

OUR FUTURE IS NOW

EMBRACING CHANGE TOGETHER

ANNUAL REPORT | 2020-2021



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
CANADA



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LETTER FROM THE CHAIR OF THE BOARD



Amanda Whitewood, FCPA, FCMA

While the past year was one of challenge and disruption for the profession and CPA Canada, it was also characterized by agility and resilience.

Effective communication and collaboration with our fellow provincial, territorial and Bermudian bodies (PTBs) allowed the profession to find innovative ways to conduct business and create value for members in an ever-evolving landscape.

Similarly, CPA Canada's Board of Directors worked together to offer valuable insights to the CPA Canada management team as operations and business planning continued throughout the COVID-19 pandemic.

I would like to acknowledge the work of Joy Thomas during the early part of fiscal 2020-21, before she stepped down as president and CEO in July 2020. Joy's guidance was crucial in navigating the organization through this uncertain time.

Charles-Antoine St-Jean's passion for the profession and future-focused outlook allowed for a seamless leadership transition. Continuing to build on the organization's strong foundation, a solid working relationship was established between the board and Charles-Antoine.



The role of the board

The CPA Canada Board of Directors provides oversight of the strategic direction of the organization. The board also oversees the profession's work on strategic planning, public trust and ethics, education and qualification, and brand and reputation management. This is accomplished by working collectively with the PTBs.

To ensure the governance of the accounting profession remains highly effective, regular meetings are held with our fellow CPA bodies to determine and pursue shared goals and opportunities.

This ongoing dialogue with the Council of Chief Executives and the Council of Chairs (COC) is appreciated as it allows us to collectively tackle the challenges facing Canadian CPAs. It has been a privilege to chair the COC and work alongside this dedicated group to govern the core elements of the profession.

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Throughout my tenure, I have been fortunate to have collaborated with and learned from so many talented individuals from across the country.

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Virtual Annual Meeting a success

The fallout from the pandemic, including the cancellation of in-person events, led CPA Canada to conduct its first virtual Annual Meeting of Members in September 2020. This new format attracted more than 500 participants and was a great opportunity to hear directly from members across the country. Given the accessibility and success of the online forum, we will build on this format going forward.

The coming year and beyond

As I approach the end of my two-year term as chair, I am appreciative of the opportunity to help guide CPA Canada during this dynamic chapter in the organization's history. I would like to thank Charles-Antoine and the entire CPA Canada team for the hard work, energy and enthusiasm they put into advancing the organization's mandate and for supporting the profession. Likewise, I extend my gratitude to each of my board colleagues for their counsel and teamwork. Special thanks to Vice-Chair Richard Olfert for his unwavering focus and support.

I have always believed that those in leadership roles are only as successful as their networks. Throughout my tenure, I have been fortunate to have collaborated with and learned from so many talented individuals from across the country.

CPA Canada's efforts are guided by the insights of hundreds of volunteers, comprised of members and other stakeholders whose knowledge and expertise help to chart the organization's course. This dedicated group was exceptionally engaged and supportive.

Ongoing collaboration allows the Canadian profession to champion best practices that benefit business and society, as well as prepare its members for a post-pandemic world. On behalf of the board, I thank the PTBs, CPA Canada, and its volunteers, for their contributions.

Our profession stands ready to address the challenges of tomorrow, but also to take advantage of the opportunities that lie ahead.

LETTER FROM THE PRESIDENT AND CEO



Charles-Antoine St-Jean, FCPA, FCA

My first year at the helm of CPA Canada clearly reinforced for me the profession's dedication to upholding its long history of helping Canadians through tough times.

Globally, the COVID-19 pandemic has altered every aspect of our daily lives. The sheer depth of change, its velocity and breadth, likely signal that we have yet to experience, or even fathom, what is still to come. Yesterday's future is here, and CPAs have an important role to play in shaping tomorrow's future.

Working in conjunction with our colleagues across the provinces and territories, as well as Bermuda, CPA Canada is helping members and other stakeholders continuously adapt and seize new opportunities as they navigate rapidly changing business environments. This means not only addressing immediate challenges, but also contributing to the eventual rebuilding of the country's economy. The collective actions being taken today, and the resources being developed, will drive long-term value and sustainability for the Canadian CPA profession.

But our future also depends on the insights of others within the broader financial ecosystem. Those comments, observations and ideas, along with input from our members, will help us future-proof the Canadian accounting profession and prepare CPAs as leaders of change in the information age.



Our future

Through CPA Canada's *Foresight: Reimagining the Profession*, a multi-stakeholder consultation effort, we are addressing shifting societal expectations, new technologies and emerging trends.

The viewpoints collected will help evolve the profession's Competency Map, which anticipates the skills, attributes and agility required by members to meet the needs of employers or to serve their clients. Members will have to embrace innovative technology, play a role in Canada's transition to a net-zero economy and build organizational resilience.

The rapidly changing landscape necessitates a reimagined profession fit for purpose in this new era — one that is positioned to help pave the way for Canada to achieve a sustainable recovery post-pandemic.

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COVID-19 and its fallout further emphasized the importance of supporting each other.

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Charles-Antoine St-Jean, CPA Canada's president and CEO and Denis Trottier, KPMG's chief mental health officer, discussed the realities of managing mental health at The ONE Conference, held in September 2020.

Navigating COVID-19

CPA Canada continues to build on the engagement and trust established in addressing the fallout from COVID-19. Positive feedback from members and other stakeholders over the past fiscal year illustrates that the organization has become a valuable go-to resource for pandemic-related guidance.

