also launched an anonymous online survey with Forbes Psychological Services to measure satisfaction with the program. CPA Assist has also conducted a request for information to identify gaps in the program and improve areas of service and potential vendor partners into the future.

Regulatory Report

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



CPA Alberta volunteers worked with 42 community partner organizations to prepare and e-file more than **1,800** 2019 returns for low-income Albertans

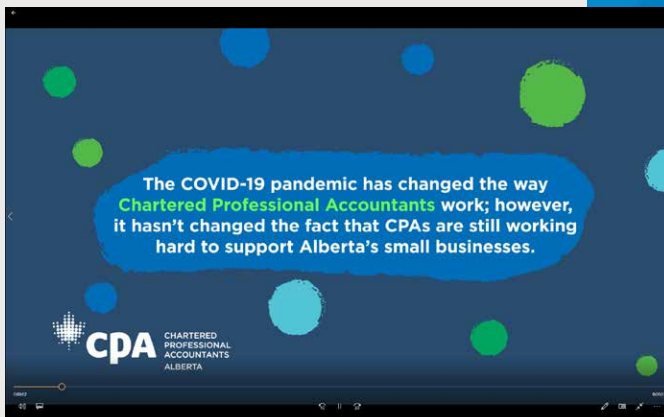
Communications

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 Albertans know the value of working with CPAs and how CPA Alberta works to protect them.

In 2020/21, CPA Alberta was the presenting sponsor for a number of high-profile events featuring Travis Toews, Alberta's President of Treasury Board and Minister of Finance, or Premier Jason Kenney. Rachel Miller, CPA Alberta's CEO, spoke at these events, increasing the awareness of CPA Alberta's regulatory work and the organization's mandate to protect the public.

Innovative social media campaigns—such as #CPAs@Home, #BestKeptSecretCPA, and #GiftsFromCPAs—highlighted the skills CPAs bring to organizations around the province and showcased how CPAs pivoted to continue serving Albertans during these difficult times. These three paid social media campaigns had a total of 6,258 clicks.

Through sponsorships, social media and other platforms, CPA Alberta kept the CPA brand front and centre with the business community in 2020/21.



STRATEGIC PRIORITY #2: Understanding the Alberta Landscape

Focus of the priority: CPA Alberta will have a solid and broad comprehension of the forces shaping Alberta today and in the near future. With that comprehension, the profession can best ensure that it and its members remain relevant, valued and in fact essential to the province. Much of the work on this priority was undertaken in the early years of the strategic plan in order to lay the ground work for responding to what was learned about the Alberta landscape.

Learning Opportunities

In 2020/21, CPA Alberta was able to increase member access to professional development due to delivering everything virtually for the first full fiscal year. Attendees from outside of Calgary and Edmonton represented 21 per cent of seminar participants and more than 25 per cent of conference participants.

CPA Alberta also supported various local chapters, practitioner groups, and community ambassadors to implement virtual programs and engage members. More than 6,900 members attended 53 virtual events in 2020/21, an increase of 48 per cent from 2019/20.

An online resource centre for Alberta CPAs and the public was further developed in the areas of digital transformation, strategy and risk management, environmental social and corporate governance, and assurance and related services. In addition, CPA Alberta added more COVID-19 resources, covering topics such as financial literacy, financial reporting implications, tax and government support programs, practice management considerations and workplace guidance, and returning to work and resuming operations post-pandemic.

CPA Alberta continued to work with its national counterpart, CPA Canada, throughout 2020/21. CPA Alberta served as an advisory board member for CPA Canada's Oil and Gas Virtual Conference 2020 and supported session development.

Career Services

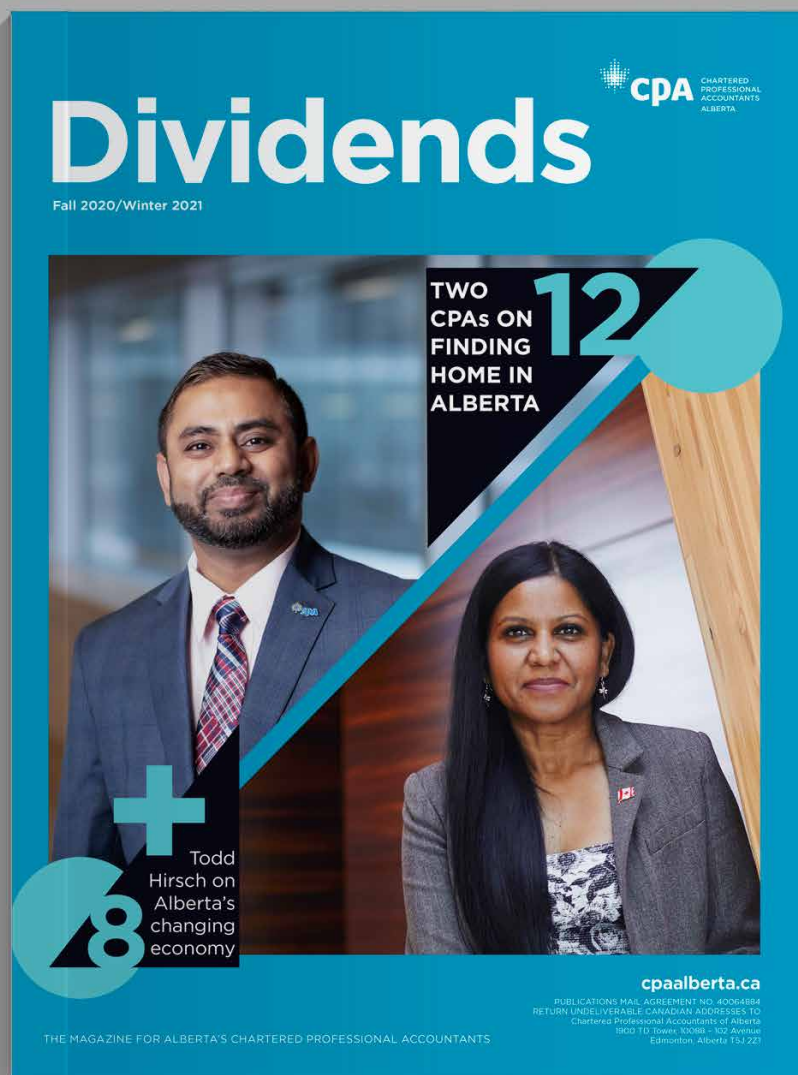
The COVID-19 pandemic, global recession, and decline in oil prices created a number of challenges for the Alberta workforce. In light of this, the Career Services team provided personal advising support to more than 1,855 Alberta CPAs and candidates to assist them with career planning, skill development, personal branding, and enhancements to their resume, cover letters, and LinkedIn profiles.

Communications

Dividends is CPA Alberta's member magazine exploring the world of business and issues that impact the day-to-day responsibilities of Alberta CPAs. The magazine provides relevant information to CPAs in their success, highlights matters of importance, and celebrates their achievements.

In 2020/21, *Dividends* was revamped to include a stronger editorial focus on issues particular to Alberta and ways for Alberta CPAs to strengthen their professional skills.

Dividends, CPA Alberta's magazine for Alberta CPAs, focused on important and timely issues relevant to the profession in 2020/21.



STRATEGIC PRIORITY #3: Dealing with Disruption

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

Professional Development and Learning Opportunities

Like many organizations dealing with the disruption of a changing and uncertain environment, CPA Alberta transitioned all professional development learning and services to an online format. To support a sustainable online learning strategy, CPA Alberta acquired a new learning management system, which launched in late 2020 and provides access to 184 asynchronous learning products. All synchronous learning will be transitioned to the new system in 2021.

In 2020/21, CPA Alberta continued to support CPAs in understanding and managing the impact of disruption in the profession. This included presenting the second-annual Innovation and Technology in Accounting Conference in a new virtual format to more than 200 attendees and partnering with CPA Canada to deliver The One conference virtually. More than 500 Alberta CPAs attended The One, which supports the profession in dealing with market uncertainty in a number of areas, including leadership, data and technology, value creation, taxation, and mental health.

The Career Services team also expanded its webinar offerings to include employment challenges Alberta CPAs are facing right now. Topics included building a brand, the gig economy, and optimizing a LinkedIn profile to attract recruiters. A total of 5,012 Alberta CPAs participated in more than 40 webinars, meetups, and workshops—a 271-per-cent increase over 2019/20.

CPA Alberta also took its Jumpstart Member Engagement Tour virtual in 2020/21 to deliver 15 sector-specific sessions on data analytics in finance and accounting to approximately 400 Alberta CPAs. Attendees explored how organizations are leveraging data analytics to produce a competitive advantage, improve customer experience, provide better products and services, enhance margins and profitability, and reduce cost.



A total of 5,012 Alberta CPAs participated in more than 40 Career Services webinars, meetups, and workshops—a **271-per-cent** increase over 2019/20



MEMBER ENGAGEMENT TOUR

JUMPSTART

DATA ANALYTICS IN FINANCE AND ACCOUNTING

Data analytics, the impact of technology, and directions for the future were among the key topics covered by CPA Alberta in courses and other learning opportunities for Alberta CPAs in 2020/21.