An important part of CPA Canada's efforts has been its ongoing collaboration with the Canada Revenue Agency (CRA) and Finance Canada. This allowed for member insights to be shared with the CRA, while also allowing our organization to provide timely information and clarity on pressing tax questions.

Because of these efforts, our dedicated tax webpage became a highly relied upon source of real-time information for our members, businesses and the public, generating consistently strong levels of web traffic and engagement.

Beyond the tax page, CPA Canada produced resources on matters such as business continuity, employee support, and financial and mental wellness. The organization also addressed challenges when it came to applying standards and conducting audits in a pandemic environment.

Focusing internally, CPA Canada pivoted to adopt a remote working environment and pursued solutions to ensure its employees remained engaged and well positioned to create value for members and the profession. This included redeploying employees with adaptive skills to other areas of the business where additional resources were needed to support COVID-related operational changes.

We will continue to explore the benefits of moving to a hybrid workplace model to keep up with the pace of change, foster a Canada-wide recruitment approach and further enhance our organization's national presence.

Encouraging greater mental health awareness among our employees is a long-standing priority for CPA Canada. COVID-19 and its fallout further emphasized the importance of supporting each other. This collaborative approach resulted in numerous achievements for the organization, something all our employees are proud of. They deserve recognition for their dedication and contributions.

Adapting to a virtual environment

CPA Canada adjusted in real time to offer its annual conferences in a dynamic and fully virtual format without compromising the quality of content delivered.

Virtual gatherings make it easier to bring together individuals from across the country and around the world to discuss matters of mutual interest. Several CPA Canada events, including The ONE and the Public Sector Conference, saw record enrollment last fiscal year. CPA Canada also hosted its first Financial Literacy Virtual World Tour in November 2020, drawing more than 3,800 participants.

As the profession continues to navigate an increasingly connected and digital world, we look forward to finding new ways to innovate and deliver value to our members.

A successful 2020 CFE

Thinking outside the box allowed the profession to ensure individuals were given the opportunity to proceed with the Common Final Examination (CFE) despite the constraints presented by COVID-19.

This year's candidates demonstrated exceptional dedication and perseverance as they studied and wrote the exam during a global pandemic.

Approximately 10,000 hotel rooms were booked across Canada, allowing each candidate to write the exam in a dedicated room. Not only did this adaptation uphold public health and safety mandates and the integrity of the exam, but it also contributed to the Canadian economy by supporting the hospitality industry. CPA Canada would like to extend special thanks to all those who made the September sitting possible.

Internationally active

CPA Canada's influence is felt on the global stage as we are one of the largest national accounting bodies in the world. We collaborate with the International Federation of Accountants (IFAC) and the Global Accounting Alliance, which helps the profession contribute to building resilient economies worldwide.



The unique approach adopted for the September 2020 CFE saw candidates write in individual hotel rooms across the country.

In addition, CPA Canada operates the Canadian chapter of The Prince of Wales's Accounting for Sustainability (A4S) CFO Leadership Network. This year, we played a key role in the development of *The A4S Essential Guide to Valuations and Climate Change*. The first-of-its-kind guide is aimed at helping organizations apply a consistent approach to valuation and decision-making when addressing climate change risks and opportunities.

Globally, Canada has long been known both for the quality of its standard setting and for its independent and transparent governance and oversight for the delivery of those standards. The accounting profession's ongoing contribution is providing expertise, resources and funding, and this includes supplying the official French translation of international accounting and auditing standards. Our talented Language Services team carries out this appreciated work.

This fiscal year saw CPA Canada proactively demonstrate support for the establishment of a new International Sustainability Standards Board.

AML and policy advocacy

Throughout the past fiscal year, CPA Canada was busy on the policy front addressing not only tax matters relating to COVID-19, but also issues such as anti-money laundering (AML), privacy and rebuilding the economy.

When it comes to financial crimes, our profession has consistently taken a strong stand against these illegal activities, working with governments and other bodies to enhance Canada's AML regime. Our profession is committed to being part of the solution in the fight against money laundering.

In fact, the Cullen Commission of Inquiry into Money Laundering in British Columbia turned its attention to the accounting profession in early 2021. Both CPA Canada and CPABC were granted participant status by the commission and witnesses from each organization were invited to testify. The Cullen Commission's final report, including recommendations to address the conditions that have enabled money laundering, is expected to be submitted to the provincial government in December 2021.

In April 2020, CPA Canada made its submission to the federal government's consultation on corporate beneficial ownership transparency. One month later, CPA Canada and IFAC published an international report on the same topic. Other policy efforts included CPA Canada's response to the federal government's February 2021 public consultation on modernizing Canada's Privacy Act.

Because Canadian CPAs will play a vital role in rebuilding the economy, CPA Canada sought input from members and other stakeholders to help shape the organization's pre-budget submission for the 2021 federal budget. CPA Canada also issued three policy briefs that expanded on key recommendations outlined in the submission.

Cybersecurity

Globally, there has been an increase in cybercrime and cyber risk over the past few years, leaving no organization or individual fully immune. This has only been amplified during the COVID-19 pandemic.

In 2020, CPA Canada became aware of a cyberattack against its website, involving certain member and stakeholder information held by the organization. We worked closely with leading cybersecurity experts to respond to the incident, informed the Royal Canadian Mounted Police Anti-Fraud Centre and relevant privacy regulators about the incident, and took steps to notify individuals.

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Delivering value to our members remains paramount as we move forward.

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Value-focused

Delivering value to our members remains paramount as we move forward. The profession can help build Canada back better by making positive contributions to developing issues. This includes helping organizations shape their business models and operations to optimize value creation.