THE

INNOVATION TECHNOLOGY AND ACCOUNTING CONFERENCE

INNOVATE WITH PURPOSE

STRATEGIC PRIORITY #4:

Achieving Smart Growth

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

Recruitment and Communications

In 2020/21, 1,109 Alberta candidates entered CPA PEP, 449 entered CPA preparatory courses, and 744 passed the September 2020 CFE.

CPA Alberta's Recruitment team continued its work to attract new entrants to the profession, focusing primarily on post-secondary students.

In 2020/21, CPA Alberta created and hosted the first annual Future Professionals Conference for post-secondary students on the path to becoming future business leaders. This innovative full-day virtual conference strengthened the future of the accounting profession by helping the next generation of CPAs develop their leadership skills and learn more about the skills necessary for success in the future workforce. Attendees also learned more about the CPA profession and heard from CPAs about their paths to career success.

Additionally, the Recruitment team explored new ways to engage with future CPAs when in-person activities are still restricted. These activities included launching a new e-newsletter, CPA Advantage; hosting CPA Engage and Taste (E.A.T.), a virtual chocolate-tasting and networking activity; and advising students remotely.

Capitalize, CPA Alberta's student recruitment magazine, continues to focus on the key benefits of pursuing a CPA designation and how a CPA designation is relevant to the career aspirations of high school and post-secondary students across the province. In 2020/21, the magazine was produced as a single "supersized" print issue focusing on soft skills and diversity and inclusion. To compensate for most Alberta students attending classes online this academic year and serve as a companion to the print issues going forward, CPA Alberta also launched an online version of the magazine in December 2020. More than 32,000 unique users have visited this online version since it launched.

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

CPA Alberta sponsored 18 business and community-focused events in 2020/21. CPA Alberta promoted the profession and the CPA designation at the Junior Achievement Business Hall of Fame event, Avenue Magazine's Top 40 Under 40 celebrations, the Alberta Business Awards of Distinction, and at events featuring Premier Jason Kenney and Tiff Macklem, Governor of the Bank of Canada.

Employer Relations

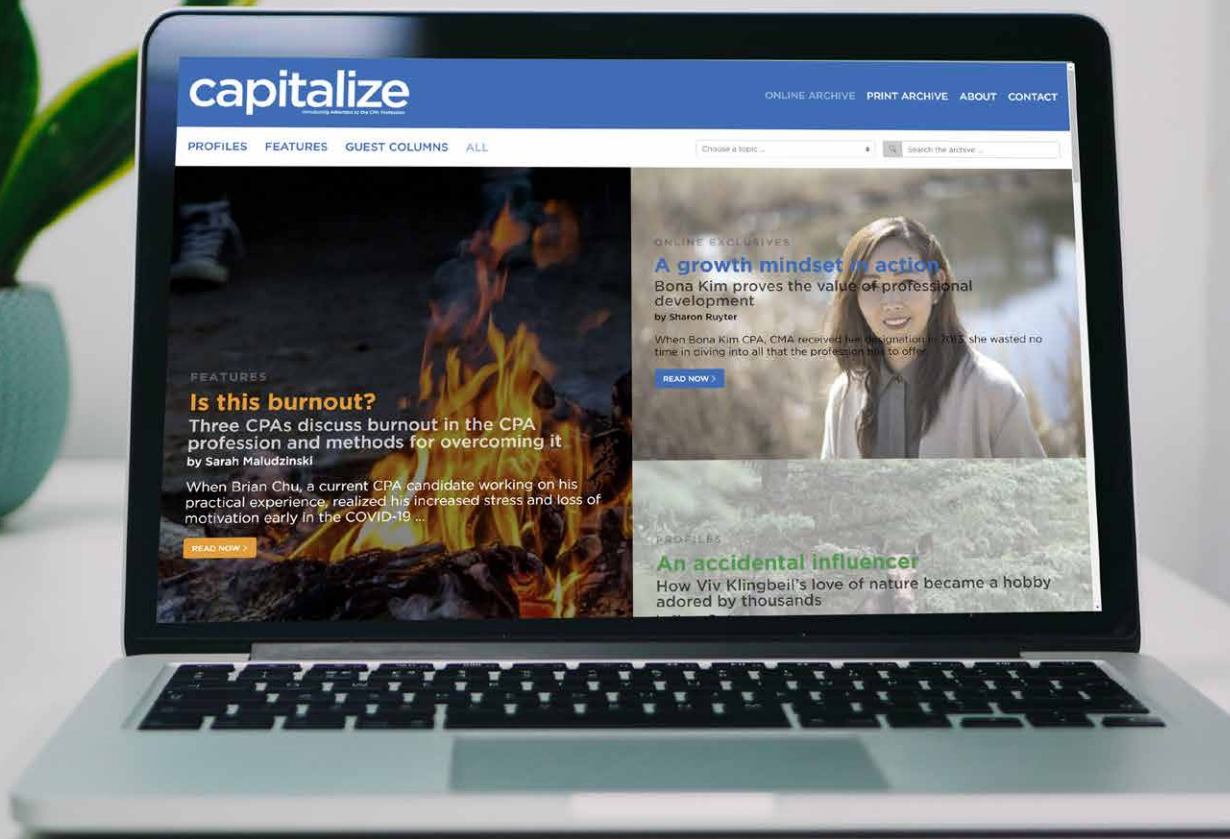
The Employer Relations team continues to provide Alberta employers with resources and information to better help them support their CPA candidates.

In 2020/21, the team developed 22 informative resources, including publications, blog posts, and e-newsletters issues for candidates and employers; hosted five virtual events for candidates to increase their preparedness for CPA PEP or to write the CFE (including launching CPA Alberta's first speaker series for candidates); presented six virtual information sessions about the path to becoming a CPA to Alberta employers; and facilitated 10 opportunities for experience verification route and pre-approved program route employers to connect virtually and share best practices and techniques for training candidates. The team connected with and supported more than 3,100 Alberta employers and candidates in 2020/21.

Practical Experience

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

Additionally, the team hosted a live webinar for current pre-approved program leaders, mentors, and organizations interested in becoming pre-approved program providers. Previously, such an event would have been held in person, but COVID-19 prompted a virtual event. This had the unexpected benefit of increasing the reach and accessibility, and there were 261 registrants total.



CPA Alberta's magazine for prospective CPAs, Capitalize, was re-tooled in 2020/21 to give it a stronger online presence.



Providing support and resources for employers of CPA candidates, and their candidates themselves, was a priority for CPA Alberta in 2020/21, with many of those resources adapting to virtual delivery.

STRATEGIC PRIORITY #5:

Maintaining Fiscal Accountability

Focus of the priority: CPA Alberta will maintain and demonstrate fiscal accountability. See the Financial Discussion section of this report (page 37) for a full review of how CPA Alberta maintained fiscal accountability in 2020/21.

Corporate Strategy and Risk

In 2020/21, the Corporate Strategy and Risk team's goal was to sustain organization capacity and bolster a resilient CPA Alberta.

CPA Alberta launched the invoicing module in ReQlogic to facilitate paperless accounts payable across the organization. Although the ReQlogic project was well underway before the COVID-19 pandemic, this shift ensured remote working was more efficient and business continuity was possible. ReQlogic requisitions and purchase order modules were also configured and deployed to ensure a transparent and centralized procurement process for purchase and contract obligations and to strengthen internal controls on a fraud risk assessment.

The electronic documentation management project issued its report with recommendations to establish a strategy and develop a program that would provide consistency in documentation management across the organization that supports all users, optimizes technology, standardizes processes, and manages risk.

Internal Projects

In 2020/21, CPA Alberta leveraged the organization's intranet, "The Hive," to consistently and broadly enhance the accessibility to information, tools, and resources that improve the employee experience, drive engagement, and motivate staff. This year, the new employee hub, Anti-Racism Working Group initiatives, and COVID-19 information were new additions.

CPA Alberta mandated the completion of anti-racism training for all staff. All staff completed The Equitable Workplace: Cultivating Attitudes of Anti-racism and Allyship to ensure consistent foundational knowledge and awareness to support positive change in and beyond the workplace.

While the COVID-19 pandemic led to the cancellation of a number of CPA Alberta activities, including the annual Elevate events, the organization was able to renegotiate contracts and minimize the financial impacts of cancellations.

All staff completed The Equitable Workplace: Cultivating Attitudes of Anti-racism and Allyship.