The work of CPA Canada and the profession will reinforce the reputation of Canadian CPAs as value-added leaders and authoritative decision-makers, both domestically and in the global financial ecosystem.

A prime example of CPA Canada's influence centred around plans for the creation of a new International Sustainability Standards Board (ISSB), to be established by the IFRS Foundation. We were pleased to be among a group of private and public institutions, including the Government of Canada, to back the country's offer to host the global headquarters for the ISSB. CPA Canada spearheaded the extensive collaborative effort known as the *Canadian Champions for Global Sustainability Standards*. The Canadian offer includes financial contributions for the successful startup and operations of the ISSB, should the IFRS Foundation choose to locate it here.

This is a vital initiative as environmental, social and governance issues are increasingly becoming factors in today's business world. Currently, there are multiple frameworks and standards related to sustainability reporting. The operating landscape has evolved to the point where a global set of common standards is needed.

Looking forward, we will continue to help our members stay ahead of emerging trends and play an active leadership role in shaping our future.

OPERATING ENVIRONMENT

The operating environment has changed significantly for CPA Canada in fiscal 2020-21 due to the global pandemic and our commitment to continue delivering services that provide value to our members.

CPA Canada works collaboratively with the provincial, territorial and Bermudian bodies as set out in the Collaboration Accord, an agreement made on December 26, 2016.

Together, we represent highly qualified professionals who demonstrate an ongoing commitment to the highest standards of accounting, ethics and best business practices. We also use our collective expertise to advance public policy that benefits all Canadians and contributes to both economic and social development in Canada.

An important aspect of CPA Canada's governance and management best practices is to ensure that organizational risks are identified, assessed and managed effectively in addition to prudent financial planning and management. The ability to respond appropriately and in a timely manner to expected and unanticipated events is critical to the organization's success.

Investments in business transformation

As the world begins to reimagine life and business in a post-pandemic economy, the accounting profession continues to explore ways to modernize and develop new forms of value. CPA Canada recognizes the importance of evolving as an organization to deliver innovative products and services that support the current and future needs of members.

With approval from the board of directors, CPA Canada established a corporate spending envelope to invest in target business areas and strategic projects that will balance immediate priorities with long-term planning to achieve its mission. This past fiscal year, CPA Canada allocated internally restricted net assets of \$21.0 million from the organization's unrestricted net assets. Several enterprise-wide initiatives will be captured under this funding umbrella, including funds allocated over three years as part of CPA Canada's contribution to the "Welcome Fund" to cover startup and operating costs for the establishment of the new International Sustainability Standards Board if it is located in Canada. Other initiatives include support for a governance review of Canadian standard setting, as it has been more than two decades since this last occurred. In addition, funding is being directed to continue to further enhance CPA Canada's foundational business operations and technology infrastructure, including in respect of cybersecurity.

High-performance workforce and culture

This past fiscal year, CPA Canada was certified as a Great Place to Work® after an independent third party conducted an annual employee survey and provided a thorough analysis. The results showed that employee trust and engagement are trending upwards. Efforts will continue to cultivate an increasingly positive and inclusive workplace culture.

A five-year initiative is underway to foster enhanced skills within the organization and to develop a future workplace vision. The goal is to increase knowledge internally, which will create new or enhanced roles and opportunities. The effective deployment of resources and sound talent management will ensure CPA Canada is well-positioned as a sustainable and high-performing organization.

Enterprise risk management

CPA Canada regularly assesses its operating environment and identifies key risks that could have a significant adverse impact on the organization's reputation, business performance and the achievement of its strategic objectives.

Risk management approach

CPA Canada's Risk Policy utilizes an enterprise risk management (ERM) framework that helps guide the organization in its risk management activities. The framework establishes the roles and responsibilities of the participants; specifies our tolerance for risk; identifies, assesses and categorizes the risks that the organization is exposed to; and ensures a uniform approach to risk mitigation, management and reporting.

The ERM framework is designed to incorporate several approaches for managing risk, including avoidance, mitigation, transferal, insurance and acceptance. It encourages a risk-aware culture where risk management is an integral part of our strategic and operational decision-making.

In fiscal 2020-21, CPA Canada updated its risk register with the aim to better identify emerging risks, determine risk owners and articulate mitigation strategies.

Risk governance

Managing CPA Canada's risks involves the collective effort of the board of directors and its committees, management and staff at all levels of the organization.

The board is accountable for overseeing the organization's ERM framework and process. The audit committee is responsible for carrying out the related oversight activities on behalf of the board. This includes reviewing significant risks and uncertainties that may affect CPA Canada and the adequacy of policies, procedures and controls established to minimize the principal risks to which the organization is exposed.

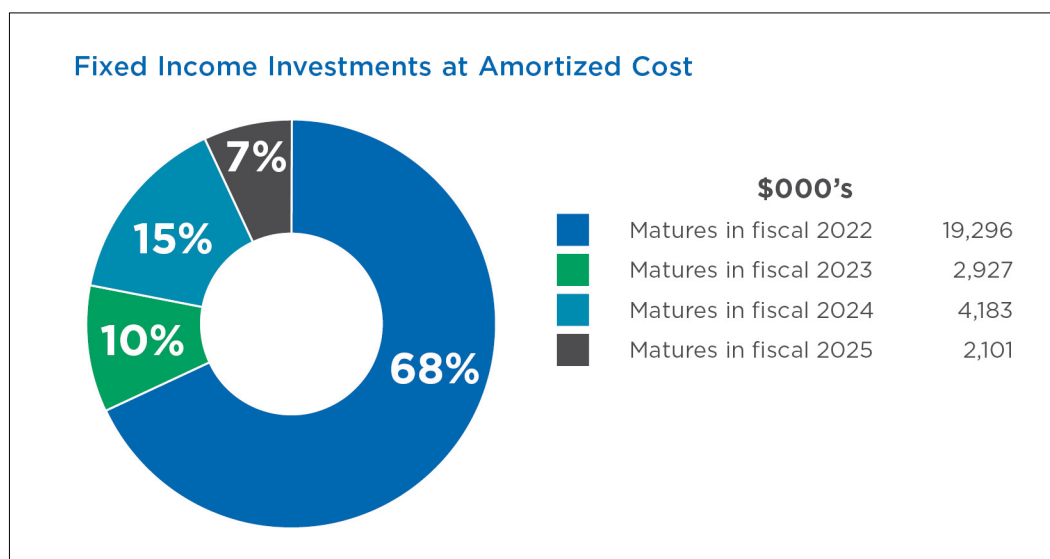
In addition, the board is responsible for the annual approval of CPA Canada's multi-year strategic plan. It ensures that the strategic direction is sound, links strategies and provision of services, and establishes the basis of the annual operational commitments and related budgets. CPA Canada's strategic planning process identifies and addresses key risks that affect the organization.

Capability to deliver results

Capital resources and liquidity

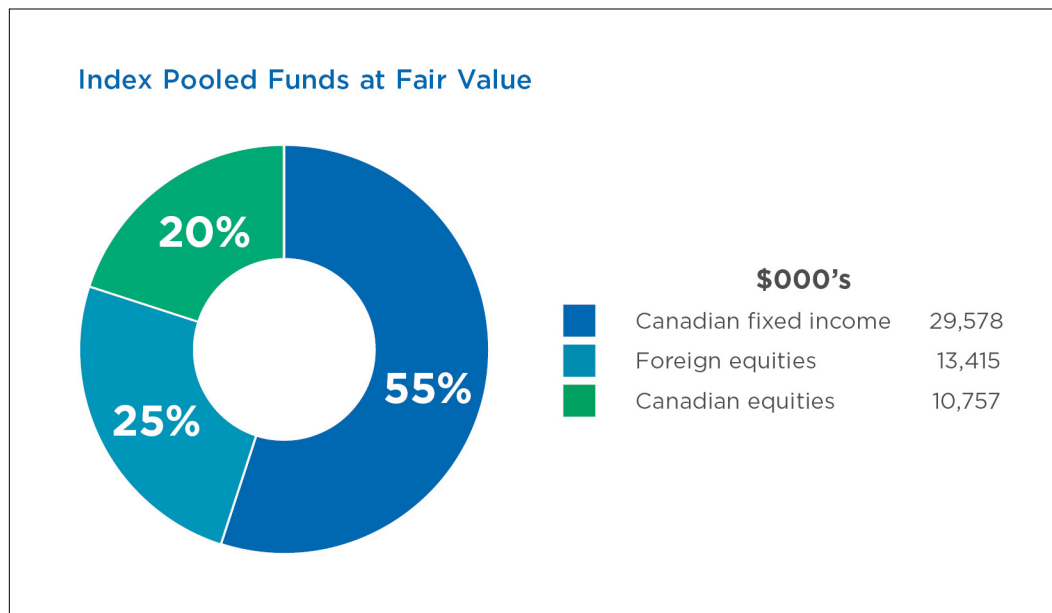
CPA Canada's cash position was \$32.0 million as of March 31, 2021, an increase of \$8.4 million from the \$23.6 million in the previous fiscal year. Operating activities contributed \$3.4 million of cash, and investing activities generated positive cash flow of \$5.0 million, primarily from the proceeds received from the sale and maturity of investments, offset by purchases of investments and tangible assets. Cash at year-end is held on deposit with major Canadian financial institutions in interest-bearing accounts.

CPA Canada's total investments of \$82.3 million are comprised of guaranteed investment certificates, Canadian fixed income investments and index pooled funds. The guaranteed investment certificates have effective interest rates ranging from 1.15 per cent to 2.65 per cent, with maturity dates ranging from May 2021 to March 2024. The Canadian fixed income investments have effective interest rates ranging from 1.14 per cent to 1.60 per cent, maturing between June 2021 and July 2024. The Canadian fixed income investments in the index pooled funds have effective interest rates ranging from 0.17 per cent to 9.56 per cent, with maturity dates ranging from April 2021 to November 2065.



Recognizing the economic uncertainty created by the global COVID-19 crisis, CPA Canada’s management determined that it was prudent to protect the organization’s cash flow. Cash holdings were closely monitored to ensure continued operations in the event of unforeseen shortfalls or significant risks without impacting members’ fees or services in the coming year.

Investment in capital assets is guided by the capital asset plan prepared by management each year and approved by the board of directors. CPA Canada’s total capital investment in fiscal 2020-21 decreased to \$0.5 million from the \$2.4 million invested in the prior year. The decrease was because \$1.9 million of capital spending in the prior year was for planned renovations of the Burnaby office after the sale of the property and leaseback of office space at the end of fiscal 2018-19.