Business Systems

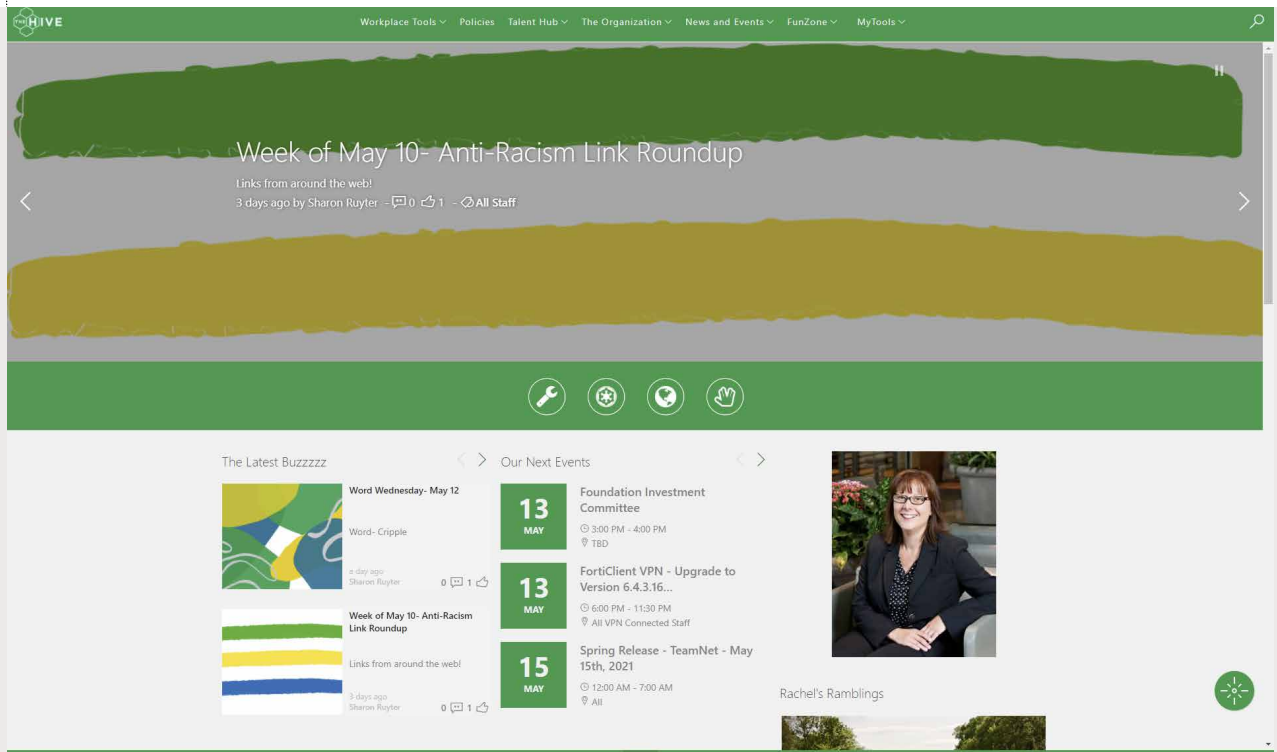
On the cybersecurity front, CPA Alberta's Business Systems team continues to update best practices and guidance for members and make that information readily available on CPA Alberta's website.

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

CPA Alberta convened a phishing task force to identify improvements in people, processes, and technology and reduce CPA Alberta's cybersecurity risk. A data governance committee was also formed to define and implement improved processes and procedures for data collection requests.

The CPA Alberta Member Management System (CAMMS) project was successfully launched into production for Member Registrations, the CPA Education Foundation, and related Finance teams in July 2020.

CPA Alberta's intranet site for staff, The Hive, provided a venue for discussion of important workplace topics such as anti-racism.



CPA Alberta's response to the COVID-19 pandemic

Like most organizations around the world, CPA Alberta was called upon to change the way it delivered services in 2020/21 due to the impact of the COVID-19 pandemic.

On March 18, 2020, CPA Alberta closed its physical offices in Calgary and Edmonton, and the offices remained closed for all of 2020/21. CPA Alberta staff worked quickly to pivot to remote working conditions, deliver vital services virtually, and remain committed to fulfilling its mandate while ensuring the health and safety of staff, volunteers and stakeholders with whom it came in contact.

Some of the significant changes CPA Alberta made throughout the year include the following:

Protecting the Public

- Conduct and discipline tribunal hearings transitioned to being held virtually.
- The Complaints Inquiry Committee approved the temporary varying of the terms of existing Sanction Agreements to extend the time for payment of fines and/or costs if the registrant makes an application for more time to pay due to the pandemic affecting their income or ability to pay.
- The Practice Review process transitioned to performing reviews remotely.
- To ease the regulatory impact on members who may have been affected or distracted by COVID-19 in making their CPD Declaration, the following was implemented:
 - Delayed suspension of members by 30-days for CPAs who had not submitted their 2019 CPD Declaration by the originally established deadline.
 - Delayed suspension of members by 60-days (2 months) for CPAs who submitted their CPD Declaration after the reporting deadline, but did not pay the late filing penalty.
- In order to permit applicants the continuous ability to obtain the CPA designation in a timely manner, while ensuring applicants, lawyers and/or commissioners maintain social distancing and not be placed at risk, the Registrations Department temporarily permitted individuals to submit an application for registration without a statutory declaration (i.e. witnessed by a notary public or commissioner for oaths). The applicant was permitted to become a member under condition that the properly witnessed application would subsequently be submitted by an established deadline and taking into consideration provincial restrictions and recommendations related to Covid-19.

- For those candidates whose education deadline would typically expire after the May 2020 CFE, but prior to the September 2020 offering, an automatic extension was granted, allowing candidates to write the next available offering of the CFE.

Services to CPAs

- CPA Assist's service provider quickly transitioned to providing online counselling sessions and established an email intake process to support those seeking help.
- CPA Alberta collaborated with Lawyers' Assist to offer webinars on topics related to the pandemic, such as coping with loneliness, caregiver fatigue, self-advocacy in the workplace, alcohol and other drug use, and intimate partner violence.
- A COVID-19 and employer resource section was added to the CPA Assist website.
- CPA Alberta created a distinct webpage and e-newsletter for the latest information on the COVID-19 pandemic for Alberta CPAs. This included providing updates on federal and provincial COVID programs, impacts on CPA Alberta operations, and links to more in-depth resources.
- Many signature events were held virtually, including the Annual General Meeting. In cases where hosting a virtual event was not feasible, the organization established alternative forms of recognition and celebration, including in the online space.
- CPA Alberta supported various local chapters, practitioner groups, and community ambassadors to implement virtual programs and engage members. More than 6,900 members attended 53 virtual events in 2020/21, an increase of 48 per cent from 2019/20.

In 2020/21, CPA Alberta sponsored a number of business and community initiatives on various virtual platforms.



- The Jumpstart Member Engagement Tour was delivered virtually in 2020/21 and involved 15 sector-specific sessions on data analytics in finance and accounting to approximately 400 Alberta CPAs.
- CPA Alberta's Career Services hosted webinars to support Alberta CPAs and candidates dealing with joblessness as a result of the pandemic.
- CPA Alberta hosted 21 offerings to support Alberta CPAs in dealing with the COVID-19 pandemic. In total, 11,195 members participated in these webinars.
- All professional development learning, career services advising, and webinars were delivered online. A new learning management system supported the transition and provided an automated and seamless experience for learners to access asynchronous learning.

External Relationships and Recruitment

- In the absence of in-person events, CPA Alberta actively sought out new online sponsorship opportunities to promote the CPA brand to key audiences. This resulted in different events than have been sponsored in the past, including events featuring different Alberta Ministers and a speaker series with Compassion House, which reached audiences outside of Edmonton and Calgary.
- Nationally, the CPA profession was able to hold a successful CFE-writing in September despite public-health restrictions in place at the time. Provincial bodies, including Alberta, worked with the CPA Western School of Business, the Atlantic School of Business, and CPA Canada to hold the CFE in a unique format, in which candidates wrote individually in hotel rooms, rather than writing in a group format. Candidates reported a high level of satisfaction with this format and seemed to appreciate the steps taken by the profession to protect candidate health and safety. In Alberta, 744 writers passed the September CFE.
- Employer roundtables and the Case Writing and Marking Party were transitioned to virtual formats. This enabled more employers and candidates to participate in these popular activities, including employers in rural municipalities. The virtual Case Writing and Marking Party had more than double the number of participants compared to in-person events.
- In order to continue to serve the needs of students and keep the CPA profession top-of-mind, recruitment events such as the Meet Your Employer career fair were reimagined as virtual events. As well, information sessions were held through online on-demand and webinar formats.
- CPA Alberta's volunteer Tax Clinic Program transitioned to virtual delivery and volunteers were able to prepare and EFILE over 1,800 2019 returns for low-income Albertans.
- A live webinar was created for current pre-approved program leaders, mentors and organizations interested in becoming pre-approved program providers.

2021/22 Outlook

The focus of CPA Alberta in 2021/22 will be two-fold: adjusting to a post-pandemic environment and developing a new, multi-year strategic plan.

With the expiration of the current five-year plan in 2021/22, the Board will undertake a planning process to write a new strategic plan to guide CPA Alberta over the next several years. While the number of years the new plan will cover has not yet been determined, planning will take into account short- and long-term factors and forces that will shape the profession and have potential bearing on CPA Alberta's ability to fulfill its legislated mandate. Among those forces that will be considered will be how the business sector and the province in general rebuild after the impact of the pandemic.

Like virtually every organization in the country in 2021/22, CPA Alberta will examine its own programs and operational processes in the wake of the pandemic. The pivot to virtual delivery of most programs and services in 2020/21 led to the organization learning a great deal about the benefits and advantages of online programming and digital events. While many in-person activities will be restored after the pandemic ends, CPA Alberta will likely move to a mixture of in-person and virtual activities in order to fulfill its mandate as effectively as possible.

A new strategic plan and a post-pandemic environment will both inform CPA Alberta's corporate and departmental business plans for the coming years. The first of these future sets of business plans will be prepared in 2021/22 for implementation in 2022/23.

The page features a dark teal background with a subtle grid pattern. A large, semi-transparent white rectangle with a fine dot pattern is centered, containing the title. Below the title, there are faint, stylized financial charts including a candlestick chart and a line graph with circular markers.

Financial Discussion

Overview

Fiscal 2020/21 was one of the most challenging years for Alberta in recent history, marked by a dramatic decline in oil prices and the onset of the COVID-19 pandemic. These events created significant uncertainty for the provincial economy and for Albertans. CPA Alberta was not exempted from this uncertainty, and it was initially unclear how Alberta CPAs and the organization would be impacted.

Although CPA Alberta commits to a balanced budget annually, it was unclear in the first quarter of the 2020/21 fiscal cycle if this would be possible. Immediate action was taken to reduce the financial impacts to Alberta CPAs by extending the payment deadline for dues, and continuing to offer fee deferrals and fee reductions to qualifying CPAs. CPA Alberta employees successfully transitioned to a remote working environment and deferred or cut spending throughout the organization while maintaining the same quality of service that members expected.

While the organization planned a balanced budget for 2020/21, the actual financial results reported a surplus of \$4.44M. This material favourable variance resulted primarily from a reduction in costs from the cancellation and deferral of in-person events; the transition to online programs, which reduced delivery costs including those provided by the CPA Western School of Business on behalf of CPA Alberta; and the deferral of national education projects.

CPA Alberta also reported significant realized and unrealized investment gains from the upswing in the market. The comparisons of CPA Alberta's results year over year will be discussed in further detail in this financial discussion along with providing a financial outlook for the 2021/22 fiscal year.

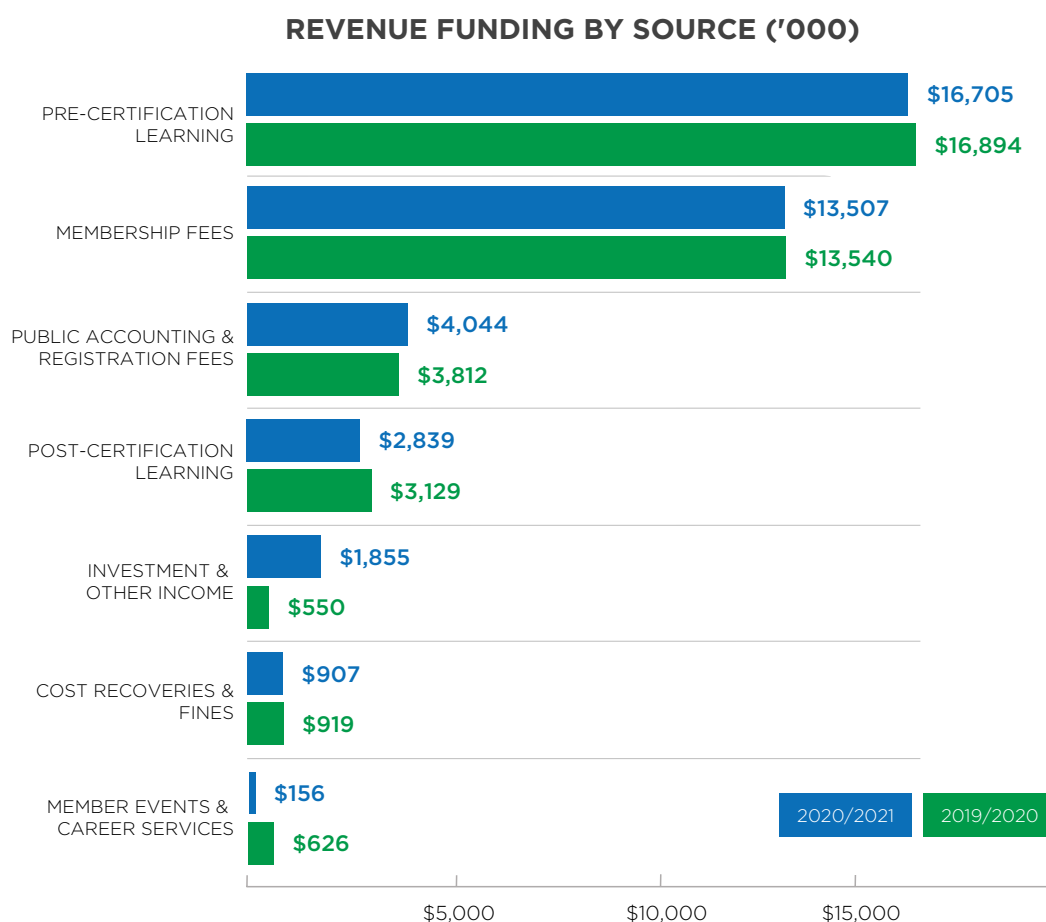
Financial Results

CPA Alberta reported a surplus of \$4.44M compared to a deficit of \$322K in the prior year, for an overall increase of \$4.76M. This was driven by a decrease in expenses. The primary drivers to the changes in revenue and expenses will be discussed in more detail.

Financial Results ('000)	2020/21	2019/20	Increase/ (Decrease)
Revenue	\$40,015	\$39,469	\$546
Expenses	35,575	39,791	(4,216)
Total	\$4,440	(\$322)	\$4,762

Revenue

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



Total revenues of \$40M exceeded the prior year revenue of \$39.5M by \$0.5M. For the most part, revenues remained comparable to the prior year. However, the increase predominantly resulted from an increase in investment and other income (up \$1.3M), offset by a decline in member products, services and event revenues (down \$760K). These are discussed in further detail below.

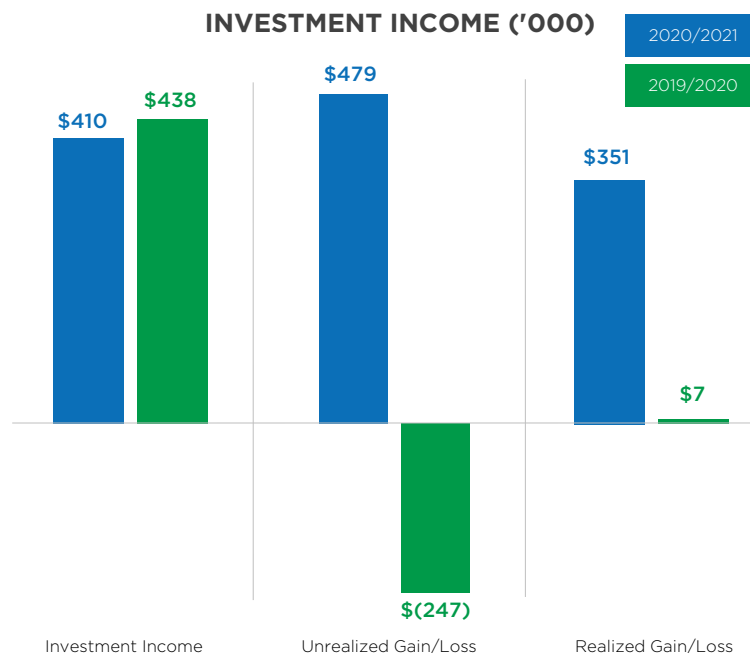
Investments and Other Income

Investments and other income reported revenues of \$1.8M, for an increase of \$1.3M over the prior year.

Investment & Other Income ('000)	2020/21	2019/20	Difference
Investment Income	\$1,239	\$199	\$1,040
Shared Programs & Other Income	616	351	265
Total Investment & Other Income ('000)	\$1,855	\$550	\$1,305

- *Investment income* resulted in a significant increase in income over the prior year of \$1.04M, with a fiscal year annual return of 15.84% (net of fees) despite the high volatility experienced in 2020. While CPA Alberta's overall portfolio yielded positive returns, with the ongoing COVID-19 pandemic and economic situation. Past performance is not an indication of future performance.

The Investment Policy Statement (IPS) for CPA Alberta was approved by the Board of Directors in March 2016 and subsequently reviewed by the Board on June 18, 2020 with minor amendments. The IPS has been designed to preserve capital and to generate income and long-term capital growth. The IPS is reviewed by the Audit and Risk Committee on a regular basis.



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

The increase in revenue was due to:

1. Expanding the Alberta CPA Assist Program to include members from Saskatchewan, resulting in a new service agreement between CPA Alberta and CPA Saskatchewan.
2. A surplus from the national shared education program. It is expected these funds will be used in subsequent fiscal years for significant national education projects. Accordingly, these additional funds for education have been restricted as reported in the Net Assets section of the financial analysis.