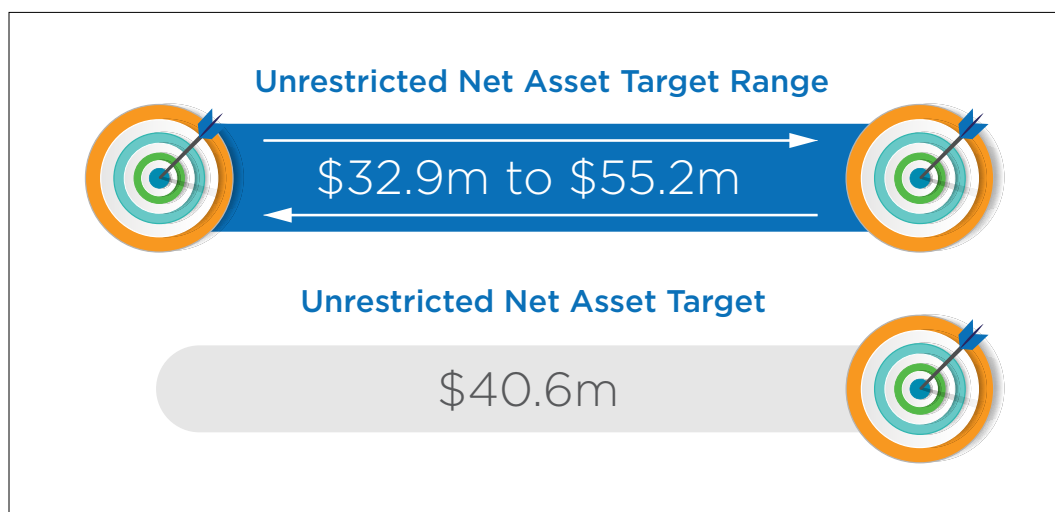


Net assets and restricted fund

Net assets as of March 31, 2021, amounting to \$78.3 million, are comprised of \$4.0 million invested in capital assets (net book value of capital assets less the unamortized balance of deferred tenant inducements used to purchase capital assets), \$21.0 million approved by the board of directors as internally restricted net assets for the enterprise-wide initiatives, and \$53.3 million of unrestricted net assets. The increase in net assets of \$18.0 million during the year resulted largely from the excess of revenues over expenses of \$17.2 million for the year ended March 31, 2021.

The unrestricted net assets of CPA Canada are required to provide sufficient financial capital to meet any unexpected material financial risks and to capitalize on significant new opportunities when presented. The unrestricted net assets are also available to help maintain reasonable stability in annual member fees.

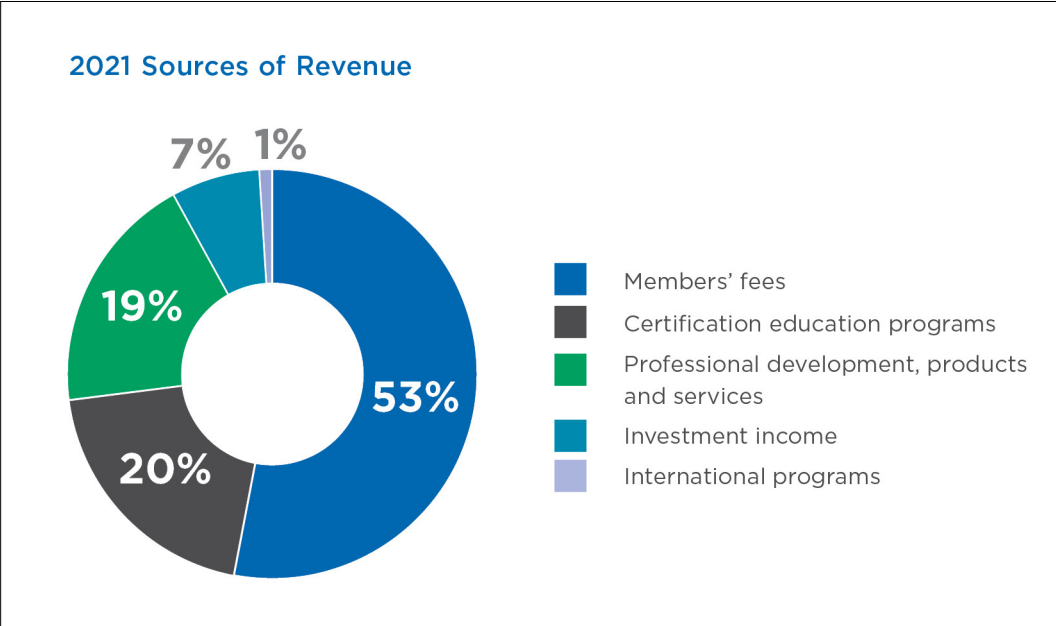
On behalf of the board of directors, the audit committee annually reviews the level of unrestricted net assets to assess its appropriateness. Based on our reserve policy on net assets, CPA Canada retains a minimum of unrestricted net assets in the range of \$32.9 million to \$55.2 million and a target surplus amount of \$40.6 million. The current unrestricted net assets of \$53.3 million are within the required range and above the current target amount.