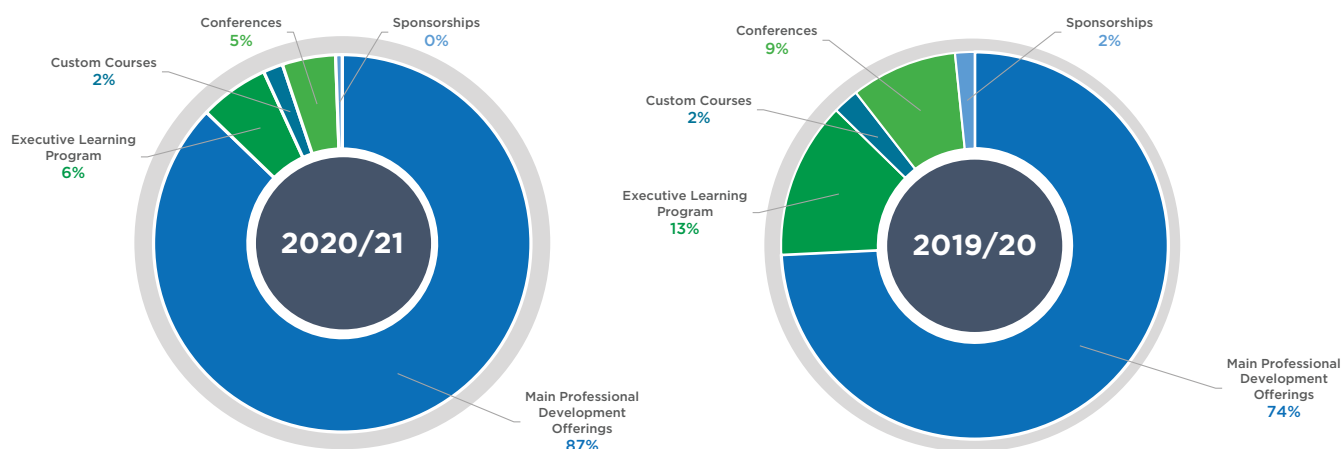
Member Products, Services, and Events

Post-Certification learning, member events, and career services were significantly impacted by the restrictions placed on in-person events due to COVID-19. While CPA Alberta hosts a wide variety of programming and events for its members including both in-person and online offerings, in-person offerings have historically been very popular and cancellations of some offerings negatively impacted revenue.

Member Products, Services, and Events	2020/21	2019/20	Difference
Post-Certification Learning	\$2,839	\$3,129	(\$290)
Member Events and Career Services	156	626	(470)
Total	\$2,995	\$3,755	(\$760)

- Post-Certification learning encompasses a comprehensive program of professional development programs, conferences, and custom courses. The pandemic accelerated several strategic initiatives this year, most notably to increase the number of online offerings through the acquisition of an online learning management system platform in August 2020. While CPA Alberta was able to successfully pivot many of its courses to online learning, approximately 24 offerings, 2 Executive Learning programs and the Elevate your Mind Conference were cancelled, resulting in a decline in revenues of \$290K from the prior year.

POST-CERTIFICATION LEARNING
REVENUE BY PROGRAM ('000)

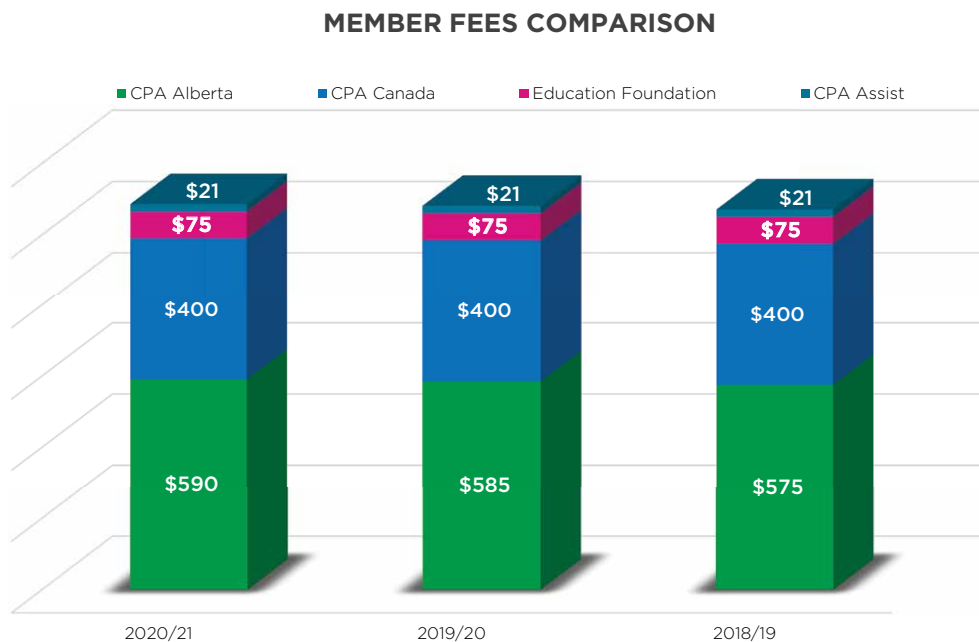


- *Member Events and Career Services.* The cancellation of large events like the annual convocations and galas, and member recognition events, were primary drivers to the decline in the member event and career services revenue. These large events are difficult to host remotely without significantly changing and/or reducing the scope of the event. Several new members expressed that an in-person event was important to share such a significant milestone with their family, friends and colleagues. Therefore, the 2020/21 convocation has been deferred to the 2021/22 fiscal year.

Membership Fees

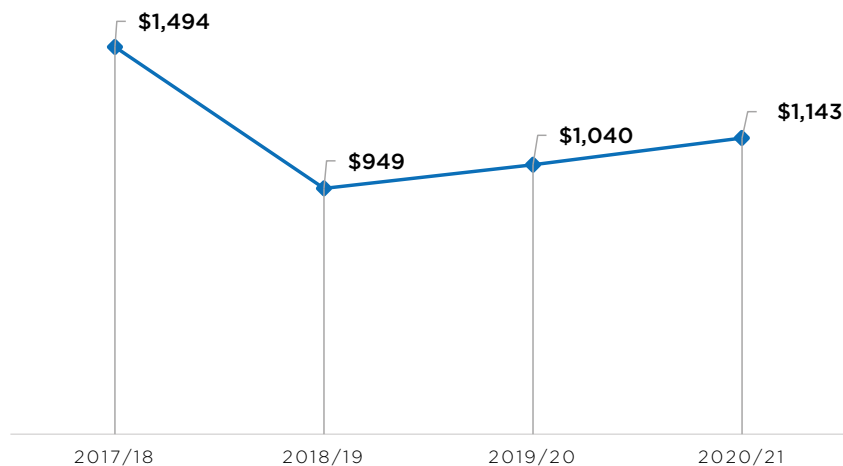
Although member fees are relatively comparable to the prior year, they did not escape the impact of COVID-19.

Before the height of the pandemic, provincial member fees for 2020/21 were approved to increase by \$5 from \$585 to \$590. The fees remained comparable to other provincial bodies and there were no increases to the national member fee. The fees were not increased in 2021/22 in light of the ongoing economic downturn in Alberta and the uncertainty surrounding the pandemic.



The increase in member fees provided additional revenues of \$112K and those were nearly offset by the increase in member fee reductions over the prior 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 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, and the slow recovery has continued to impact member fee revenue due to an increased number of fee reduction applications. As reported in the 2019/20 annual report, CPA Alberta expected to see an increase in the number of members applying for fee reduction or fee deferrals.

MEMBER FEES REDUCTION TRENDING ('000)



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

Expenses

Expenses have decreased significantly over the prior year mainly from the transition to online programming and to a remote working environment. Furthermore, several large in-person events were cancelled or deferred. While these events provide some revenue, they are primarily cost driven therefore their cancellation resulted in driving up the surplus. Expenses were reduced across all areas with the exception of administration costs which increased slightly.

Expenses ('000)	2020/21	2019/20	Increase/ (Decrease)
Pre-certification learning	\$13,629	\$14,931	(\$1,302)
Administration	10,437	10,028	409
Regulatory	5,424	5,760	(336)
Member services	4,032	6,278	(2,246)
Communications and recruitment	2,053	2,795	(742)
Total	\$35,575	\$39,792	(\$4,217)

Pre-Certification Learning – these expenses are for the delivery of the Professional Education Program (PEP) and preparatory courses. The program is delivered on behalf of the western provinces by the CPA Western School of Business (“CPAWSB”) through an operating agreement effected on April 1, 2019. As delivery normally has a significant in-person component, the move to an online format decreased costs of delivery.

Administration – primarily consisting of costs to operate the Calgary and Edmonton locations, support services, governance, and the costs of amortization. These costs increased slightly over the prior year as the new member management system (Phase 1) went live in July 2020, increasing amortization expenses and post-deployment support costs.

Regulatory – these expenses have 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.

Member Services – these expenses had the highest material favourable impact on the operating results for CPA Alberta. As discussed earlier in the financial discussion, these costs include delivery of online and in-person offerings. As in-person offerings were cancelled or transitioned to an online format with a lower cost of delivery, this resulted in a significant decrease in expenses.

Communications and Recruitment – Expenses for communications and recruitment declined, primarily due to suspending or reducing advertising during the year or moving events to a virtual format and to meet COVID-19 restrictions that were in place. Recruitment initiatives continued to support and engage prospective members interested in pursuing the CPA designation through virtual means.

Human Capital

CPA Alberta's mandate to protect the public requires the organization to fulfill a number of requirements, including training students and candidates, assessing their practical experience, registering and renewing members and firms, practice reviews, providing member education, and adjudicating complaints through the complaints and discipline process.

Accordingly, salaries and benefits continue to be CPA Alberta's most significant expense and CPA Alberta prides itself on high service standards and support to its members. A market assessment is completed every two years to ensure compensation and benefits remain comparable to similar organizations.

CPA Alberta has optimized staffing levels while ensuring a high-performing 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.

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

Staffing levels have remained at approximately 120 full-time equivalents over the past five years. Along with freezing salaries to align with market conditions in the province, hiring was suspended for most of the 2020/21 fiscal year in order to contain costs during the pandemic.

Financial Stewardship

System and Processes

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

Non-Financial Resources

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

Capital Resources ('000)

At March 31, 2021, CPA Alberta had a cash balance of \$5,211, compared to \$3,785 at March 31, 2020. The increase is primarily from a cash inflow from member fees for the upcoming 2021/22 billing year. Member fees were invoiced during the start of the pandemic last year therefore understandably member payments lagged behind the typical payment cycle as members navigated the uncertainty of the pandemic.

Long Term Investments ('000)

Long-term Investments include fixed income securities and common shares based on the asset allocation in the Investment Policy Statement ("IPS"). The IPS and investment advisor performance is reviewed annually by the Audit and Risk Committee. The objective of the IPS is to focus on capital preservation and some long term growth to retain the real (inflation adjusted) value of the portfolio. The risk profile of the portfolio is low- to moderate-risk. Long-term investments balance at March 31, 2021 was \$8,227, compared to \$7,062 in the prior year. Investments were discussed in more detail earlier in the financial discussion.

Tangible and Intangible Capital Assets ('000)

At March 31, 2021, CPA Alberta held tangible capital assets with a net book value of \$4,947, compared to \$5,555 in the prior year. The decrease was due to the depreciation and amortization on the assets. Intangible Assets include development costs for upgrading the existing member management system in use.

Capital Assets ('000)	2020/21	2019/20
Tangible	\$4,947	\$5,555
Intangible	\$3,540	\$3,551

Working Capital ('000)

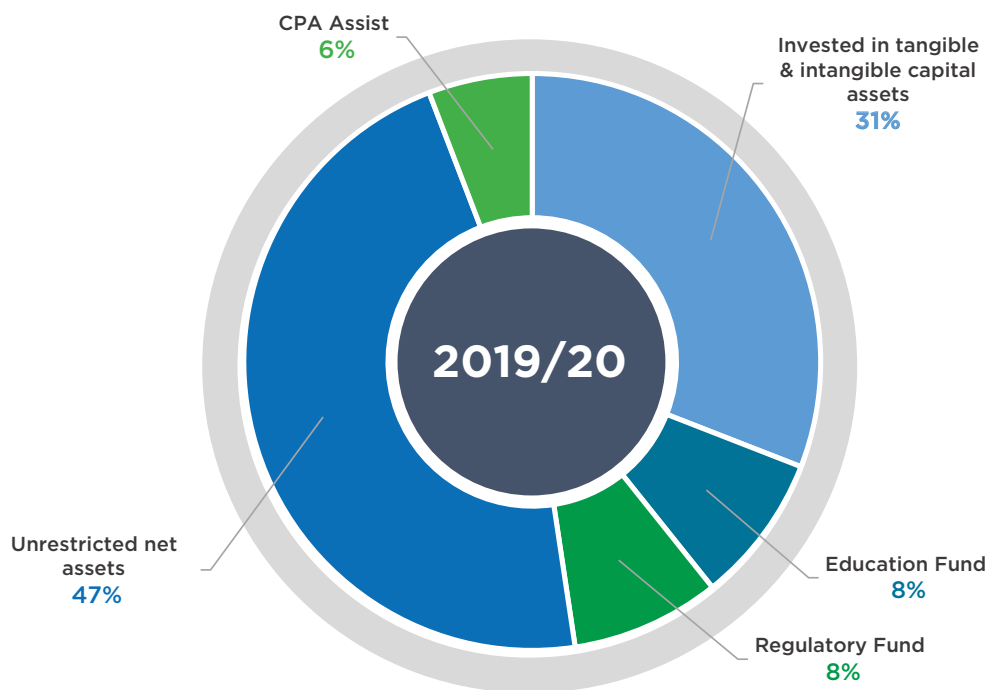
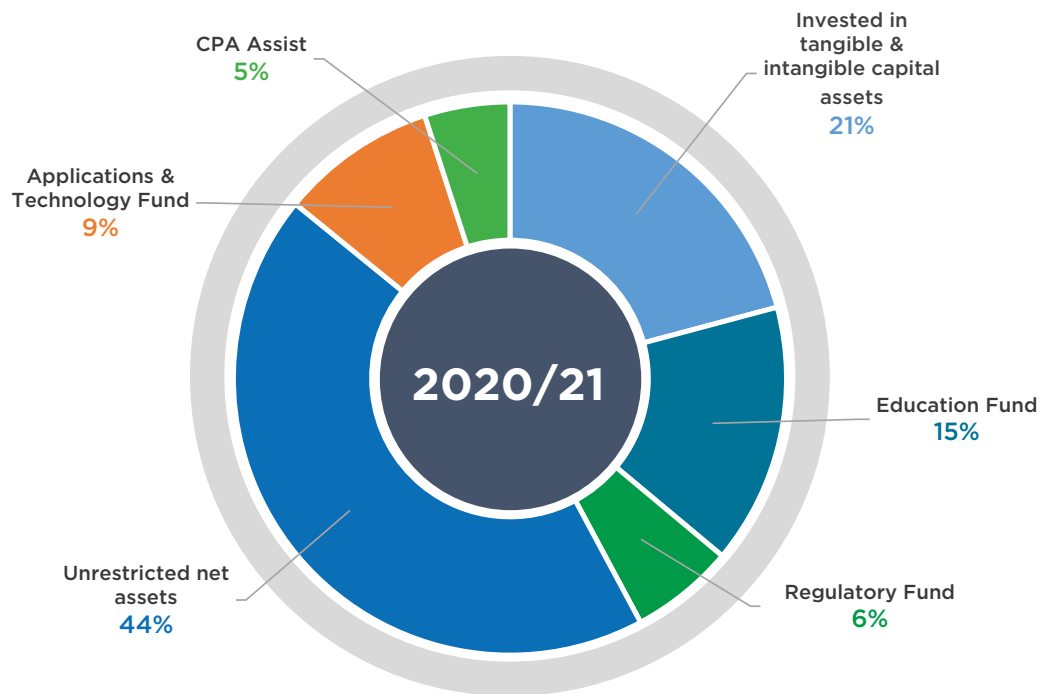
The working capital position at March 31, 2021, which is defined as current assets minus current liabilities, is \$4,256, compared to \$701 in the prior year. The increase in working capital is primarily from the increase in capital resources as mentioned prior. The organization believes that the current cash position and anticipated cash flows from operations is sufficient to meet future working capital and capital expenditure requirements, while closely monitoring the COVID-19 pandemic's impact to the organization's operations.

Net Assets ('000)

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

The Board has restricted a portion of Net Assets for capital assets and a number of funds with specific uses identified:

- Regulatory fund supports the complexity of the regulatory processes and any related unforeseen costs which fluctuate annually.
- CPA Assist Fund supports mental health initiatives for members and candidates.
- Education Fund supports a high quality, relevant learning environment to students and candidates as well as serve to respond to significant fluctuations in revenue and expenses relating to program enrollment. The Board internally restricted an additional \$1.5 million during the fiscal year to ensure sufficient resources are available to meet CPA Alberta's education mandate and to fund national shared education initiatives that were postponed due to COVID-19.
- The new Applications and Technology Fund was internally restricted by the Board in March 2021. Funds have been restricted to support the future development, implementation and technological upgrades by ensuring adequate funds are available for the development of large customizations, staying current with technological changes, and to ensure 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.

Financial Close

Financial close software was recently implemented to streamline the month and year end financial close and to eliminate non-value added and manual tasks. The system improves transparency across the entire finance team and although in its infancy, will continue to improve the financial close process with future enhancements.

Procurement and Contract Management

The procurement and contract management program ensures that procurement initiatives of the organization are transparent and value for money is optimized. Through vendor negotiations and formal requests for proposals, CPA Alberta has realized cost savings and improvements in service and value. CPA Alberta recently implemented a requisition and purchase order system to increase transparency and improve workflow.

Internal Controls

CPA Alberta has a formal program established to enhance and protect organizational value through fraud risk assessment, risk-based and objective assurance, advice, and insight, building on the existing enterprise risk management program. A compliance system was recently implemented to track compliance activities, house internal control narratives, and to track testing of internal controls.

Project Management

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

Enterprise Risk Management

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

CPA Alberta monitors several strategic risks, including:

- Ensuring CPA Alberta and the profession maintains its positive and strong reputation
- Ensuring CPA Alberta fulfills its mandate including protecting the public and the integrity of the profession
- That members are competent and continue to be respected by the public for professional accounting and advisory services and high ethical standards

- That members continue to see value in CPA Alberta's services and its ability to self-regulate
- Ensuring that CPA Alberta continues to understand the unique Alberta landscape and the impact on its members
- To monitor and address disruptive forces to the organization and its members
- To ensure members' private information is secured through increased cybersecurity programs and continual monitoring and awareness of the cyber environment
- To safeguard the organization's assets and ensure its viability in the long term

Looking Ahead

CPA Alberta's 2021/22 corporate business plan outlines the goals and strategies for the organization, guided by the current five-year strategic plan that is in its final year. The Board will be meeting with Senior Leadership throughout the upcoming year to develop a new strategic plan including reaching out to various stakeholders for their thoughts on the future of the profession.