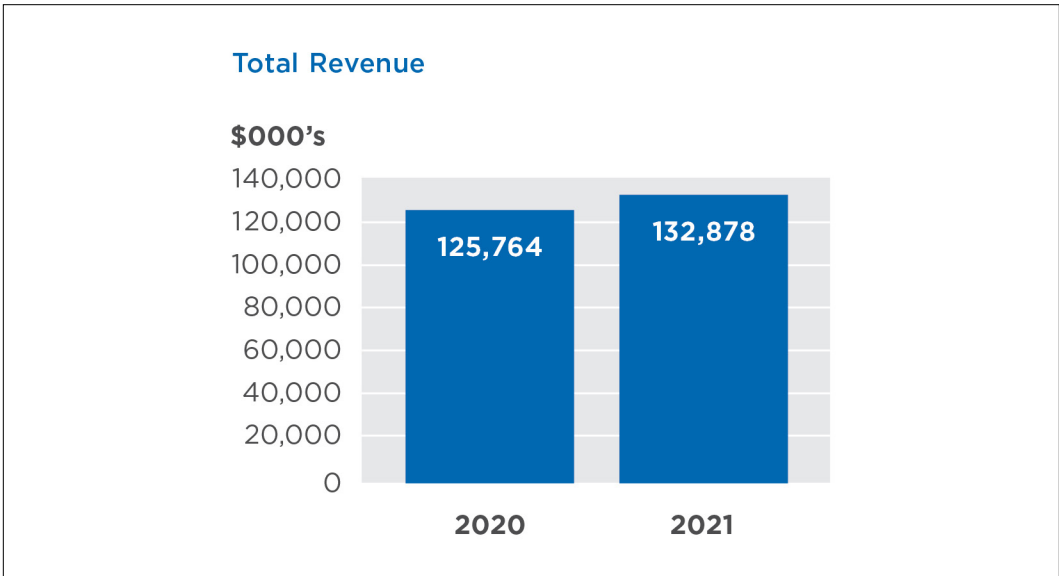


FINANCIAL PERFORMANCE

In fiscal 2020-21, CPA Canada operations resulted in a \$17.2 million excess of revenues over expenses compared to the prior year, where the excess of expenses over revenues was \$1.0 million.

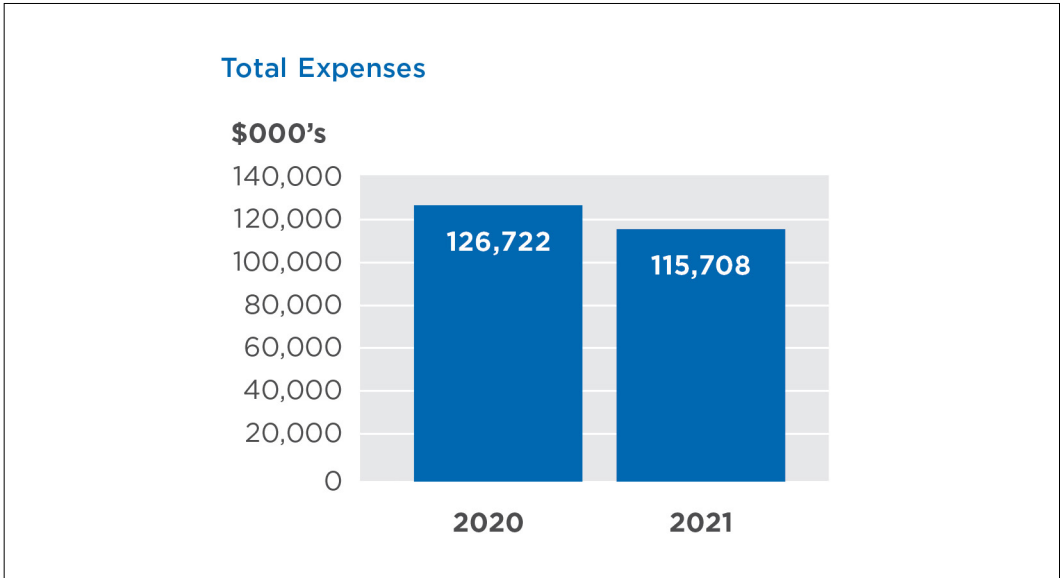
Total revenues of \$132.9 million from all sources increased by \$7.1 million over the prior year's total revenues of \$125.8 million. Investment income of \$8.9 million was \$8.1 million higher than in the prior year, benefiting from the favourable market conditions as of March 31, 2021, that gave rise to an unrealized gain of \$5.0 million on the fair value of the index pooled funds. Investment income in the prior year was impacted by a sharp downturn in the market late in the fiscal year, due to reactions to the COVID-19 pandemic. This gave rise to an unrealized loss of \$2.6 million in the fair value of the index pooled funds as of March 31, 2020. Without the impact of the fair value adjustments, investment income rose by \$0.5 million over the prior year, and total revenues decreased by \$0.5 million from the prior year.





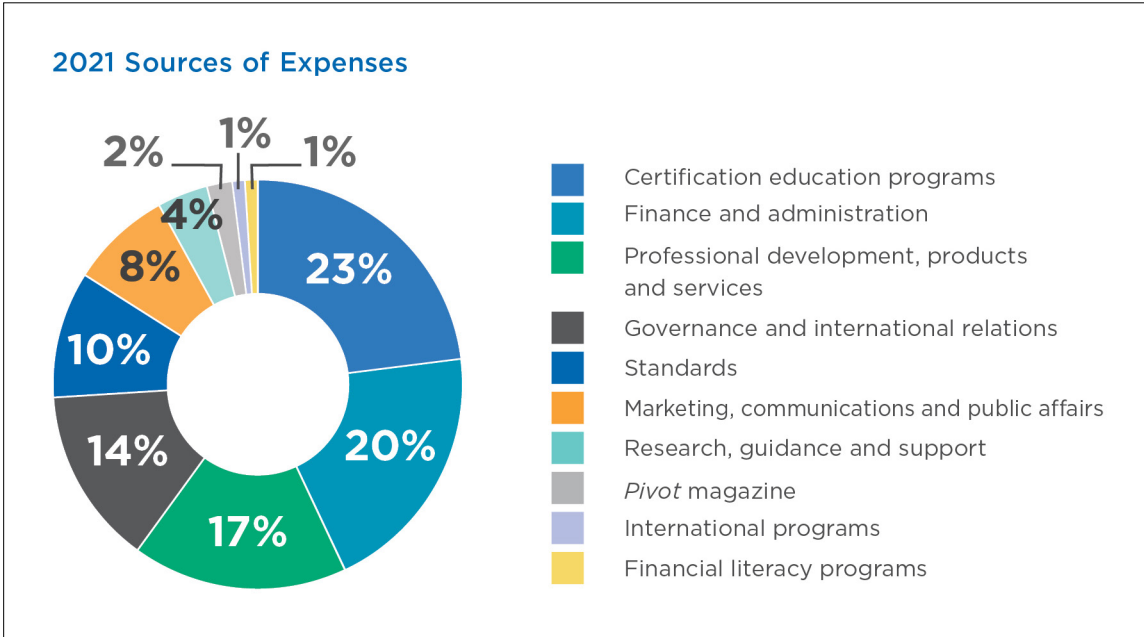
Members' fees of \$70.9 million were \$0.5 million over the prior year. Revenues of \$25.6 million from professional development, products and services fell below the prior year by \$1.2 million as some events were cancelled and publications generated lower sales.

Total expenses of \$115.7 million were below the prior year by \$11.0 million. This can be attributed to several factors, including CPA Canada's conscious effort to respond to the changed operational circumstances of CPA Canada in response to COVID-19. As an organization largely dependent on membership dues and income from professional products and services, CPA Canada must be a good steward of its resources. Our focus is providing long-term value for our members as the organization acts in the public interest.



\$2.15 million of the year-over-year cost saving was due to the additional cost incurred in fiscal 2019-20 regarding the 2019 Common Final Examination (CFE). This included provisions for a free future re-write of the exam for certain 2019 CFE writers. No comparative expense of this nature was incurred in fiscal 2020-21.

Late in fiscal 2019-20, due to the COVID-19 pandemic, public health restrictions such as the implementation of travel bans, self-imposed quarantine periods, closing of non-essential businesses and physical distancing led to the cancellation of all planned travel and face-to-face meetings for the entire duration of fiscal 2020-21. All meetings were held online, resulting in savings of \$6.0 million. Conferences and courses planned for in-person attendance that could not be transitioned in time for virtual delivery were cancelled. Those that could were shifted from in-person to virtual delivery, resulting in savings of \$5.0 million in the direct costs of events. Despite these challenges, CPA Canada was able to achieve significant operating results for the year.



Due to uncertainties and delivery challenges, and many businesses being forced to make operational changes in real time because of COVID-19, CPA Canada made a strategic decision to temporarily suspend its marketing and advertising communications, as well as research studies. Similarly, a decision was made by the profession to reduce the extent of the National CPA Branding Campaign. In total, CPA Canada’s share of advertising and promotion costs in fiscal 2020-21 was reduced by \$2.7 million compared to the prior year.

Savings from greatly reduced travel and advertising, moving to the virtual delivery of events, and year-over-year reduced costs related to the CFE writing were reinvested to assist in financing unanticipated events and new opportunities that arose during fiscal 2020-21.

CPA Canada supports its members as we work together to fight money laundering both in Canada and internationally. We are proactively engaged in combating this issue as evidenced by the profession’s participation at the Cullen Commission. The related activities incurred \$0.8 million in costs. CPA Canada continues to provide and develop education efforts to ensure its members have the necessary information to be aware of their AML obligations.

During the past fiscal year, CPA Canada reconsidered its overall strategy and foundational business operations, building infrastructures to strengthen the organization's approach to its project management, technology, legal, compliance and risk functions. While CPA Canada continues to carefully manage its expenses, it is critical for the organization to allocate resources to strengthen its ability to identify and proactively manage risks. Expenditures of \$3.0 million in 2020-21 were dedicated to these efforts. Insourcing subject matter expertise will also create the discipline that CPA Canada requires to continually manage and deliver long-term value to members and meet stakeholder expectations.

Fiscal 2020-21 was a highly unusual year in which many aspects of the business operations were altered by the global pandemic. This included opportunities for more efficient and effective use of our resources. As we move forward into fiscal 2021-22, CPA Canada's Business Plan anticipates that the total expenditure will return to pre-pandemic levels. This is necessary if CPA Canada is to continue to drive long-term value and sustainability for the profession and prepare its members for the future.

SUMMARY FINANCIAL STATEMENTS

Management Responsibility for Financial Reporting

The accompanying summary financial statements and all other information contained in this annual report are the responsibility of the management of Chartered Professional Accountants of Canada (CPA Canada). The summary financial statements have been prepared by management and are derived from the audited financial statements of CPA Canada prepared in accordance with Canadian accounting standards for not-for-profit organizations and have been approved by the board of directors.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of CPA Canada, which includes adherence by all employees to CPA Canada's Code of Conduct. Management maintains a system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial information. Such information also includes data based on management's best estimates and judgments.

The audit committee reviews the summary financial statements and recommends them to the board of directors for its approval. In addition, the audit committee meets periodically with management and the external auditors, and reports to the board of directors thereon. The audit committee also reviews the annual report in its entirety.

The accompanying summary financial statements have been audited by the auditors who are engaged by the board of directors on the recommendation of the audit committee and whose appointment was ratified at the Annual Meeting of Members. The auditors have access to the audit committee, without management present, to discuss the results of their work.