A detailed budget was prepared in support of the 2021/22 plan and the Board's strategic priority to maintain fiscal accountability. Management anticipates a balanced budget for 2021/22 fiscal year with a small deficit for CPA Assist to utilize some of its net assets as was intended for future initiatives.

The budget was challenging to prepare due to the ongoing uncertainties surrounding the pandemic and the ongoing economic decline in Alberta. It has been assumed that in-person events will be held this year and some level of travel will resume. However, it is unclear when in-person events will actually resume and if there will be restrictions on the size of the events. It is possible, however, that CPA Alberta may experience a material deviation in the operating results. CPA Alberta maintains a healthy net asset position that is in line with its Net Asset Policy. This healthy net asset position will help the organization to continue to withstand adverse business conditions.

CPA Alberta strives to operate as efficiently as possible, while ensuring adequate funds are available to meet its mandate, provide services of value to members, and secure the long-term viability of the profession. For the 2021/22 year, Provincial and National member fees will remain the same.

Looking ahead, although there is uncertainty, there is also optimism with the on-going rollout of COVID-19 vaccines and a return to activities enjoyed pre-pandemic is on the horizon. Along with that also come opportunities for CPA Alberta. The organization will continue to navigate the economic challenges and impacts of COVID-19 while looking at opportunities and leveraging the learnings from the pandemic to protect the public and engage and support members in efficient and effective ways.



Financial Statements

For the year ended March 31, 2021

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 auditors, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issues, to satisfy itself that each party is discharging its responsibilities properly, and to review the financial statements, and the external 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 17, 2021

Cindy Priebe FCPA, FCMA
Chief Financial Officer



Grant Thornton

An instinct for growth™

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, 2021, 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, 2021, and its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Other Matter

The financial statements as at and for the year ended March 31, 2020 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those financial statements on July 21, 2020.

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.

Independent Auditor's Report (Continued)

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.

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.

Independent Auditor's Report (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 17, 2021

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

Chartered Professional Accountants

Chartered Professional Accountants of Alberta

Statement of Financial Position

As at March 31, 2021

	2021	2020
Assets		
Current Assets		
Cash	\$ 5,211,337	\$ 3,784,977
Accounts receivable (Notes 7,8)	10,658,019	8,809,267
Prepaid expense	425,317	390,658
Deposits	145,622	24,328
	<u>16,440,295</u>	<u>13,009,230</u>
Non-Current Assets		
Long term investments (Note 3)	8,226,702	7,061,883
Tangible capital assets (net) (Note 4)	4,947,313	5,555,098
Intangible capital assets (net) (Note 4)	3,539,827	3,551,274
	<u>16,713,842</u>	<u>16,168,255</u>
	\$33,154,137	\$ 29,177,485
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 7, 9-11)	\$ 3,153,736	\$ 3,913,076
Deferred revenue (Note 7b)	9,030,830	8,394,855
	<u>12,184,566</u>	<u>12,307,931</u>
Non-Current Liabilities		
Deferred lease incentives (Note 10)	4,555,347	4,895,146
	<u>4,555,347</u>	<u>4,895,146</u>
	16,739,913	17,203,077
Net Assets		
Invested in tangible and intangible capital assets	3,422,336	3,701,769
Internally restricted (Note 12)		
Regulatory Fund	1,000,000	1,000,000
CPA Assist	819,200	697,439
Education Fund (Note 13)	2,500,000	1,000,000
Application and Technology Fund (Note 14)	1,500,000	-
Unrestricted net assets	<u>7,172,688</u>	<u>5,575,200</u>
	16,414,224	11,974,408
	\$ 33,154,137	\$ 29,177,485
Commitments and Contingency (Notes 5,6)		
Subsequent Event (Note 18)		
Approved on behalf of the CPA Alberta Board		
 Darrell Jones, FCPA, FCMA Board Chair	 Rachel Miller, FCPA, FCA Chief Executive Officer	

Chartered Professional Accountants of Alberta

Statement of Operations

For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
Revenues		
Pre-certification learning (Note 7)	\$ 16,705,449	\$ 16,893,662
Membership fees	13,506,857	13,540,073
Public accounting and registration fees	4,044,052	3,812,217
Post-certification learning	2,839,297	3,128,687
Cost recoveries and fines (Note 7)	907,429	918,957
Member events and career services (Note 7)	156,289	625,643
Investment and other income (Notes 3,7)	1,855,261	550,063
	<u>40,014,634</u>	<u>39,469,302</u>
Expenses		
Pre-certification learning (Note 7)	13,628,946	14,931,270
Administration (Note 4)	10,436,918	10,027,523
Regulatory	5,424,397	5,759,627
Member services	4,031,599	6,277,795
Communications and recruitment	2,052,958	2,795,405
	<u>35,574,818</u>	<u>39,791,620</u>
Excess (deficiency) of revenues over expenses	<u>\$ 4,439,816</u>	<u>\$ (322,318)</u>

Chartered Professional Accountants of Alberta

Statement of Changes in Net Assets

For the year ended March 31, 2021

	Invested in tangible and intangible capital assets	Internally Restricted	Unrestricted	2021	2020
Balance, beginning of year	\$ 3,701,769	\$ 2,697,439	\$ 5,575,200	\$11,974,408	\$12,296,726
Excess of revenue over expenses (expenses over revenue)	(1,072,763)	121,761	5,390,818	4,439,816	(322,318)
Purchase of capital assets, net of disposals	793,330	-	(793,330)	-	-
Inter-fund transfer (Notes 13, 14)	-	3,000,000	(3,000,000)	-	-
Balance, end of year	\$ 3,422,336	\$ 5,819,200	\$ 7,172,688	\$16,414,224	\$11,974,408

Internally Restricted fund comprises of:

	Regulatory Fund	CPA Assist	Education Fund	Technology and Application Fund	2021	2020
Balance - Beginning of Year	\$ 1,000,000	\$ 697,439	\$ 1,000,000	\$ -	\$ 2,697,439	\$ 1,716,775
Excess of revenue over expenses (expenses over revenue)	-	121,761	-	-	121,761	(19,336)
Inter-fund transfer	-	-	1,500,000	1,500,000	3,000,000	1,000,000
Balance, end of year	\$ 1,000,000	\$ 819,200	\$ 2,500,000	\$ 1,500,000	\$ 5,819,200	\$ 2,697,439

Chartered Professional Accountants of Alberta

Statement of Cash Flows

For the year ended March 31, 2021

	2021	2020
Cash provided by (Used for) the following activities		
<i>Operating</i>		
Excess (deficiency) of revenue over expenses	\$ 4,439,816	\$ (322,318)
Non-cash adjustments:		
Amortization of tangible and intangible capital assets	1,408,486	1,012,736
Amortization of deferred lease incentives	(339,799)	(210,825)
Loss on disposal of capital assets	4,076	23,030
Unrealized (gain) loss on investments	(478,539)	246,618
Realized gain on investments	(350,974)	(7,202)
	4,683,066	742,039
Changes in non-cash working capital accounts (Note 15)	(2,128,070)	(3,579,226)
	2,554,996	(2,837,187)
<i>Investing</i>		
Purchase of capital assets	(793,330)	(1,827,186)
Purchase of investments	(2,511,432)	(426,858)
Proceeds on sale of investments	2,176,126	226,962
	(1,128,636)	(2,027,082)
Increase (decrease) in cash	1,426,360	(4,864,269)
Cash, beginning of year	3,784,977	8,649,246
Cash, end of year	\$ 5,211,337	\$ 3,784,977

Chartered Professional Accountants of Alberta

Notes to Financial Statements For the year ended March 31, 2021

1 Incorporation and nature of operations

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

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

2 Significant accounting policies

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

Cash

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

Measurement uncertainty

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

Revenue recognition

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. 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 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 assets is recorded as an expense in the statement of operations. A write down shall not be reversed.

Contributed materials and services

Contributed materials and services are recorded at fair value when the amount can reasonably be determined and would have been purchased by CPA Alberta if not contributed. Due to the difficulty of determining their fair value, volunteer services are not recognized in the financial statements. There were no contributed materials and services recorded for the years ended March 31, 2021 and March 31, 2020.

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 as a component of administration expenses.

Notes to Financial Statements

Financial instruments

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

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

3 Investments

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

	March 31, 2021		March 31, 2020	
	Fair Value	Cost	Fair Value	Cost
Fixed income	\$ 4,594,785	\$ 4,500,498	\$ 4,271,748	\$ 4,036,247
Canadian equity	1,497,988	1,312,527	1,272,507	1,457,167
US equity	-	-	1,232,523	1,276,675
International equity	2,133,929	1,938,084	285,105	294,740
	<u>\$ 8,226,702</u>	<u>\$ 7,751,109</u>	<u>\$ 7,061,883</u>	<u>\$ 7,064,829</u>

The aggregated fair value of the long-term investments balance includes an unrealized gain of \$475,593 (2020 – unrealized loss of \$2,946). In fiscal 2021, a realized gain of \$350,974 (2020 – realized gain of \$7,202) and an unrealized gain of \$478,539 (2020 – unrealized loss of \$246,618) are included in investment and other income. Annual interest rates on fixed income range from approximately 1.57% to 7.53% per annum, and mature at various dates from June 2021 to November 2080. (In 2020, the annual interest rates on bonds ranged from 1.82% to 8.35% per annum, and maturity dates ranged from June 2020 to December 2050).

For the year ended March 31, 2021, cash earned interest aggregating \$36,973 (2020 – \$191,472) and long-term investments earned interest aggregating \$373,384 (2020 – \$246,572). Annual interest rates on cash in 2021 ranged from 0.20% to 0.55% per annum (2020 – 0.25% to 2.05% per annum).

Notes to Financial Statements

4 Capital assets

	March 31, 2021			March 31, 2020
	Cost	Accumulated amortization	Net book value	Net book value
Furniture	2,095,871	1,160,355	935,516	\$ 1,106,519
Office equipment	993,206	910,665	82,541	170,970
Computer software and hardware	5,808,092	5,382,543	425,549	274,088
Leasehold improvements	6,260,069	2,783,502	3,476,567	3,976,381
Artworks	27,140	-	27,140	27,140
Tangible capital assets	15,184,378	10,237,065	4,947,313	5,555,098
Intangible capital assets	3,767,799	227,972	3,539,827	3,551,274
	18,952,177	10,465,037	8,487,140	\$ 9,106,372

Intangible assets of \$347,964 (2020 - \$3,180,451) in development has not been amortized. This mainly consists of the phase 2 implementation of the new member management system software.

Amortization amounted to \$1,408,486 for the year ended March 31, 2021 (2020 - \$1,012,736), and is included in administration expenses. CPA Alberta disposed of certain assets for a loss of \$4,076 reported in investment and other income (2020 - \$23,030 loss).

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

5 Commitments

Discipline

Under the Act, CPA Alberta is required to regulate the conduct of its members. At March 31, 2021, a number of investigations and hearings were in progress.

Notes to Financial Statements

Contractual obligations

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

2022	1,476,211
2023	1,394,427
2024	1,167,593
2025	1,204,628
2026	1,204,628
Thereafter	4,056,320
	<u>\$ 10,503,807</u>

6 Contingencies

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

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, 2021, CPA Alberta contributed \$1,707,266 (2020 - \$1,710,142) towards the Foundation's general revenue. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year ended March 31, 2021, CPA Alberta has recovered \$406,394 (2020 - \$384,397) for operating costs incurred on behalf of the Foundation and are included in cost recovery and fines. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Notes to Financial Statements

Amounts due from the Foundation at March 31, 2021 totaled \$32,840 (2020 - \$10,094), and are included in accounts receivable. Amounts due to the Foundation at March 31, 2021 totaled \$56 (2020 - \$200) and are included in accounts payable and accrued liabilities.

(b) CPA Western School of Business

CPA Western School of Business (“CPAWSB”) is responsible for delivering pre-certification education for students in the four western provinces/territories, in accordance with an agreement signed by the CPA bodies in Alberta, British Columbia, Saskatchewan, and Manitoba, collectively the “western provincial bodies”, and CPAWSB effective September 29, 2015. Effective June 1, 2018, the western provincial bodies/territories approved changes relating to the governance structure of CPAWSB. The new Board of Directors of the CPAWSB is now comprised of the CEOs from the four western provincial bodies.

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

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

During the year ended March 31, 2021, CPA Alberta recovered \$343,010 (2020 - \$339,293) for operating costs incurred on behalf of CPAWSB and are included in cost recovery and fines. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Pre-certification learning revenues at March 31, 2021 total \$16,705,449 (2020 - \$16,893,157) while related expenses total \$13,628,946 (2020 - \$14,931,270). Pre-certification learning revenues relating to legacy programs that have since been concluded total \$0 (2020 - \$505).

Student fees CPAWSB collected on behalf of CPA Alberta for the billing year 2021/22 at March 31, 2021 total \$5,858,069 (2020 - \$5,530,824) and are included in deferred revenue.

Notes to Financial Statements

Amounts due from CPAWSB at March 31, 2021 totaled \$9,042,393 (2020 - \$7,586,510), and are included in accounts receivable.

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

During the year ended March 31, 2021, CPA Alberta purchased benefit plan services for its employees from CPAIPW costing \$573,300 (2020 - \$545,814) 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 \$2,835 (2020 - \$5,040) and provided sponsorships of \$77,500 (2020 - \$76,500). These are included in other income, post-certification learning and member events and career services revenue, respectively. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts due to CPAIPW at March 31, 2021 totaled \$0 (2020 - \$1,000) and are included in accounts payable.

(d) Chartered Professional Accountants of Canada

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

Amounts due from CPA Canada at March 31, 2021 totaled \$571,532 (2020 - \$309,084) and are included in accounts receivable. Amounts due from CPA Canada relate to recovery of expenses paid on behalf of CPA Canada and surplus allocation of \$521,859 (2020 - \$244,385) which is included in other income. During the year, CPA Alberta incurred national committee costs of \$338,283 (2020 - \$729,878) and are included in CPA Canada shared committee and brand campaign costs which are allocated to four categories of business unit expenses. Amounts due to CPA Canada at March 31, 2021 totaled \$17,775 (2020 - \$343,493) and are included in accounts payable. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of

Notes to Financial Statements

consideration established and agreed to by the related parties.

8 Accounts receivable

Accounts receivable is net of an allowance for doubtful accounts of \$953,667 (2020 - \$1,027,712).

9 Member fees and other amounts received in advance

Included in accounts payable are member fees collected in March 2021 for the 2021/22 billing year (Note 7(a) and Note 7(d)). These are amounts owing to CPA Canada of \$943,675 (2020 - \$764,387), and amounts owing to the Foundation of \$172,791 (2020 - \$139,144). Amounts due will be paid within the next fiscal year with no interest charged.

10 Deferred lease incentives

For the year ended March 31, 2021, rent expenses were reduced by \$339,799 (2020 - \$210,825) which represents the amortization of deferred lease incentives.

	March 31, 2021	March 31, 2020
Deferred lease incentive, beginning of year	\$ 5,404,603	\$ 5,615,428
Less: amortization	(339,799)	(210,825)
Deferred lease incentive, end of year	<u>\$ 5,064,804</u>	<u>\$ 5,404,603</u>
Current portion (included in accounts payable)	\$ 509,457	\$ 509,457
Long-term portion	\$ 4,555,347	\$ 4,895,146

11 Government remittances

Government remittances at March 31, 2021 consisted of \$222,969 payable to government authorities (2020 payable - \$326,112) related 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 (Note 14).

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

Notes to Financial Statements

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 the contribution of \$1,000,000 to the fund in March 2019. An additional \$1,500,000 contribution was approved and transferred to the fund in fiscal 2021.

14 Applications and Technology Fund

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

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

15 Changes in non-cash working capital

	March 31, 2021	March 31, 2020
Change in:		
Accounts receivable	\$ (1,848,752)	\$ (1,536,991)
Prepaid expense	(34,659)	(138,227)
Deposits	(121,294)	27,422
Decrease (increase) in current assets	(2,004,705)	(1,647,796)
Accounts payable and accrued liabilities	(759,340)	(1,096,491)
Deferred revenue	635,975	(834,939)
Increase (decrease) in current liabilities	(123,365)	(1,931,430)
Changes in non-cash working capital	<u>\$ (2,128,070)</u>	<u>\$ (3,579,226)</u>

16 Financial Instruments

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

a) Credit risk

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

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

b) Liquidity risk

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

c) Interest rate risk

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

d) Currency Risk

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

e) Other price risk

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

CPA Alberta manages its credit, interest rate and other price risk by restricting investments to a diverse range of corporate preferred shares, common shares and

Notes to Financial Statements

government and corporate fixed income securities with specified ratings and terms as prescribed by CPA Alberta Board resolution.

17 Government Assistance

As a result of the ongoing global COVID-19 pandemic, CPA Alberta benefited from the 10% Temporary Wage Subsidy (TWS) during the fiscal year 2020-21. The subsidy allowed eligible employers to reduce the amount of payroll deductions to be remitted to the Canada Revenue Agency (CRA). CPA Alberta was able to claim the maximum \$25,000 benefit and is reported as a reduction in salaries and benefits expense, allocated to four categories of business unit expenses.

18 Subsequent events

As of the date of these financial statements, mandatory public health measures remain in place in Alberta to prevent the spread of COVID-19. The province has returned to *Step 1* of the *Path Forward* roadmap, increasing restrictions across the province on April 6, 2021. The length of time these restrictions will be put in place is currently unknown. The extent to which COVID-19 impacts CPA Alberta's results will depend on future developments, which are highly uncertain and cannot be predicted and will be dependent upon new information such as the severity of COVID-19 and actions taken to contain this or its impact, among others.



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