Charles-Antoine St-Jean, FCPA, FCA
President and Chief Executive Officer

Report of the Independent Auditor on the Summary Financial Statements

To the Members of Chartered Professional Accountants of Canada

Opinion

The summary financial statements, which comprise the summary statement of financial position as at March 31, 2021, and the summary statements of operations, changes in net assets and cash flows for the year then ended, and related note, are derived from the audited financial statements of Chartered Professional Accountants of Canada (“CPA Canada”) for the year ended March 31, 2021.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the criteria described in the note to the summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited financial statements of CPA Canada and the auditor’s report thereon.



Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
June 16, 2021

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated June 16, 2021.

Management’s Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the criteria described in the note to the summary financial statements.

Auditor’s Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Summary Statement of Financial Position

as at March 31

	2021 (\$000's)	2020 (\$000's)
ASSETS		
Cash and cash equivalents	\$ 32,014	\$ 23,581
Accounts receivable and other assets	16,408	14,900
Investments	82,257	79,379
Capital assets	5,860	6,977
	\$ 136,539	\$ 124,837
LIABILITIES		
Accounts payable and accrued liabilities	\$ 20,837	\$ 20,962
Deferred revenue	10,152	14,983
Post-retirement benefits	25,294	26,376
Deferred lease incentives	1,970	2,259
	58,253	64,580
NET ASSETS		
Invested in capital assets	3,992	4,832
Internally restricted for strategic initiatives	21,000	—
Unrestricted	53,294	55,425
	78,286	60,257
	\$ 136,539	\$ 124,837

On behalf of the Board,



Amanda Whitewood, FCPA, FCMA
Director



D. R. (Dan) Little, FCPA, FCA
Director

Summary Statement of Operations

for the year ended March 31

	2021 (\$000's)	2020 (\$000's)
REVENUES		
Members' fees	\$ 70,882	\$ 70,367
Certification education programs	26,165	26,404
Professional development, products and services	25,649	26,805
Investment income	8,852	769
International programs	722	570
<i>Pivot Magazine</i>	608	849
	132,878	125,764
EXPENSES		
Certification education programs	26,271	26,523
Finance and administration	23,222	19,440
Professional development, products and services	19,205	26,282
Governance and international relations	16,721	18,374
Standards	11,236	13,217
Marketing, communications and public affairs	9,057	9,990
Research, guidance and support	5,264	6,642
<i>Pivot Magazine</i>	2,513	2,647
International programs	1,230	1,962
Financial literacy programs	989	1,645
	115,708	126,722
EXCESS OF REVENUES OVER EXPENSES		
(EXPENSES OVER REVENUES)	\$ 17,170	\$ (958)

Summary Statement of Changes in Net Assets

for the year ended March 31

	Invested in Capital Assets	Internally Restricted for Strategic Initiatives	Unrestricted	2021 (\$000's)	Invested in Capital Assets	Unrestricted	2020 (\$000's)
Balance, beginning of year	\$ 4,832	\$ —	\$ 55,425	\$ 60,257	\$ 3,735	\$ 51,868	\$ 55,603
Excess of revenues over expenses (expenses over revenues)	—	—	17,170	17,170	—	(958)	(958)
Amortization of capital assets	(1,634)	—	1,634	—	(1,532)	1,532	—
Amortization of deferred tenant inducements	277	—	(277)	—	277	(277)	—
Purchase of capital assets	517	—	(517)	—	2,374	(2,374)	—
Disposal of capital assets	—	—	—	—	(22)	22	—
Defined benefit credit – remeasurements and other items	—	—	859	859	—	5,612	5,612
Inter-fund transfer	—	21,000	(21,000)	—	—	—	—
Balance, end of year	\$ 3,992	\$ 21,000	\$ 53,294	\$ 78,286	\$ 4,832	\$ 55,425	\$ 60,257

Summary Statement of Cash Flows

for the year ended March 31

	2021 (\$000's)	2020 (\$000's)
OPERATING ACTIVITIES		
Excess of revenues over expenses (expenses over revenues)	\$ 17,170	\$ (958)
Adjustments to determine net cash provided by (used in) operating activities:		
Amortization of capital assets	1,634	1,532
Loss on disposal of capital assets	—	19
Capitalized investment income	(3,419)	(1,963)
Unrealized depreciation (appreciation) in fair value of index pooled funds	(5,018)	2,615
Post-retirement benefits	(223)	(4)
Amortization of deferred lease incentives	(289)	(289)
	9,855	952
Change in non-cash working capital items	(6,464)	(5,603)
	3,391	(4,651)
INVESTING ACTIVITIES		
Purchase of investments	(11,970)	(33,458)
Proceeds on sale of investments	17,529	52,870
Purchase of capital assets	(517)	(2,374)
Proceeds on disposal of capital assets	—	3
	5,042	17,041
Net change in cash and cash equivalents	8,433	12,390
Cash and cash equivalents, beginning of year	23,581	11,191
Cash and cash equivalents, end of year	\$ 32,014	\$ 23,581

Note to Summary Financial Statements

for the year ended March 31, 2021

Basis of Presentation

These summary financial statements are derived from the audited financial statements of Chartered Professional Accountants of Canada (“CPA Canada”) for the year ended March 31, 2021, which were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Management prepared these summary financial statements using the following criteria:

- a) the summary financial statements include a statement for each statement included in the audited financial statements;
- b) information in the summary financial statements agrees with the related information in the audited financial statements; and
- c) major subtotals, totals and comparative information from the audited financial statements are included.

The audited financial statements of CPA Canada are available on the [CPA Canada website](#).





CPA

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